[Consolidated text incorporating amendments adopted in December 2012, October 2013, July 2014, December 2014, December 2015, March 2016, January 2018, March 2018, and October 2018]

Pursuant to Articles 220 and 298 of the Law on the Capital Market (*Official Gazette of the Republic of Serbia*, No. 31/2011) and Article 31, Paragraph 1, Item 2) of the Statute of the Central Securities Depository and Clearing House, the Board of Directors of the Central Securities Depository and Clearing House, at its 12th sitting, held on this 27th day of April, 2012, hereby adopts these

OPERATING RULES

OF THE CENTRAL SECURITIES DEPOSITORY AND CLEARING HOUSE

I. BASIC PROVISIONS

1. [1] The Central Securities Depository and Clearing House ('the CSD') shall be a joint-stock company responsible for the clearing, settlement and registration of transactions involving financial instruments.

[2] The CSD shall also be responsible for other duties, as provided for under legislation governing the capital market; takeovers of joint-stock companies; companies; banks; investment and pension funds; and privatisation; as well as under other laws.

2. The CSD shall perform the following activities:

- [1] Maintenance of the register of financial instruments;
- [2] Maintenance of records of financial instruments kept in issuers' accounts;
- [3] Maintenance and record of financial instrument accounts of CSD members and their clients;
- [4] Registration of rights of third parties with respect to financial instruments;
- [5] Maintenance of electronic records of financial instruments and safekeeping of securities in paper form;
- [6] Maintenance of cash accounts of CSD members, including operations involving payments and other yields on financial instruments;
- [7] Dematerialised registration of title to securities in paper form;
- [8] Clearing and settlement of transactions involving financial instruments and establishment of receivables and payables of CSD members and their clients following the settlement of mutual debts;
- [9] Transfer of financial instruments into accounts of members and their clients;
- [10] Transfer of title to financial instruments;
- [11] Determination and assignment of unique identification numbers of financial instruments;
- [12] Maintenance of the List of Codes denoting types of financial instruments;
- [13] Tasks related to corporate actions taken by issuers of financial instruments;
- [14] Depositing of shares in connection with takeovers of joint-stock companies;
- [15] Assessment of tax on the transfer of financial instruments, as provided for by legislation governing taxation;

- [16] Participation in activities of international organisations charged with registration, clearing and settlement, and co-operation with such organisations, and
- [17] Other tasks in connection with financial instruments.

3. These Operating Rules of the CSD shall govern:

- [1] Maintenance of registers;
- [2] Manner of opening and maintaining financial instrument accounts;
- [3] Manner of opening and maintaining cash accounts of CSD members;
- [4] Manner of clearing and settling payables arising from transactions involving financial instruments;
- [5] Manner of transferring title to financial instruments and other rights conferred by such instruments, as well as content of orders for transferring title and other rights ('transfer orders');
- [6] Manner of registering third-party rights with respect to securities, as well as content of orders for registering third-party rights with respect to securities ('registration orders');
- [7] Manner of safekeeping financial instruments;
- [8] Manner of performing corporate actions;
- [9] Manner of establishing and using guarantee funds and other methods of mitigating risk of non-compliance by CSD members, and
- [10] Other issues regarding the operation of the CSD.

4. [1] The CSD shall perform actions referred to in Item 2 of these Operating Rules on behalf of members of the CSD. Membership shall be open to the Republic of Serbia, the National Bank of Serbia, investment companies, credit institutions, market operators, regulated markets, fund management companies, and foreign legal entities that engage in the clearing and settlement or registration of financial instruments.

[2] The CSD shall perform actions referred to in Paragraph [1] of this Item electronically, by exchanging notifications and data with its members, pursuant to contracts governing mutual rights and obligations.

[3] Any and all data provided by an issuer to a CSD member, as well as any and all data provided by such member to the CSD, shall be deemed truthful, complete and accurate. Each CSD member shall be held liable for data provided to the CSD. The CSD shall not be liable for any damage caused to CSD members, issuers, holders of financial instruments, or third parties due to inaccurate data provided by a member or an issuer in the procedure of registration with the CSD.

[4] The CSD shall act pursuant to documents required under these Operating Rules and certified by a member, issuer or client, and submitted through a CSD member. Each CSD member shall be responsible for the documents submitted, which must be certified by being signed by an authorised officer and furnished with a seal, where the use of a seal is required under the general byelaws of the company in question.

[5] In the event that documents required under these Operating Rules are not submitted, the CSD shall, without being specifically requested to do so, obtain information from public registers substantiating the facts necessary for decision-making.

[6] The CSD shall also act pursuant to applications of members sent to the registered e-mail address of the CSD at office@crhov.rs accompanied by the requisite supporting documentation as envisaged by these Operating Rules and prepared in compliance with legislation governing electronic documents and electronic identification.

