

Approved:

by the General Meeting of Partners of the
Georgian Securities Central Depository
October 25, 1999

Amended:

by the General Meeting of Partners of the
Georgian Central Securities Depository on:
February 28, 2000

Amended

by the Supervisory Board of the
Georgian Central Securities Depository on:

December 6, 2001

September 11, 2002

October 25, 2002

February 12, 2004

May 19, 2006

September 4, 2006

November 16, 2006

December 29, 2008

November 22, 2010

**RULES ON OPERATIONS AND PROCEDURES
OF THE GEORGIAN SECURITIES CENTRAL
DEPOSITORY**

CHAPTER I. DEFINITIONS

1. Scope of Application of Definitions

1.1 In these Rules on Operations and Procedures of JSC Georgian Central Securities Depository (hereinafter referred to as the Central Depository or GCSD), in other GCSD rules and in agreements of which the GCSD is one of the parties, the terms defined below shall have the following meanings, except for the cases when it is clear from the text that the meaning of the term is different from the definition given below.

1.2 The terms that are not defined in Article 2 of these Rules shall have the meanings defined in the legislation of Georgia.

Article 2. Defined Terms

2.1 *Law* - the Law of Georgia on the Securities Market.

2.2 *Securities Legislation* – all legal acts and bylaws related to the Georgian security market.

2.3 *Person/Entity* – a resident or non-resident physical person or legal entity.

2.4 *Account* – securities account or cash account – an electronic record kept at the Central Depository that reflects the Account Holder's Ownership Position. Accounts can be of six different categories: 1) Member's Proprietary Accounts; 2) Trading Member's Client Accounts; 3) Custodian Member's Omnibus Client Accounts; 4) Custodian Member's Segregated Client Accounts; 5) Correspondent Accounts; 6) Temporary Operations Accounts.

2.5 *Account Holder* – a Client of the GCSD, recorded as an account holder at the Central Depository, entitled to carry out operations on this account in compliance with the GCSD Rules.

2.6 *Settlement* – transfer of the right on ownership of securities and/or cash in accordance with the Trade terms, the Central Depository Rules and Instructions on Operations Procedures.

2.7 *Settlement Date* - the date on which the ownership rights are transferred from the seller of securities to the buyer.

2.8 *Off-Exchange Transaction* – trade of securities conducted in compliance with the securities legislation but not during the exchange trading session.

2.9 *Registration of an Off-Exchange transaction* – registration through the Exchange Trade System of an Off-Exchange Transaction made by a brokerage

company in compliance with the Securities Legislation and the Stock Exchange rules.

- 2.10 *Off-Exchange Securities*** – securities that are not Exchange-Traded Securities.
- 2.11 *Exchange*** - a stock exchange licensed according to the provisions of the Law and serviced by the Central Depository.
- 2.12 *Pledge Account*** – an account for recording ownership positions subject to pledge..
- 2.13 *Order*** – a decision, order, resolution or an instruction of the Central Depository management body.
- 2.14 *Trade/Transaction*** – an agreement made by GCSD Clients on disposition of securities. In case of an Exchange Trade/Transaction, the term “Trade/Transaction” shall be defined in compliance with the rules of the Exchange that receives clearing/settlement services from the Central Depository, while in case of an Off-Exchange Transaction the term shall be interpreted in compliance with the legislation and the Central Depository Rules.
- 2.15 *Trade-for-Trade Settlement*** - a form of Settlement offered by the Central Depository. Settlement occurs between the counter-parties specified on the Trade to be settled and is conditional upon the availability of funds and securities at the moment of settlement.
- 2.16 *Transaction Date*** - the date on which a Transaction was made.
- 2.17 *Admitted Securities*** – the securities regarding which the Central Depository can fulfill operations.
- 2.18 *Temporary Operations Account*** – an account of the Central Depository’s Client that can be opened only based on the recommendation of a Member who is responsible for compliance of the transaction with the requirements of the legislation and the Rules of the Central Depository.
- 2.19 *Pledge Position***– an ownership position that is subject to pledge.
- 2.20 *Free Position*** – ownership position not subject to pledge.
- 2.21 *Institutional Member*** – a member who does not have the status of a Custodian Member or a Trading Member and is one of the following entities: a commercial bank, an insurance organization, an investment bank, a brokerage company, a collective investment scheme (an investment fund, a pension fund, etc.) or any other financial institution or an issuer whose securities are admitted to the Central Depository.

- 2.22 *Instructions on Operations Procedures*** – instructions approved by the management body of the Central Depository specifying the rules of providing services to account holders by the Central Depository.
- 2.23 *Custodian*** – an entity or person who, as a nominee holder, safekeeps and records securities and funds of its clients.
- 2.24 *Custodian Member*** – a Member who provides custodian services and does not have the status of a Trading Member.
- 2.25 *Custodian Member Client Omnibus Account*** – an omnibus account of a Custodian Member: a) opened for each nominee holder client of the Member and used for aggregated recording of securities and funds of the nominee holder's clients (investors); or b) opened for Registered Owner clients of a Member and used for aggregated recording of their securities and funds.
- 2.26 *Custodian Member Segregated Client Account*** – an account of a Custodian Member used to make separate records of each investor's securities and/or funds held by the Member as a nominee holder.
- 2.27 *Custodian Services*** – recording and safekeeping as a nominee holder (with custody rights), of clients' securities and funds. .
- 2.28 *Clearing*** – the process of preparing settlement of a Trade, including Trade reporting, Trade correction and Trade cancellation (including: checking, reconciliation and, in some cases confirmation of security transfer orders, payment orders and instructions before settlement. This may include: determination of net positions (netting) for further settlement; determination of parties obligations related with Trades – collection, reconciliation, and correction of information as well as preparation of documents for recordkeeping – and offsetting parties mutual obligations during delivering of the securities
- 2.29 *Corporate Actions*** – issuer's (company's) actions carried out with regards to issued securities and has direct effect on all owners of these securities.
- 2.30 *Regulatory Body*** – the national regulatory body of the securities market.
- 2.31 *Trading Member*** – a Member entitled to trade at the Exchange.
- 2.32 *Trading Member Client Account*** – a Trading Member's account used for recording securities and/or funds transferred by a client to the Member for nominee holding.
- 2.33 *Registered Owner*** – a person meeting one of the following requirements:

- a) is a Registered Holder of securities (with the exception of Nominee Holders);
- b) has a written agreement with a Nominee Holder allowing it to act in compliance with the Registered Owner's interests;
- c) as an owner of securities receives monetary profit;
- d) is entitled to dispose a voting right related to securities;
- e) has a right to become a Registered Owner of securities.

2.34 *Registered Holder* – an owner or Nominee Holder of securities who is registered in the Securities Register or a Nominee Holder's records.

2.35 *Settlement Bank* – banking institution(s) selected by the Central Depository for cash transfers between the Central Depository and its Members. The Members and the Central Depository shall have accounts opened with this Bank(s).

2.36 *Exchange-Traded Securities* – securities which, in compliance with the active legislation and the Exchange rules, are admitted to the trading system of an Exchange receiving clearing/settlement services from the Central Depository.

2.37 *Exchange Transaction* – a trade transaction made during an Exchange trading session.

2.38 *Brokerage Company* – a legal entity licensed in compliance with the law to carry out brokerage activities.

2.39 *Trading Account* – an account opened for a holder of a Safekeeping Account by the Central Depository, based on the Account holder's instruction, for the purpose of implementing an Exchange Trade and recording the Ownership Position subject for trading at an Exchange. If an Account Holder makes trades through more than one Member, respective number of Trading Accounts shall be opened.

2.40 *Clearing Account* – an account maintained by the Central Depository for recording funds received from and paid to Members through the Central Depository's accounts opened at the Settlement Bank(s).

2.41 *Ownership Position* - the amount of securities and/or cash held on the account(s) with the Central Depository.

2.42 *Correspondent Account* – an account that may be held only by a central depository of a foreign country or an international Depository. This account is used for aggregated recording of such depository's clients' securities and/or funds.

- 2.43 Segregated Account** – an account opened by a Member for an individual investor for recording the investor’s securities and funds.
- 2.44 Omnibus Account** – an account opened for two or more investors in order to keep aggregated records of their securities and funds.
- 2.45 Registrar of Securities** – a) in case of corporate securities – the securities registrar licensed in compliance the legislation of Georgia; b) in case of government securities – the National Bank of Georgia or a commercial bank licensed in compliance the legislation of Georgia; c) in case of foreign securities – an international securities depository or the central depository of a foreign country.
- 2.46 Safekeeping Account** – an account with free positions.
- 2.47 Member** – a person who is entitled under the Law and the Central Depository Rules to become a Member, meets the requirements of the Rule on Members of the Georgian Central Depository of Securities, has an appropriate agreement (on membership, services) and is entitled to receive various services offered by the Central Depository.
- 2.48 Member’s Client** – a person who has an appropriate agreement with the Central Depository Member.
- 2.49 Member’s Client Account** – an account opened by a Member at the Central Depository in order to record the client’s securities and funds. Such accounts are: Trading Member’s Client Accounts , Custodian Member’s Omnibus Client Accounts and Custodian Member’s Segregated Client Accounts .
- 2.50 Member’s Proprietary Account** – an account where the Account Holder is a Member of the Central Depository and where the Member’s Ownership Position is recorded.
- 2.51 Client of the Central Depository** – the person receiving depository services from the Central Depository.
- 2.52 Working days of the Central Depository** – every day except Saturdays, Sundays and official holidays.

CHAPTER II. GENERAL PROVISIONS

Article 3. Scope of the Rules

- 3.1 This document (hereinafter "the Rules") is worked out in accordance with the Securities Legislation and the Charter of the Central Depository.

3.2 Functions of the Central Depository are: nominee ownership of securities, central clearing and settlement of operations relating to security transactions and other services provided for in the rules set by the regulatory body and the Central Depository.

3.3 These Rules define services offered by the Depository and the procedures for their implementation. Besides, these Rules set forth rights and responsibilities of the GCSD and its Members. The additional rights and responsibilities of the GCSD and its Members are defined by other rules and agreements of the GCSD.

3.4 The details of the Central Depository services, as well as the rights and obligations that the parties have when securities are sold through a Special Stock Exchange Auction are defined by an agreement made between the organizer of the Special Stock Exchange Auction and the seller.

Article 4. Operation Procedures and Forms

4.1 The GCSD adopts Instructions on Operational Procedures that define detailed procedures of services provided by the GCSD, forms of documents, rules of their processing, terms, etc. Operational Procedures are mandatory for all Members.

Article 5. Orders of the Central Depository

5.1 Orders issued by the management body of the Central Depository are obligatory for every Member.

Article 6. Foreign Depositories

6.1 The Central Depository may enter into agreements with a foreign depository, including central depositories of foreign countries and international securities depositories (hereinafter a Foreign Depository).

6.2 A Foreign Depository can maintain accounts and have securities at the Central Depository. The Central Depository can make agreements with Foreign Depositories. Foreign Depositories can keep securities bought for their clients at their own (correspondent) accounts in compliance with the Georgian legislation and the Rules and Procedures of the Central Depository.

Article 7. Relations with Non-Members

7.1 The GCSD may, without limitation, conclude separate agreements with banks, securities registrars, exchanges and other entities, the relations with which is necessary for the operation of the Central Depository.

8. Accounting Books and Records

8.1 The GCSD, according to the existing rules and necessity, shall keep books, ledgers, and records for Members and Account Holders. The books and records of the GCSD shall be maintained according the Operational Procedures.

9. Confidentiality of the Information

9.1 The General Director of the Central Depository and those employees who have access to its records shall ensure confidentiality of information received when performing their duties and assignments.

9.2 Information such as an Account Holder's identity, Ownership Position, and deals, or a Member's Ownership Position and history of transactions related to these positions, as well as information and main facts about activities of Account Holders, their financial status or prospects shall be kept confidential.

9.3 The obligation of employees and the General Director on ensuring confidentiality of information remains effective during three years after the end of their term of service or completion of obligations.

9.4 The General Director and employees of the Central Depository, as well as its former General Directors and employees, are not obliged to ensure confidentiality of information, if:

- a) data or information is public or otherwise available to the public;
- b) information is of statistical nature, cumulative or designed without any indications to the identity of an Account Holder or a Member.

9.5 Employees and the General Director of the Central Depository, as well as its former employees and General Directors, may disclose confidential information based on the relevant decision of the General Director of the Central Depository to:

- a) the regulatory body, court or other government body, within legally established frames of authority;

Article 10. Fees, Penalties and Fines

10.1 Payment for the services offered by the Central Depository shall be listed in the Table of the Central Depository Fees (Annex N1) submitted to the Members and other Account Holders. The Table of the Central Depository Fees shall provide the method and/or formula for calculation of each fee.