[7] The following applications may also be delivered to the CSD by e-mail at ezahtevi@crhov.rs, accompanied by the requisite supporting documentation as envisaged by these Operating Rules and proof of payment of the CSD fee:

- Application for publication of invitation to general meeting of shareholders;

- Application for issuance of the single shareholder record;

- Application for opening of deposited securities account;

- Application for amendment of information in proofs of transactions or messages;

- Application for shortening of settlement cycles;

- Application for posting of information on the CSD web site;

- Application for entry of OTC orders for clearing and settlement of transactions after the expiry of the clearing and settlement window, at the latest by 4.30 pm;

- Application for issuance of pro forma invoice for payment of CSD fee.

[8] An application or supporting documentation filed by a member, client, court, or other appropriate body seeking action by the CSD must contain the following information about the natural or legal person for which changes to data contained in CSD records are requested, or for which information is sought:

1) For a Serbian natural person: name, surname, and individual identification number;
2) For a foreign natural person: name, surname, passport number and country of issue; or individual identification number; or identification document number and country of issue;
3) For a Serbian legal person or sole proprietor: legal name, address of registered office, and registration number;
4) For a foreign legal person: legal name, address of registered office, and registration number assigned by the registry of the country of origin.

4a. Members shall be required to transfer the proceeds of the clearing and settlement of financial instruments, as well as of corporate actions, paid by the CSD into the accounts of CSD members maintaining lawful holders' financial instrument account, into the lawful holders' cash accounts immediately, or at the latest on the following day.

4b. [1] 'Corporate agent' means an investment firm that is a member of the CSD and maintains an issue account of an issuer and has entered into a corporate agency agreement with such issuer.

[2] An issuer may not have a corporate agency agreement with more than one corporate agent.

[3] The CSD shall register a change in the corporate agent of an issuer within three working days of having received an application to do so duly substantiated by the following documentation:

1) Application of the CSD member who is the new corporate agent for the issuer;
2) Application of the issuer containing a notice of the termination of the prior corporate agency agreement;
3) Corporate agency agreement with the new corporate agent of the issuer.

[4] An 'agent' within the meaning of these Operating Rules shall be deemed to include a corporate agent and/or investment firm that is a member of the CSD and provides services in connection with offering and selling financial instruments with or without buyback pursuant to an agreement with the issuer.

5a. The CSD shall open and maintain financial instrument accounts for the following categories of persons:

1) Serbian natural person ('FD');
2) Serbian legal person ('PD');
3) Foreign natural person ('FS');
4) Foreign legal person ('PS');
5) Sole proprietorship ('ST');
6) Privatisation consortium ('KZ');
7) Investment fund and pension fund maintained in a custody account ('FO');
8) Natural and legal persons maintained in a custody or omnibus account ('KS');
9) Persons maintained in an omnibus account ('ZR');
10) Bankruptcy estate ('SM').

II. CSD ACCOUNTS

5. The following types of financial instrument accounts may be opened and maintained with the CSD on behalf of members and their clients:

1) Issue accounts;
2) Proprietary accounts;
3) Deposited securities accounts;
4) Management accounts;
5) Omnibus or custody accounts;
6) Pledge accounts;
7) Co-ownership accounts, and
8) Deposit accounts, as well as other types of financial instrument accounts.

6. [1] The following cash accounts may be opened and maintained with the CSD:

1) Cash accounts of CSD members, and
2) Cash accounts of guarantee funds of CSD members.

[2] Cash accounts of the CSD shall be opened and maintained by the National Bank of Serbia.

III. REGISTRATION OF AN ISSUE OF FINANCIAL INSTRUMENTS

Assignment of Financial Instrument Identifiers

7. [1] An agent shall apply with the CSD for assignment of CFI code and ISIN on behalf of the issuer.

[2] The agent shall apply for assignment of CFI code and ISIN to the CSD completed by means of the client-side web application and substantiated by the following documentation:

1) Corporate agency agreement entered into between the agent and issuer;
2) Decision on the issuance of financial instruments;
3) Statute and/or Articles of Incorporation of the issuer, registered pursuant to legislation governing the registration of companies;
4) Proof of registration of a decision on an increase in capital adopted pursuant to legislation governing the registration of companies, where the application is submitted for an issue of shares due to an increase in the capital of the issuer;
5) Prof of consent by the National Bank of Serbia where the financial instruments being issued are denominated in foreign currency.

[3] The Articles of Association and Articles of Incorporation shall be submitted at the time of initial registration with the CSD. Where the Articles of Association and Articles of Incorporation have been amended, the relevant changes shall be notified at the time of the first subsequent application and shall be substantiated by a decision registering the amendments with the Business Registers Agency.