10.2 The Central Depository is entitled to charge fines and penalties for violation of these Rules by clients. The fines and penalties shall be specified in the Table of Fees set forth in Paragraph 10.1 above. The Table of the Central Depository Fees shall also provide the method and/or formula for calculation of each fine and penalty.

10.3 The rule and term for sending the request for payment of fees, penalties and fines imposed to the Members, as well as rules and terms for payment of fees, penalties and fines to the Central Depository by the Members, shall be determined in the Instructions on Operational Procedures.

10.4 The Central Depository is authorized to collect penalties and fines during providing clearing and settlement services, in agreement with the Account Holder, or in cases when such penalties and fines are not paid within the term set in the Instructions on Operational Procedures.

CHAPTER III. ADMITTED SECURITIES

Article 11. Admission of Securities

11.1 The Supervisory Board of the Central Depository shall define the list of securities with which the Central Depository can perform operations. The Central Depository shall publish the list of admitted securities and make it available to the Members and general public. It must also update the list immediately when securities are added, suspended or excluded.

11.2 The policy of the Central Depository is to admit (based on a request of a Member or a Foreign Depository) or deny securities for services within the frames of its operational capability. Priority shall be given to the securities listed at stock exchanges or otherwise admitted to their trading system. In order to improve provision of services to its clients the Central Depository may promptly admit Off-Exchange securities in accordance with the Procedures of the Central Depository.

11.3 Admission of securities is carried out based on a recommendation of the Central Depository Member or the Stock Exchange with which the Central Depository has an agreement.

11.4 Off-Exchange securities are admitted based on a recommendation of a Member of the Central Depository, conditional that the Securities Register is maintained by a licensed Securities Registrar or (in case of foreign securities) if the Nominee Holder of the securities is the depository that has an Agreement with the Central Depository on corresponding relations.

11.5 Such recommendations shall be made in writing and have attached documents necessary for admission of securities in compliance with the GCSD Instructions of the Operational Procedures.

Article 12. Suspension and Resumption of Transactions with Admitted Securities

- 12.1 In the best interests of the Central Depository and its members, the General Director of the Central Depository is authorized to temporarily suspend transactions with admitted securities under the instruction of the State Regulator, or in case there is a reasonable rationale that this security does not meet the requirements of the Securities Legislation and/or there is a problem of securities re-registration through the Central Depository and/or Securities Registrar.
- 12.2 If a decision on suspension of transactions with an admitted security is made, the General Director shall notify the members, the stock exchange (if the security is admitted for trading at the stock exchange), respective registrar or a Foreign Depository and, if needed, raise before the Supervisory Board the issue of exclusion of the suspended security from the list of the admitted securities.
- 12.3 The General Director of the Central Depository is authorized to cancel suspension on transactions with the admitted security if the cause for the transaction suspension no more exists or has been extirpated. Notification on the above shall be delivered to the Members and the Stock Sxchange immediately.

Article 13. Exclusion of a Security from the List of Admitted Securities

- 13.1 The Supervisory Board of the Central Depository is authorized to make a decision on exclusion of a security from the list of admitted securities, under the instruction of the Regulator, or if the security does not comply with the Securities Legislation , or there is a problem of re-registration of the security through the Central Depository and/or Securities Registrar.
- 13.2 If the Central Depository excludes a security from the list of admitted securities, it shall register the ownership positions of this security on the accounts of respective Account Holders at the Securities Registrar.
- 13.3 If the decision on exclusion of security has been made, the Central Depository shall notify all Members, the Stock Exchange (if the security is admitted for trading at the Stock Exchange), respective Securities Registrar or a Foreign Depository no later than within the period set in the Instructions on Operational Procedures.

CHAPTER IV. SECURITIES AND CASH ACCOUNTS

Article 14. General Provisions

- 14.1 Account is an electronic record maintained by the Central Depository, reflecting Ownership Positions held by an Account Holder at the Central Depository. The number of the securities and amount of funds held by an Account Holder and the related ownership rights are determined according to Ownership Positions reflected on the accounts.

- 14.2 Rights and obligations related to ownership of securities and funds shall be considered purchased from the moment when the Ownership Position is recorded at the Central Depository on the account of the Account Holder. The owner is changed upon transfer of the Ownership Position from the account of the previous Account Holder to the account of new Account Holder.
- 14.3 Accounts opened with the Central Depository may be of three types: (1) Safekeeping Account where free Ownership Positions are recorded; (2) Pledge Account where pledged Ownership Positions are recorded; and (3) Trade Account where Ownership Positions targeted for Exchange trading are recorded.
- 14.4 According to the types of Account Holders and/or Registered Owners, the Central Depository maintains the following categories of accounts: 1) Member's Proprietary Accounts; 2) Trading Member's Client Accounts; 3) Custodian Member's Omnibus Client Accounts; 4) Custodian Member's Segregated Client Accounts; 5) Correspondent Accounts; 6) Temporary Operations Accounts.
- 14.5 Members legally authorized to become Nominee Holders of securities may open a Member's Client an account where the identity of a beneficial owner is known to the Member and may or may not be disclosed to the Central Depository depending on the client's order.
- 14.6 In order to open a Client's Account a Member shall be duly authorized to do so. If such a right exists, there must be an Agreement between the Member and the Registered Owner authorizing the Member to become a Nominee Holder on behalf of the Registered Owner.
- 14.7 Every Member is entitled to open a Member's Proprietary Account for safekeeping of the Member's own funds.
- 14.8 A Custodian Member has a right to open Custodian Member's Omnibus Client Accounts and Custodian Member's Segregated Client Accounts.
- 14.9 A Trading Member has a right to open Trading Member's Safekeeping Client Accounts that shall be segregated according to clients.
- 14.10 When a Member's Client Account is opened, the Member shall confirm to the Central Depository existence of a Nominee Holder Agreement between the Member and the client whose account is being opened and based on which the Member is authorized to transfer the securities and/or funds to the Central Depository for nominee holding. The Member which opens the Member's Client Account shall identify in its own records the Registered Owner of the Ownership Position (and all Registered Owners of Ownership Positions - in the exceptional cases when the Trading Member opens a Temporary Aggregated Safekeeping Client Account)

- 14.11 In exceptional cases, for accomplishing of a specific task, a Trading Member has a right to open a Trading Member's Temporary Aggregated Client Account. This Account can be used for aggregated recording of securities and funds of the Member's clients if: a) the clients have given respective orders to the Member (e.g.: only sale or purchase of the same security etc.) and b) the clients agreed to aggregation of their funds on one Aggregated Account. Immediately upon opening such an account the Member shall inform the Central Depository using the form provided for in the Instructions. The Members shall be prohibited to make any transactions within aggregated accounts (between respective clients). No later than within one week after accomplishment of the task the account shall be closed and respective information shall be provided to the Central Depository in the form defined by Instructions. In order to carry out settlement for clients who had only aggregated accounts the Trading Member shall open Segregated Accounts for such clients. The Trading Member is fully responsible to the client for any operations performed at the aforementioned segregated account, including settlement.
- 14.12 Based on a Member's recommendation a Temporary Operations Safekeeping Account can be opened for a non-member client in compliance with the Central Depository Rules and Instructions on Operations Procedures.
- 14.13 The Central Depository shall in the first place maintain Safekeeping Accounts as the main accounts of the Account Holder. In case of necessity, in order to ensure provision of services, the Central Depository may open other securities/cash accounts for an Account Holder, including Trading Accounts and Pledge Accounts.

Chapter V. SECURITIES SAFEKEEPING ACCOUNTS

Article 15. Opening of Safekeeping Accounts

- 15.1 Securities Safekeeping Accounts (provided for in Article 14) with the Central Depository may be opened to the Central Depository Clients, including accounts to its Members for their clients.
- 15.2 The Service Agreement (on Nominee Holding) made with the Central Depository, provides an Account Holder with the right to register the Account Holder's securities with the Securities Registrar, on behalf of the Central Depository and authorizes the Central Depository to execute other transactions with the securities on behalf of the Account Holder. The above agreement shall be concluded in compliance with the sample form given in Appendix N3.
- 15.3 Securities Temporary Operations Account shall be opened only for settlement of Off-Exchange Transactions.

Article 16. Closing of Securities Safekeeping Accounts

- 16.1 The Securities Safekeeping Account may be closed upon such request of an Account Holder. Securities Safekeeping Account shall be closed only if no ownership position remains on the account and relevant Pledge and Trade Accounts. The Central Depository shall send an email notification to the Account Holder regarding implementation of the order.
- 16.2 The Temporary Operations Account shall be closed immediately upon transaction settlement and withdrawal of securities from the account, in compliance with the Instructions on Operating Procedures.

Article 17. Deposit and Disposition of Securities

- 17.1 In order to deposit securities, the registered owner of the securities shall instruct the Securities Registrar to register its securities (partially or in total) in the name of the Central Depository, as a Nominee Holder. The Securities Safekeeping Account of an Account Holder shall be credited by the admitted securities in compliance with the Instruction on Operational Procedures, only when the Central Depository receives the Registrar's notification on the securities registration. After this, the deposit is final and all disputes that may arise with regards to the ownership rights shall be settled by an agreement between the parties or through court / arbitration.
- 17.2 Disposition of securities is allowed only on the basis of the Account Holder's order, in accordance with the Instructions on Operational Procedures and approved forms of the Central Depository. This order shall include an instruction to register the securities with the Securities Registrar in the name of the account holder. The Central Depository shall give the relevant instruction to the Securities Registrar, whereupon the disposition is considered completed and final. Any disputes that may arise thereafter in relation to the ownership rights shall be settled by an agreement between the parties or through court / arbitration.

Article 18. Securities Transfer

- 18.1 The Account Holder may instruct the Central Depository to transfer securities free positions from the Safekeeping Account to relevant Trade or Pledge Accounts and/or other Safekeeping account. Order on transfer of securities free positions to another account shall be made in writing, with the use of the form required under the Instructions on Operational Procedures of the Central Depository. Thereafter the transfer shall be deemed completed and final.
- 18.2 Securities from the Temporary Operations Account may be transferred only to an account of an off-exchange transaction party for the purpose of the transaction settlement

Article 19. Changes Not Related to the Exchange Transactions

- 19.1 Recording of the changes to the account holder's private data or to the Ownership Position and other changes, not related to exchange transactions, shall be carried out based on the Account Holder's instruction, in compliance with the GSCD rules or under the decision of the regulatory body, self-regulatory organization or court, in compliance with the rules set under the active legislation.
- 19.2 Orders on changes provided for in Paragraph 19.1 above, shall be standardized in compliance with the form and content required under the Instructions on Operational Procedures of the Central Depository.

Chapter VI. CASH ACCOUNTS

Article 20. Opening Cash Saving Account

- 20.1. Cash Saving Accounts, provided in Article 14 of the present Rules, may be opened at the Central Depository for clients of the Central Depository and a Member for its clients. Cash Saving Accounts are being opened upon opening the Securities Safekeeping Account.
- 20.2. A Temporary Operations Account for cash saving shall be opened for Non-Member Client on the basis of the Member's recommendation as required under the paragraph 14.12.

Article 21. Closing Cash Accounts

- 21.1. A Cash Saving Account is closed along with closing Securities Safekeeping Account, or on the basis of the Account Holder's request. The Cash Saving Account shall be closed only if no balance is recorded on it. A Temporary Operations Account for cash shall be closed upon completion of settlement for Off-Exchange transaction (for which the account was opened) and cash disposition from the account in conformity with Instructions on Operations Procedures. The Central Depository shall send the notice to the Account Holder on closing the account via e-mail.

Article 22. Placement of Cash Deposit

- 22.1. Client of the Central Depository deposits its own funds to the Clearing Account opened in its name at the Central Depository, by transferring respective amount from its Settlement Account at the Settlement Bank to the Aggregated Account of Clients of the Central Depository in the same bank. On the basis of the Client's deposit order and information from the Settlement Bank on incoming transfer, and

in the event of coincidence of data between these two, the Central Depository shall deposit respective amount to the Client's cash Saving Account via the Client's Clearing Account.

- 22.2. In the event of inaccuracy even of one figure, detected through reconciliation between the Client's deposit order and information on transferring funds from the Settlement Bank, the Central Depository shall send the notice to the Client on existence of an inconsistency. If such inconsistency can not be eliminated within the timeframe set under Instructions on Operations Procedures, the Central Depository shall transfer these funds temporarily from the Clearing Account to the Client's Transit Account and keep them prior to receipt of new deposit or any other order from the Client.
- 22.3. In the event cash is transferred from the Client's Account to the Aggregated Account of the Central Depository's Clients and is recorded on the Client's Clearing Account, though the Central Depository fails to receive the deposit order from the Client, the Central Depository shall temporarily transfer these funds to the Client's Transit Account and keep there prior to receipt of a new deposit or any other order from the Client.
- 22.4. Depositing cash of Member's Client(s) and allocation to the respective accounts shall be carried out through use of Client Aggregated Account in the Settlement Bank and Member's Clearing Account in compliance with paragraphs 22.1 – 22.3.