[4] Where the application for assignment of CFI code and ISIN is being made for the purpose of an initial public offering, it shall not be mandatory to submit a decision on the issue of shares.

[5] Where financial instruments are being issued by the Republic of Serbia, National Bank of Serbia, or a local authority, the CSD shall assign the CFI code pursuant to an application by the issuer and the relevant decision on the issue of financial instruments.

[6] Pursuant to an application for the assignment of CFI code and ISIN, the CSD shall assign the CFI code as envisaged under the List of Codes denoting types of securities and other financial instruments ('the Code List'), and the ISIN, and shall issue a certificate of assignment of CFI code and the ISIN within three working days of receiving a duly submitted application.

[7] The CSD shall assign a single ISIN to all financial instruments of an issuer that confer the same rights on a lawful holder and that share the same characteristics pursuant to the Code List.

[8] The CSD shall assign an existing ISIN to shares of an issuer that share the same characteristics with shares previously registered with the CSD (a procedure referred to as 'assimilation').

[9] Within one year of the issuance of the certificate of assignment of CFI code and ISIN, the issuer shall be required to apply, through a CSD member, for registration of the issue and registration of financial instruments in the issue account of the issuer

maintained with a corporate agent and in financial instrument accounts of lawful holders.

[10] In the event that the issuer fails to comply with the requirement of Paragraph [9] of this Item, the certificate of assignment of CFI code and ISIN shall be rendered ineffective.

Registration of Financial Instruments in Issue Accounts of Issuers

7a. [1] Following the assignment of a CFI code and ISIN, the agent shall input the application for registration of the issue by means of the CSD client-side web application and shall submit it to the CSD in writing accompanied by the requisite supporting documentation.

[2] The application referred to in Paragraph [1] shall be substantiated by a declaration of the face value of the financial instruments rounded to the first two decimal places, and a declaration of the book value of the shares rounded to the first six decimal places.

[3] Where debt financial instruments are issued, the application for registration of the issue in the issue account of the issuer shall be accompanied by the entry of the registration of the maturity and repayment schedule by means of the CSD client-side web application and its submission to the CSD in writing.

[4] In the event of amendment of the original decision to issue financial instruments used to substantiate the application for assignment of CFI code and ISIN, the amended decision shall be submitted to the CSD as part of the updated documentation.

[5] Pursuant to a duly submitted application accompanied by the requisite supporting documentation as envisaged under Items 7b to 19g of these Operating Rules, the CSD shall register the issue in the issue account of the issuer and shall assign the securities a uniform Financial Instrument Short Name (FISN) within three working days of receiving a duly submitted application.

7b. [1] The CSD shall register shares in the issue account of a business incorporated or registered with the Business Registers Agency as a joint-stock company, as envisaged by companies legislation, pursuant to the following documentation:

1) Application submitted by the issuer via an agent;
2) Procedural decision of the Business Registers Agency registering the joint-stock company and substantiating the authorised capital of the joint-stock company.

[2] Where a joint-stock company is to be incorporated with a non-cash capital contribution that includes securities and money market instruments, the CSD shall simultaneously transfer title to the securities and money market instruments from the founder of the joint-stock company.

8. [1] The CSD shall register securities issued by means of a cash contribution to the equity of the issuer made in full in a public offering accompanied by a prospectus, in accordance with legislation governing the capital market, in the issue account of the issuer pursuant to the following documents:

1) Application submitted by the issuer via an agent ;

2) Procedural decision of the Securities Commission approving the publication of the prospectus;
3) Report on the outcome of the public offering with proof of submission to the Securities Commission;
4) Certificate of subscription and payment of securities issued by the CSD members that administered the subscription and payment of the securities in question.

9. [1] The CSD shall register securities issued by means of a cash contribution to the equity of the issuer made in full in the event there is no requirement to publish a prospectus, as envisaged by Article 12 [1] 1) to 5) of the Law on the Capital Market, as well as by companies legislation, in the issue account of the issuer pursuant to the following documents:

1) Application submitted by the issuer via an agent;
2) Certificates of subscribed and paid up securities issued by CSD members that administered the subscription and payment for those securities;
3) Declaration made in writing by the statutory representative of the issuer attesting to the successful completion of the issue;
4) Declaration made in writing by the statutory representative of the issuer attesting to compliance with the requirements of Article 298[1] of the Companies Law, in the event of an issue of shares.

[2] In the event that an issuer resolves to limit or exclude preferential subscription rights, as envisaged by companies legislation, the issuer shall be required to accompany an application made for registration of shares to the CSD by a decision of its General Shareholders Assembly to limit or exclude preferential subscription rights and a ruling on the registration of such decision as envisaged under registration rules.