Article 23. Cash Transfer

- 23.1. Transfer of free positions of cash from Saving Account to the respective Trading (except Holder of the Temporary Operations Account) or Pledge Accounts, or / and to the other Saving Account shall be conducted on the basis of the order submitted to the Central Depository. Order on transferring free cash to the other account shall be made in the form defined by Instructions on Operations Procedures of the Central Depository. Thereafter transfer is completed and final.

Article 24. Cash Disposition

- 24.1. Cash disposition for all Clients of the Central Depository, except for Trading Members, shall be carried out on the basis of the order of Account Holder Client. Upon submission by Clients of the order on cash disposition to the Central Depository, the latter shall transfer funds from the Clients' Saving Accounts to Clearing Accounts of these Clients before the end of business day, and afterwards to their accounts in those banks, from which these funds were deposited to the Central Depository.
- 24.2. Cash disposition by Trading Members shall be conducted upon completion of settlement with respect to concluded Exchange or Off-Exchange transaction in the Central Depository, except for the case provided in Paragraph 24.3. Funds arrived

to the Saving Account shall be transferred by the Central Depository to the Clearing Accounts of Trading Members before the end of business day and afterwards to their accounts in banks from which these funds were deposited to the Central Depository.

- 24.3. In the event the Trading Member intends to keep cash on the Saving Account before the next Trading Session, such Member shall give the Central Depository an order on keeping the cash in conformity with Instruction Requirements on Operations Procedures. Following issuance of such an order, cash kept on the Saving Account shall be disposed according to Paragraph 24.1, on the basis of disposition order submitted by the Trading Member to the Central Depository.

Chapter VII. PLEDGE ACCOUNTS

Article 25. PLEDGE ACCOUNTS

- 25.1. Free positions of the Account Holder may be subject to pledge. After the Central Depository confirms existence of written agreement, Court decision or other written documents presenting legal basis for pledge and properly keeps original document or notarized copy, the Central Depository shall pledge position in favor of the person indicated in the document above. Upon pledge, Ownership Position subject to pledge shall be classified as pledged position and transferred from Account Holder's Safekeeping Account to its Pledge Account. Order on securities transfer to the Pledge Account is made in writing according to the form specified by the Instructions on Operations Procedures of the Central Depository.
- 25.2. Securities pledge may be terminated on the basis of the request by the order issuer or consent of a person in whose favor pledge was carried out or under other means specified by the Law. Upon pledge termination, securities pledged position regains free position status and it is transferred from Account Holder's Pledge Account to its Safekeeping Account.
- 25.3. Based on pledge conditions, the Central Depository shall fulfill any legal instruction of the Court or other competent body or legal request of a person in whose favor securities pledge was carried out and transfer these securities according to the instruction or request above, in compliance with the requirements under the Instructions on Operations Procedures.
- 25.4. Pledge order shall be standardized in accordance with the form and contents specified by the Instructions on Operations Procedures of the Central Depository.

Chapter VIII. TRADING ACCOUNT

Article 26. General Provisions

- 26.1. Use of Securities Trading Accounts shall be permitted only for concluding Exchange transaction with Exchange securities or for registration of Off - Exchange transaction through use of Exchange Trading System.
- 26.2. The Central Depository shall, on the basis of the Account Holder's order, open Trading Account by each Saving Account (except for Temporary Operations Account) for trading at the Exchange. Account Holder shall transfer certain investment funds to such Trading Account and entrust to the specific Trading Member to conduct trading transactions within the range of these funds at the respective Exchange. The order shall state the Exchange, where trade is to take place and the Trading Member who is authorized to trade from this Trading Account at the given Exchange. Trading Member's own and its Clients' Trading Accounts shall be managed by the Member itself, unless such Member when opening a Trading Account requested, as an exception, to transfer its Ownership Positions on these accounts under management (Nominee Holding) of the other Trading Member.
- 26.3. Number of trading accounts opened under the order of Account Holder may be as many as the number of Trading Members to whom the Account Holder gives the order to implement Exchange transaction at the specific Exchange.
- 26.4. Investment funds of the Account Holder shall be pledged on Trading Accounts by the Central Depository in the course of trading, which (only the Central Depository) has the right to dispose of funds on these accounts within the range determined by the orders of the Saving Account Holder and the information provided by respective Exchange on transactions concluded by the Authorized Trading Member within the range of these funds.

Article 27. Use of Securities and Cash Accounts for Transaction Settlement Purposes

- 27.1. For the purpose of selling securities at the Exchange, the Account Holder instructs the Central Depository to transfer securities from the Account Holder's Securities Safekeeping Account to the Trading Account of the Account Holder. The order on transferring securities to Trading Account shall be made in writing in the form prescribed by the Instructions on Operations Procedures of the Central Depository. For clearing and settlement purposes of the transaction concluded at the Exchange, it is necessary to credit securities or funds on the Trading Account in the amount specified by this Exchange. The securities transferred to the Trading Account shall be utilized for settlement of the transaction by the Settlement Date.
- 27.2. Investment funds shall be transferred to Trading Accounts from respective Saving Accounts, while balances left on Trading Accounts after settlement shall be transferred by the Central Depository to those Saving Accounts (securities and cash) from which investment funds were transferred to the Trading Account.

- 27.3. For the purpose of purchasing securities at the Exchange, the Client of the Central Depository, except for Trading Members, shall ensure crediting appropriate funds to its own Settlement Account in the Settlement Bank. For the clearing and settlement of the transaction, the Member shall ensure transferring of funds in the amount specified by the Exchange Rules, to the account of the Central Depository in the Settlement Bank, within the terms determined by the Instructions on Operations Procedures. The Central Depository shall record these funds in the Trading Accounts indicated in the Member's order in conformity with Article 22. And afterwards for the purpose of concluding transaction at the Exchange an order may be issued to the Central Depository on opening Trading Accounts and transferring these funds thereto. When opening Trading Accounts, it shall be indicated, which Trading Member is entrusted by the Account Holder with funds recorded on the Trading Account for concluding Exchange transaction. In addition, there shall be a consent of the Trading Member on management of such Trading Account.
- 27.4. The Member is responsible for returning these funds after settlement to Member's Clients.

CHAPTER IX. CLEARING AND SETTLEMENT FOR TRANSACTIONS CONCLUDED THROUGH THE EXCHANGE TRADING SYSTEM

Article 28. General Provisions

- 28.1. The Central Depository provides consecutive (transaction after transaction) settlement services of the Exchange transactions for its Members. Members agree to obey the clearing rules of the Exchange transactions and Instructions on Operations Procedures and meet the requirements necessary for the consecutive settlement of transactions.
- 28.2 Settlement services of the Central Depository are based on the principle of advance delivery of securities by the Securities Seller Account Holder and the advance payment of cash by the Securities Buyer Account Holder. Securities and funds aimed for settlement shall be recorded in the Account Holder's Trading Account before trading, within the term determined by the Instructions on Operations Procedures.

Article 29. Clearing

- 29.1. The Exchange provides the Central Depository with the information on Exchange transactions on the Trading Day, in the form and time-frame envisaged in the agreement concluded with the Exchange and the Instructions on Operations Procedures.

29.2. Information on the Exchange transaction shall include: time and date of the transaction, Seller Member Identity, Buyer Member Identity, Seller's Account Number (code), Buyer's Account Number (code), name of securities, amount of securities, buy / sell price of securities and overall value of the transaction.

29.3. Transactions shall be deemed final, with consideration of paragraph 29.4, immediately upon receipt thereof by the Central Depository from the Exchange and the Members shall not be entitled to change or revoke them.

29.4. The Central Depository is authorized to change or revoke settlement results of Exchange transaction only before it transfers cash to the Bank and makes transfer to the account of Registered Holder of securities at the Securities Registrar:

- a) Based on the request of the Exchange where transaction was concluded;
- b) On the basis of decision of the Regulator or Court;

Article 30. Accounts in the Settlement Bank

30.1. For the purpose of settlement of the Exchange transactions, in order to conduct inter-transfer of cash funds between the Central Depository and the Members, each Member shall open an account in the Settlement Bank / bank(s), appointed by the Central Depository. Each Member opens an account under the rule, that ensures segregated safekeeping of the Member's and its clients' funds in compliance with the Securities Legislation.

30.2 For the purpose of settlement of the Exchange transactions, in order to conduct inter transfer of funds between the Central Depository and the Members, the Central Depository opens accounts in all settlement banks. The Central Depository opens such accounts under the rule that ensures segregated safekeeping of the Member's and its Clients' funds from the funds of the Central Depository, in compliance with the Securities Legislation.

30.3. Non-Member clients of the Central Depository shall open an account in one of the settlement banks appointed by the Central Depository and use this account for inter-transfer of funds with the Central Depository for transaction settlement purposes. Details of this account shall be presented upon opening the Saving Account.

Article 31. Clearing Accounts

31.1. The Central Depository records the cash flow between the Central Depository and its Members on the Clearing Accounts, which are created for this purpose, in

compliance with the Instructions on Operations Procedures of the Central Depository.

Article 32. Settlement for Transactions Concluded through the Stock Exchange Trading System

- 32.1. The Central Depository shall transfer the amount of securities indicated in the transaction, on the Settlement Date, from the Seller's Securities Trading Account to the Buyer's Securities Trading Account, if there is sufficient number of securities in the Seller's Securities Trading Account and sufficient amount of cash needed for the settlement in the Buyer's Cash Trading Account.
- 32.2. On the Settlement Date, the Central Depository shall transfer funds from the Buyer's Trading Account to the Seller's Trading Account, if the terms of securities' transfer from the Securities Seller's Trading Account to the Securities Buyer's Trading Account are satisfied, and then acts in accordance with the paragraphs 22.3, 25.1 or 27.4.
- 32.2.1 Pursuant to transaction terms and Rules of the Central Depository, in the event of Exchange transaction, Settlement Date shall be set in conformity with Rules of that Exchange where transaction is being concluded. Any change of these rules, pertaining to service of the Central Depository shall be agreed between the Exchange and the Central Depository.
- 32.3. If the terms for transfer of securities from the Seller's Securities Trading Account to the Buyer's Securities Trading Account, stated in paragraph 32.1, are not satisfied on the Settlement Date, the Central Depository shall return securities from the Seller's Securities Trading Account to the related Safekeeping Account and also shall transfer the buyer's funds in accordance with the paragraphs 22.3, 25.1 or 27.4, based on the respective order of the Member.
- 32.4. The Central Depository shall not assume any responsibility for accuracy, timeliness and completeness of settlement between the Member and its Clients.
- 32.5. The Central Depository shall not be held liable for failure of the Settlement Bank to fulfill an order of a Member or Depositor or for incomplete (incorrect) fulfillment of such order by the Settlement Bank.

Article 33. Registration of Off-Exchange Transaction with Exchange Securities through the Exchange Trading System

- 33.1. Registration of Off-Exchange Transaction with Exchange securities by Members shall be possible through use of the Exchange Trading System as well as without it in conformity with the Law and the Exchange Rules.

- 33.2. Registration of Off-Exchange Transaction through use of Exchange Trading System shall be possible at any time in the course of the Exchange and the Central Depository business hours, except period allocated for trading sessions during the Exchange Trading Days.
- 33.3. In the event of registration of Off-Exchange Transaction through the Exchange Trading System, transaction may be secured with cash or not have the cash security.
- 33.4. When registering Off-Exchange Transaction through use of Exchange Trading System, if transaction is secured with cash, the Central Depository shall apply operations and procedures provided in Chapters V and VIII – IX of the present Rules. In such case Trading Accounts may be credited with any amount of securities and cash allocated for transaction.
- 33.5. When registering Off-Exchange Transaction through use of Exchange Trading System, if transaction is not secured with cash, the Central Depository shall apply the same operations and procedures except ones provided in Article 27, Chapter VIII. In this case Cash Trading Accounts are credited in compliance with Instructions on Operations Procedures as well as confirmation notice and instructions submitted by the transaction parties to the Central Depository.