[3] The CSD shall register the shares after the expiry of 30 days from the day the shareholders learn of the decision by the General Shareholders Assembly, or from the day of registration, but not later than three months of the enactment of the decision to limit or exclude preferential subscription rights.

10. [1] The CSD shall register shares to increase equity by means of a non-cash contribution made in full, as envisaged by companies legislation, in the issue account of the issuer pursuant to the following documents:

1) Application submitted by the issuer via an agent;
2) Securities registration certificate issued by the CSD member that administered the registration of the securities;
3) Procedural decision of the Business Registers Agency registering a valuation of the non-cash contribution;
4) Declaration made in writing by the statutory representative of the issuer attesting to the non-cash contribution made;
5) Declaration made in writing by the statutory representative of the issuer attesting to the successful completion of the issue;
6) Transfer order for the securities and money market instruments in question, in the event that the non-cash contribution is comprised of securities and money market instruments.

[2] In the event that the Board of Directors, or the Supervisory Board of a two-tier entity, resolves not to value the non-cash contribution, in addition to the requisite documentation and decision the issuer shall be required to submit the following documents to the CSD:

1) Certificate issued by the Chairperson of the Board of Directors, or the Supervisory Board of a two-tier entity, which must contain the features required by Article 58 of the Companies Law;

2) Procedural decision of the Business Registers Agency registering the certificate issued by the Chairperson of the Board of Directors or the Supervisory Board.

[3] In the event that the issuer resolves to limit or exclude preferential subscription rights, provisions of Item 9 [2] and [3] of these Operating Rules shall apply.

11. In the event of an increase in the capital of a joint-stock company from net assets of the company, the CSD shall register shares in the issue account of the issuer or amend the face value of such shares, or their book value in the event that the shares hold no face value, pursuant to companies legislation and Article 12 [1] 9) of the Law on the Capital Market, pursuant to the following documents:

1) Application submitted by the issuer via an agent within five days of the registration of the decision to increase capital;

2) Declaration by the attesting to compliance with the requirements for an increase in capital as envisaged by Articles 305 and 306 of the Companies Law.

12. [1] In the event of an increase in capital due to a debt-to-equity swap of a non-public entity, as well as in the event that a debt-to-equity swap results in the issue of securities by the Republic of Serbia, autonomous province, or local authority, the CSD shall register the shares in the issue account of the issuer pursuant to the following documents:

1) Application submitted by the issuer via an agent;
2) Certificate of share registration issued by the CSD member that administered the registration of the shares in question pursuant to a registration slip and conversion agreement.

[2] In the event that the issuer resolves to limit or exclude preferential subscription rights, provisions of Item 9 [2] and [3] of these Operating Rules shall apply.

13. [1] In the event of registration of shares not paid up or partly paid up, resulting in a shareholder not completely fulfilling its requirement to pay in or make an equity contribution, the CSD shall register the shares in the issue account of the issuer pursuant to a certificate of shares subscribed and not paid up or subscribed and partly paid up issued by the CSD member that administered the subscription and payment.

[2] After a contribution for previously issued and registered shares is paid up or made in kind, the CSD shall amend the existing CFI code and ISIN as envisaged in Item 25a of these Operating Rules pursuant to the following documents:

1) Application submitted by the issuer via an agent;

2) Certificate attesting to the shares having been paid up issued by the CSD member that administered the payment for the shares;

3) Declaration made in writing by the statutory representative of the issuer attesting to the non-cash contribution having been made;

4) List of persons provided in compliance with Article 22 of these Operating Rules.

14. The registration procedure for preferred shares, convertible bonds, and warrants in the CSD shall follow Items 8 or 9 of these Operating Rules, as applicable.

15. In the event of registration of shares pursuant to a decision on a conditional increase in capital to allow holders of convertible bonds to convert them into shares in the company, the CSD shall register the shares in the issue account of the issuer pursuant to the following documents:

1) Application submitted by the issuer via an agent;

2) Declaration made in writing by the issuer attesting to the fact that holders of convertible bonds having submitted declarations in writing on the conversion of convertible bonds into shares and that Article 303 [4] of the Companies Law was complied with;

3) Application for the annulment of the convertible bonds.

16. In the event of registration of shares pursuant to a decision on a conditional increase in capital to allow holders of warrants to purchase shares in the company, the CSD shall register the shares in the issue account of the issuer pursuant to the following documents:

1) Application submitted by the issuer via an agent;

2) Certificate attesting to the shares having been paid up issued by the CSD member that administered the payment for the shares;

3) Application for the annulment of the warrants.

17. In the event of registration of shares pursuant to a decision on a conditional increase in capital to allow employees, Directors, and members of the Supervisory Board of the company or their connected persons to purchase shares, as envisaged by companies legislation and Article 12 [1] 10) of the Law on the Capital Market, the CSD shall register the shares in the issue account of the issuer pursuant to the following documents:

1) Application submitted by the issuer via an agent;

2) Certificate attesting to the shares having been paid up issued by the CSD member that administered the payment for the shares;

3) Approval of the Securities Commission as envisaged in Article 41[1] of the Law on the Capital Market for the issue of shares of a public company.

18. [1] The CSD shall register shares issued in substitution for previously issued shares in the event that the issue of such new shares does not envisage an increase in the

authorised capital of the company, pursuant to Article 12 [1] 6) of the Law on the Capital Market, in the issue account of the issuer pursuant to the following documents:

1) Application for replacement of shares submitted by the issuer via an agent;
2) Decision on the substitution of shares.

[2] Shares shall also be substituted for previously issued shares in the event that the face value of shares is substituted by their book value, and vice versa.

[3] In the event of a stock divide or stock merge not resulting in a change in the authorised capital of the company, as envisaged under the Companies Law, the CSD shall register shares in the issue account of the issuer or alter the face value of such shares or the book value of such shares where the shares hold no face value, pursuant to the following documents:

1) Application submitted by the issuer via an agent;

2) Decision of the General Shareholders Assembly to effect a stock divide accompanied by a reduction in the face or book value of its shares, or decision of the General Shareholders Assembly to effect a stock merge accompanied by an increase in the face or book value of its shares.

[4] In the event that a stock divide or stock merge results in an increase or decrease in authorised capital not exceeding one percent of the authorised capital, the CSD shall also register shares resulting from the increase in authorised capital, or annul shares resulting from the decrease in authorised capital, pursuant to the decision of the General Shareholders Assembly to effect a stock divide or stock merge.

19. In the event of the registration of shares pursuant to a plan of reorganisation that has been duly adopted as envisaged under insolvency legislation, the CSD shall register the shares in the issue account of the issuer pursuant to the following documents:

1) Application submitted by the issuer via an agent;

2) Duly adopted plan of reorganisation;

3) Final court ruling adopting the plan of reorganisation and suspending insolvency proceedings;

4) Proof of the plan of reorganisation having been published by the Business Registers Agency;

5) Agreement on the conversion of claims, in the event of the registration of securities on behalf of the Republic of Serbia, autonomous province, or local authority.

19a. Where the financial instruments in question are issued by the Republic of Serbia, the National Bank of Serbia, or a local authority, the CSD shall register the financial instruments in the issue account of the issuer pursuant to an application to that effect made by the issuer.

19b. Shares issued pursuant to legislation governing privatisation and legislation governing the rights of members of the public to shares distributed free of charge and remuneration in privatisation procedures shall be registered in the CSD by being

registered in the issue account of the issuer and transferred into accounts of lawful holders of securities as envisaged by Item 24 of these Operating Rules and pursuant to procedural decisions of the Privatisation Agency or the appropriate Ministry and lists of lawful holders provided by the Privatisation Agency or the appropriate Ministry upon an application filed by the issuer via an agent.

19c. [1] In the event that shares are issued to increase capital for the purpose of meeting liabilities arising from an agreement on the sale of socially-owned capital, the CSD shall register the shares in the issue account of the issuer pursuant to the following documents:

1) Application submitted by the issuer;
2) Payment certificate issued by a bank, where payment is made in cash;
3) Procedural decision of the Business Registers Agency registering the valuation of the non-cash contribution;
4) Declaration made in writing by the statutory representative of the issuer attesting to the non-cash contribution made;
5) Certificate of subscribed shares issued by the CSD member that administered the subscription;
6) Enactment of the Privatisation Agency or competent Ministry approving payment of liabilities under the agreement on the sale of socially- or state-owned capital in privatisation.

[2] In the event that a capital increase of a joint-stock company takes place under an agreement on the sale of socially-owned capital, the CSD shall, pursuant to a procedural decision of the Privatisation Agency, register own shares of the joint-stock company in the securities account of the company.

[3] Upon the execution of the agreement on the sale of socially-owned capital, the CSD shall, pursuant to a procedural decision of the Privatisation Agency or the competent Ministry, transfer the shares from the securities account of the issuer into the securities account of the purchaser.

19d. The CSD shall register issues of shares under the Law on Assets Owned by the Republic of Serbia into the issue account of the issuer pursuant to the following documents:

1) Application submitted by the issuer;
2) Decision on the issue of shares;
3) Amendments to the Articles of Incorporation of the issuer;
4) Agreement between the Republic of Serbia and the Issuer;
5) Conclusion of the Government of the Republic of Serbia;
6) Procedural decision of the Business Registers Agency on paid-in capital.