Chapter X. SETTLEMENT FOR OFF-EXCHANGE TRANSACTION

Article 34. Settlement for Off-Exchange Transaction Concluded without use of the Exchange Trading System

- 34.1. Clients of the Central Depository and Members' Clients can conclude Off – Exchange Transactions with each other without using the Exchange Trading System for Exchange as well as Off-Exchange Securities, settlement of which will be implemented by the Central Depository based on Clients' orders. For this purpose, both parties of the transaction or Members assigned by them, whose clients are transaction parties, shall send confirmation notice on the concluded transaction to the Central Depository within a day following conclusion of transaction and further instructions with respect to settlement of this transaction in the standard form set under the Instructions on Operational Procedures of the Central Depository – separately for securities and cash settlements.
- 34.2. When concluding Off-Exchange transaction with Exchange Securities through the Central Depository, in order to secure requirement provided under the legislation, this transaction shall be concluded with participation of the Trading Member if not provided otherwise in the legislation.

- 34.3. Confirmation notice on concluding the Off-Exchange Transaction shall state the following: transaction identification number, date of concluding transaction and type (buy / sell), identity of the person giving instruction and his/her account number, counterparty (the other party of transaction) identity, name and identification code of securities, transaction price and quantity of sold / bought securities, total value of transaction, securities and cash settlement days. In addition, settlement scheme agreed by parties and number of settlement tranches are to be indicated.
- 34.4. For the settlement purposes, transaction parties or Members acting on the basis of their order, whose clients are transaction parties shall send instructions to the Central Depository on securities or cash settlements. Both instructions shall state: identification number of confirmation notice or of transaction, date of concluding transaction and type (buy / sell), identity of the person giving instruction and his/her account number, counterparty (the other party of transaction) identity, name and identification number of securities, transaction price and amount of sold / bought securities, total value of transaction, securities settlement day, deadline for cash payment. There shall be not less than one day between transaction conclusion date and the Settlement Date.
- 34.5. In the event of Off-Exchange transaction, Settlement Date shall be set by the transaction parties and notified to the Central Depository through confirmation notice of the concluded transaction and settlement instructions.
- 34.6. Based on request of Off-Exchange Transaction parties, for securing inter guarantees, the Central Depository may pledge Ownership Positions defined for transaction settlement prior to the Settlement Date stated in the instruction submitted to the Central Depository in conformity with Paragraph 36.4.
- 34.7. The Central Depository shall perform settlement only in the event of coincidence of all terms between the confirmation notice and instructions provided by both parties (whose clients are transaction parties) of the transaction or by Members under the order of such parties. At this time settlement can be made based on several consecutive instructions.
- 34.8. The Central Depository shall perform settlement on a Settlement Date during the period (from 15:30 PM to 16:00 PM) defined by Instructions on Operations Procedures. The Central Depository shall provide report on implemented settlement to both parties of the transaction on the same day or send via e-mail not later than the next business day.
- 34.9. On the Settlement Date the Central Depository shall transfer the amount of securities stated in the transaction (in case of completely secured transaction) from the Seller's Securities Safekeeping Account to the Buyer's Securities Safekeeping Account, provided that there is sufficient amount of securities on the Seller's

Securities Safekeeping Account and cash required for settlement on the Buyer's Saving Account.

- 34.10. On the Settlement Date, if terms for transfer of securities from the Seller's Securities Safekeeping Account to the Buyer's Securities Safekeeping Account are met, the Central Depository shall transfer funds from Buyer's Saving Account to the Seller's Saving Account.
- 34.11. The party liable for settlement failure shall be penalized in favor of the Central Depository in the amount stated in Annex #1. Prior to payment of this amount, the Central Depository retains the right to pledge cash or securities of the respective amount on the account of the infringer party.
- 34.12. Off-Exchange transaction may be secured with cash fully or in part, or exist without cash security. It is also feasible for the transaction to be fully secured with cash, but partly with securities. In case of partly secured or unsecured transaction, both parties of the transaction shall indicate about this in notice – instructions and also define exact terms and dates of settlement.
- 34.13. Settlement for Off-Exchange Transaction among holders of Temporary Operations Accounts shall be carried out under the responsibility of the Member, who recommended opening these accounts in the Central Depository.
- 34.14. The Central Depository shall not assume any responsibility for accuracy, timeliness and completeness of Off-Exchange Transaction Settlement between the Member and its clients.
- 34.15. The Central Depository shall not be held liable for failure of the Settlement Bank to implement Member's, Client's or Depositor's order or for partial (incorrect) implementation of such order by the Settlement Bank.

Chapter XI. CORPORATE ACTIONS

Article 35. Duties of the Central Depository

- 35.1 Corporate actions cover: global operations – consolidation, segmentation, conversion, which impact the amount or / and structure of the issuer's charter capital; Distributions involve: distribution of dividends in the form of cash or stock, allocation of bonuses, payment of bond interests and bond principal, issuance of rights and warrants, in the event of expulsion of shareholder (partner) allocation of his/her securities to the remaining or/and other shareholders (partners); Privileges involve: conduct of tender offers, in case of share issuance exercising the right of first refusal, implementation of rights and warrants, delivery of notification on general meetings of the shareholders; in addition, transformation of a company, merger or split in kind, change of name and status concerning the Account Holder –

to the Registered Owner as well as representative of the Registered Owner (Nominee Holder).

35.2 The Independent Registrar carries out corporate action on behalf of an issuer and on the basis of issuer's order. According to the Agreement (Annex No 2) between the Central Depository and the Securities Registrar, the Central Depository shall provide Securities Registrar with the data on Registered Owners and Nominee Holders recorded at the Central Depository indicating Ownership Positions by the record date determined by the issuer.

35.3 The Central Depository on the basis of notice received from Independent Registrar (or the Exchange to which it renders services) pertaining to corporate action taken by the issuer, shall temporarily suspend operations with securities of this issuer in conformity with the Law or / and fulfill instructions of the Securities Registrar for the purpose of registering those corporate actions that cause changes in Ownership Positions on Securities Accounts at the Central Depository.

35.4 In the event of implementing corporate Actions, the Central Depository, shall e-mail notice in accordance with Paragraph 37.3 on undertaken measures to those Members who got affected by these changes.

Article 36. Rights of the Central Depository

36.1. The Central Depository shall be entitled to receive clear instructions from Securities Registrar on corporate actions to be undertaken, so that new positions of all respective Securities Holders are precisely defined and rounded if necessary.

36.2. In the event of registration of the securities in nominee holding of the Central Depository based on the order of the Securities Registrar's Client, which for the given moment are not recorded on the Central Depository's Account (are not registered in its name), the Central Depository shall be entitled to receive the most recent information from the Securities Registrar on Issuer and Securities held by the Registrar, which is mutually agreed between the Registrar and the Central Depository.