Transfer of Financial Instruments from Issue Accounts into Financial Instrument Accounts of Lawful Holders

20. [1] An issuer shall apply for the transfer of financial instruments into accounts of lawful holder, via an agent, within five working days of the end of the public offering or within five working days of the expiry of the period for subscription and payment, or of the assignment of financial instruments.

[2] The application referred to in Paragraph [1] of this Item shall be accompanied by a schedule of persons who have subscribed and paid up, or been allotted, financial instruments ('Schedule of Persons').

[3] The Schedule of Persons shall not be provided in the event of a subscription of shares that does not involve a change in the number of shares held by lawful holders.

[4] Within three working days of the receipt of a duly submitted application, the CSD shall transfer financial instruments into accounts of lawful holders.

21. [1] The Schedule of Persons shall be submitted by a commission comprised of three representatives of the CSD ('commission members') and one representative of the agent providing the Schedule of Persons.

[2] The issuer shall be held liable for the accuracy of information indicated in the Schedule of Persons.

[3] Representatives of the CSD on the commission shall be appointed by the Director of the CSD.

22. [1] The agent shall accompany an application for transfer of financial instruments into accounts of lawful holders by the following documents:

1) Authorisation for the representative acting as member of the commission;

2) Schedule of Persons certified by an authorised officer of the issuer;

3) Schedule of Persons submitted electronically, on a compact disc (CD), in the format prescribed by the CSD, whereby the CD must be certified by an authorised officer of the agent as envisaged under Article 4 of these Operating Rules;

4) Declaration by the agent attesting to the accuracy of information contained in the Schedule of Persons, made under full civil and criminal liability and certified as envisaged under legislation governing the certification of signatures.

[2] In the event that shares are subscribed in the procedure for the change of form of incorporation, status, substitution of shares, stock divide, or stock merge, the issuer shall be required to submit, in addition to these documents and data , information required for the registration of third-party title to shares the member of the company is to acquire by way of substitution (CFI code and ISIN; number of shares; registration number of pledgor, registration number of pledgee; statutory grounds for lien) submitted electronically (on a CD), and in a format prescribed by the CSD, where the CD must be certified by an authorised person of the CSD member as envisaged under Article 4 of these Operating Rules.

23. [1] Commission members shall verify the information provided in electronic form on the CD and shall print out the contents of the CD.

[2] The agent shall verify the printout and shall certify each page thereof, which will serve to confirm that the contents of the CD and the Schedule of Persons are identical.

[3] Upon completing the submission of the Schedule of Persons, commission members shall draw up a set of minutes of the submission and shall note therein that the

information in both electronic and printed format is identical. The minutes shall be printed out in two identical copies.

[4] The submission shall be deemed accomplished after the minutes have been signed by all commission members.

23a. [1] In the event that financial instruments are transferred into accounts of lawful holders simultaneously with transfer of funds on a Delivery versus Payment (DvP) basis, the CSD shall generate electronic messages and transmit these to CSD members maintaining financial instruments and cash accounts of the lawful holders and issuers that are parties to the transaction.

[2] CSD members shall confirm receipt of these messages, and the CSD shall clear and settle the transaction on a DvP basis, as provided for in the CSD Term Schedule Rulebook.

24. [1] Shares issued in the privatisation procedure shall be registered in the CSD by being registered in the issue account of the issuer and transferred into the accounts of lawful holders, pursuant to a schedule of lawful holders provided by the Privatisation Agency or competent Ministry and the agent.

[2] The schedule of lawful holders of shares supplied by the agent shall be submitted by a commission as envisaged under Items 21 and 22 of these Rules, and the declaration by the agent and the issuer affirming the accuracy of information need not be certified.

[2] The schedule of lawful holders provided by the Privatisation Agency or competent Ministry shall be submitted by a commission in the presence of commission members and representatives of the Privatisation Agency or competent Ministry. The Privatisation Agency or competent Ministry shall be held liable for the accuracy of information contained in the schedule of lawful holders of shares.

[3] The schedule of lawful holders of shares provided by the Privatisation Agency or competent Ministry shall be submitted electronically (on a CD), in the appropriate format, where the CD must be certified by an authorised officer of the Privatisation Agency or competent Ministry as envisaged under Article 4 of these Operating Rules. The following documents shall be required to accompany the schedule of lawful holders of shares:

1) Statement of an authorised officer of the Privatisation Agency or appropriate Ministry regarding the completion of the privatisation procedure in compliance with legislation governing privatisation;

2) Certified document providing information contained in the schedule of lawful holders of shares in a physical format.

[4] Shares issued by issuers whose shareholder information is recorded in the database provided by the Privatisation Agency to the CSD on 12 January 2004 and detailing data as of 31 December 2003 shall be registered pursuant to a schedule of lawful holders of shares issued by the issuer submitted through an agent, whereby no submission by Commission referred to in Item 21 of these Operating Rules shall be carried out.

25. [1] Following the transfer of shares into accounts of lawful holders, the CSD shall, at the latest on the following working day, notify the Securities Commission and the agent of the registration of financial instruments, and shall also notify the regulated market or MTP in the event the issuer is a public company.

[2] The CSD shall publish a notice of the registration of financial instruments on its web site.

Change to CFI Code after Issue

25a. [1] A corporate agent member of the CSD shall apply in writing to the CSD for change to the CFI code, completed by means of the CSD client-side web application, including the following supporting documentation:

1) Application of the issuer;
2) Corporate agency agreement;
3) Enactment of the issuer changing the characteristics of the financial instruments issued.

[2] Pursuant to such application, the CSD shall assign a new CFI code, leaving the ISIN unaffected, and shall issue a certificate of the assignment of CFI code and ISIN.

[3] Following the assignment of the CFI code and ISIN, the member of the CSD shall input the application for registration of the issue by means of the CSD client-side web application and shall submit it to the CSD in writing.

[4] Pursuant to a duly filed application, the CSD shall register the issue with the changed CFI code and shall assign an appropriate FISN.

Change to FISN after Issue due to Change in Name of Issuer

25b. [1] A corporate agent member of the CSD shall apply in writing to the CSD for a change in the name of the issuer or other information, and shall include the following documents:

1) Application of the issuer;
2) Corporate agency agreement;
3) Decision of the Business Register or other appropriate document issued by a competent authority.

[2] Pursuant to a duly filed application, the CSD shall change the name of the issuer or other information and shall assign a new FISN.

Recording of Information on Public and Non-Public Joint-Stock Company

25c. [1] The CSD shall record a joint-stock company as public as envisaged in the Law on the Capital Market.

[2] Acting in compliance with a procedural decision or other enactment of the Securities Commission on deletion of a company from the register of public companies, the CSD shall record such company as a non-public joint-stock company.

IV. DE-REGISTRATION OF FINANCIAL INSTRUMENTS

26. [1] The CSD shall de-register previously issued financial instruments in the following cases:

1) Upon the maturity of debt financial instruments;
2) Where debt financial instruments are repurchased before maturity;
3) Where the issuer is wound up through liquidation or bankruptcy;
4) Where the form of incorporation of the issuing joint-stock company changes, and
5) Where the issuing joint-stock company undergoes a change in its legal status.

[2] Financial instruments shall be de-registered upon their maturity or upon being repurchased before maturity after all liabilities arising from such financial instruments have been settled, at the application of the issuer.

26a. The CSD shall de-register financial instruments pursuant to a final ruling of the appropriate court concluding bankruptcy proceedings, or pursuant to information of the Business Registers Agency substantiating deletion of the issuer from its register due to conclusion of bankruptcy proceedings.

26b. [1] Where an issuer has been wound up through liquidation, financial instruments shall be de-registered pursuant to a procedural decision of the Business Registers Agency striking off the issuer from its register following liquidation.

[2] Following the registration of the decision on liquidation and publication of the advertisement on initiation of liquidation at the Business Registers Agency, the issuer shall be required to apply with the CSD, through a member of the CSD acting as corporate agent of the issuer, for de-registration of financial instruments.

[3] Pursuant to the application, the CSD shall record and make public the fact that the issuer has initiated procedure for de-registering financial instruments due to liquidation and shall issue a certificate attesting to the application of the issuer to de-register financial instruments.

[4] The CSD shall de-register financial instruments pursuant to the procedural decision of the Business Registers Agency referred to in Paragraph [1] of this Item as provided by the issuer through a member of the CSD acting as corporate agent of the issuer.

[5] In the event that an issuer does not provide the procedural decision of the Business Registers Agency referred to in Paragraph [1] of this Item through a member of the CSD acting as corporate agent of the issuer, the CSD shall de-register financial instruments pursuant to information of the Business Registers Agency.

26c. [1] In the event of a change to the form of incorporation of the issuing joint-stock company, the shares in question shall be de-registered pursuant to a procedural decision of the Business Registers Agency on the change to the form of incorporation of the joint-stock company.

[2] Following the publication of the draft decision on change to the form of incorporation at the Business Registers Agency, the issuer shall be required to apply

with the CSD, through a member of the CSD acting as corporate agent of the issuer, for de-registration of shares.

[3] Pursuant to the application, the CSD shall record and make public the fact that the issuer has initiated procedure for de-registering shares due to change to its form of incorporation and shall issue a certificate attesting to the application of the issuer to de-register shares.