Chapter XII. REPORTING

Article 37. Reporting for Clients of the Central Depository

37.1. The Central Depository submits the following reports to clients in the form of electronic files via e-mail:

37.1.1. The Statement from the Saving Account(s) in the following cases:

a) Once a year, at every calendar year-end, as of the last calendar date;

- b) Once a quarter, at the end of each quarter – as of the last calendar date;
- c) Only for Custodian Members once a month, at the end of each month, as of the last calendar date;
- d) After settlement of Off-Exchange Transaction registered through the Exchange Trading System;
- e) Statement on Ownership Positions for Members, except Trading Members, in case of depositing investment funds.

37.1.2. Report on Off-Exchange Transaction registered without the Exchange Trading System;

37.1.3. Only for Trading Members – List of existing Trading Account Positions in ownership of the Trading Member:

- a) Before each trading session (Start);
- b) At the end of each trading session (Finish).

37.2. Based on Clients' requests the Central Depository additionally, as far as possible, prepares the following reports:

37.2.1. Statement from the account for the requested date;

37.2.2. Account turnover statement for the requested period;

37.2.3. Statement on portfolio evaluation for the requested date;

37.2.4. Other information on their accounts as requested.

37.3. In the event of request the Central Depository, based on the Member's consent, can provide the statement to the Member's Client, whose identity is disclosed to the Central Depository from such Client's account.

Article 38. Errors

38.1. A Member shall be responsible to examine accuracy of report, stipulated in paragraph 39.1, through reconciliation with its own records.

38.2. A Member, upon detection of an error in any report, shall notify the Central Depository about this fact within the time-frame set under the Operations Procedures. If the Member fails to notify the Central Depository about the error to be corrected, during this period, in accordance with the Operations Procedures, it shall not have the right afterwards to submit a claim to the Central Depository with respect of this error and consequences proceeding therefrom.

38.3. If Trading Members after the Trading Session Completion have received the list of Trading Account Positions in their ownership as of the end of such session, the Central Depository shall, in the event provided in Subparagraph (a), Paragraph 31.4 of the present Rules, send the notice to Trading Members about its nullity and provide them with a new version of the list via e-mail.

Chapter XIII. LIABILITY, COMMUNICATION, AMENDMENTS AND SUPPLEMENTS

Article 39. Limitation of Liability

- 39.1. The Central Depository is liable for all kind of losses incurred as a result of incorrect debiting or crediting securities or cash funds on accounts opened at the Central Depository, or other actions performed by the Central Depository within the scope of its authority. The Central Depository is also liable for all other claims related to the loss due to its employee's or representative's negligence, fraudulent or criminal action.
- 39.2. The Central Depository is not liable for claims related to the securities ownership right, originated as a result of inappropriate application by the Member (or Account Holder) of Securities Trading Legislation or Rules of Self – Regulating Organization (SRO) or inaccurate or incomplete order received from the Member (or Account Holder).
- 39.3. The Central Depository shall provide no guarantee for consistent settlement of transactions, if transaction parties violate settlement terms. In case of such violation, violating party shall be liable for settlement failure.

Article 40. Segregation of the Central Depository from Member's Liability

- 40.1. Each Member shall avert the liability from the Central Depository for losses, obligations or incurred expenses, evaluations or claims of the third parties, also state taxes, fees or other expenses somehow related to any security placed on Securities Accounts and caused by indifference, negligence, mistake, submission of inaccurate information or fraudulent actions of a Member, members of its governance body, its employees or representatives, excluding the claims resulting from negligence, fraudulent or criminal actions of the Central Depository, members of its governance body, its employees or representatives.

Article 41. Force Majeure

- 41.1. The Central Depository shall not be held liable for the failure or delay of services / or order fulfillment, if caused as a result of natural calamity, sabotage, strike, as well as damages or defect of mechanic or computer systems, power supply system failure, governmental decree or any other reason, beyond control of the Central Depository.

Article 42. Reliance on Other Sources of Information

42.1. The Central Depository is authorized to rely on information provided from the Exchange, Settlement Banks and Securities Registrars including information on transactions executed at each Trading Session and reports on transfer of securities and cash in its name. The Central Depository shall not be liable for the loss incurred as a result of reliance on these sources of information.

Article 43. Telecommunication Service

43.1. The Central Depository shall not be held liable for distortion or loss of information provided through telecommunication means, in case a Member uses them to send or receive information to/from the Central Depository in order to give instruction. In addition, the Central Depository shall use all efforts to restore distorted or lost information or order. The Member shall not be entitled to require the Central Depository to reimburse losses or expenses or fulfill obligations determined by claims against telecommunication services.

Article 44. Communication

44.1. If not provided otherwise by these Rules, any notification from the Central Depository to Members shall be provided personally or through insured mail, e-mail, telephone or fax, or any means of computer data transmission. Notification shall be considered as delivered upon its receipt. In case of delivery by insured mail to the address indicated by the Member, a notification shall be considered received on the seventh business day following its sending. In case notification is delivered personally to the Member at such address, it shall be considered delivered upon receipt. If notification is transmitted through electronic or cable channels, telephone or fax, or through other means of instant delivery, notification shall be considered delivered upon receipt of confirmation.

44.2. Any notification sent by a Member to the Central Depository shall be in writing and delivered personally, through insured mail or fax to the address and fax number indicated below (or to the address or fax number periodically provided by the Central Depository to Members), if not provided otherwise by these Rules or Instructions on Operations Procedures:

JSC Georgian Securities Central Depository
74-a Chavchavadze Ave.,
0162, Tbilisi
Telephone: 22 07 18/ 49
Fax: 25 18 76

44.3 A notification shall be considered delivered to the Central Depository upon its receipt by the Central Depository. In case of sending notice by the Member through insured mail to the address specified in Paragraph 46.2 of this Article, it shall be considered delivered on the seventh business day (in case of local mail) following its mailing date, unless the insured letter is returned to the sender within this

period. If notification is delivered personally by the Member to the address above, or transmitted via electronic or cable channels, telephone or fax or through other communication means, the message shall be considered delivered upon receipt of confirmation on such delivery.

Article 45. Amendments and Supplements

45.1. Amendments and supplements to these Rules shall be made upon the decision of the Supervisory Board of the Central Depository. Proposed draft of amendments and supplements, as well as their interpretations, shall be distributed to all Members 14 days before the effective date of such amendments and supplements.