[4] The CSD shall de-register shares pursuant to a procedural decision of the Business Registers Agency on change to the form of incorporation as provided by the issuer through a member of the CSD acting as corporate agent of the issuer.

[5] In the event that the issuer does not provide the procedural decision of the Business Registers Agency through a member of the CSD acting as corporate agent of the issuer, the CSD shall de-register shares pursuant to information of the Business Registers Agency.

26d. [1] Shares shall be de-registered due to a change in the legal status of the issuing joint-stock company pursuant to a decision of the Business Registers Agency on striking off the joint-stock company from its register.

[2] Following the publication of the draft decision on change in the legal status at the Business Registers Agency, the issuer shall be required to apply with the CSD, through a CSD member acting as corporate agent of the issuer, for de-registration of shares.

[3] Pursuant to the application, the CSD shall record and make public the fact that the issuer has initiated procedure for de-registering shares due to change in its legal status and shall issue a certificate attesting to the application of the issuer to de-register shares.

[4] The CSD shall de-register shares pursuant to a procedural decision of the Business Registers Agency striking off the issuing company from its register due to change of status as provided by the issuer through a member of the CSD acting as corporate agent of the issuer.

[5] In the event that the issuer does not provide the procedural decision of the Business Registers Agency via a member of the CSD acting as corporate agent of the issuer, the CSD shall de-register shares pursuant to information of the Business Registers Agency.

26e. In the event of compulsory liquidation, and following the expiry of a period of time set for the cessation of circumstances for compulsory liquidation, or for other reasons as envisaged under companies legislation, the CSD shall de-register shares pursuant to a procedural decision of the Business Registers Agency striking off the company from the Business Register, or pursuant to information of the Business Registers Agency.

27. [1] In the event a bankruptcy debtor is sold as a going concern, where the joint-stock company in question continues to trade under its existing form of incorporation, the CSD member shall submit the following documents to the CSD:

1) Application for de-registration of shares registered with the CSD;

2) Application for registration of newly-issued shares;

3) Application for assignment of CFI code and ISIN;

4) Copy of final ruling suspending bankruptcy proceedings;

5) Contract on the sale of the legal person as a going concern in bankruptcy;

6) Articles of Incorporation and Articles of Association of the joint-stock company in question, and

7) Procedural decision of the Business Registers Agency.

[2] Pursuant to the documents submitted, the CSD shall de-register the shares of the company and assign a new CFI code and ISIN, register the issue in the issue account of the issuer, assign a FISN, and register shares in the accounts of their lawful holders, as envisaged under Items 21 and 22 of these Operating Rules.

27a. [1] In the event a bankruptcy debtor is sold as a going concern, where the joint-stock company in question changes its form of incorporation, the CSD member shall submit the following documents to the CSD:

1) Application for de-registration of shares registered with the CSD;
2) Decision changing the form of incorporation, published by the Business Registers Agency;
3) Final ruling suspending bankruptcy proceedings;
4) Contract on the sale of the legal person as a going concern in bankruptcy.

[2] Pursuant to such application, the CSD shall record and publish the information that shares of the issuer are being de-registered due to change in form of incorporation and shall issue a certificate attesting that the issuer has filed for de-registration.

[3] The CSD shall de-register shares pursuant to a procedural decision of the Business Registers Agency on change to the form of incorporation, as submitted by the issuer through a member of the CSD acting as its corporate agent.

[4] Where the issuer fails to submit a procedural decision of the Business Registers Agency via a member of the CSD acting as its corporate agent, the CSD shall de-register the securities in question pursuant to information held by the Business Registers Agency.

IVA. CHANGE OF FORM OF INCORPORATION TO JOINT-STOCK COMPANY

27b. [1] The corporate agent shall apply in writing to the CSD for assignment of CFI code and ISIN completed by means of the CSD client-side web application and substantiated by the following documentation:

1) Agreement between the corporate agent and the issuer;
2) Decision on change of form of incorporation;
3) Declaration made in writing by the Chairperson of the Board of Directors, or the Supervisory Board of a two-tier entity, attesting that all obligations of the company with regard to the purchase of equity interests of dissenting members have been met in full or that there have been no dissenting members;

4) Articles of Association and amendments to the Articles of Incorporation of the issuer.

[2] Submission of the decision on the issue of shares for the purpose of converting equity interests into shares shall not be mandatory in the event that information on the conversion of equity interests into shares is contained in the decision on the change of form of incorporation.

[3] The CSD shall open an issue account for the issuer and register shares in such issue account within three days of receiving a duly submitted application thereon.

[4] Pursuant to a decision of the CSD on registration of shares in the issue account of the issuer, the issuer shall register the change to its form of incorporation with the Business Registers Agency, as envisaged under legislation governing the registration of companies.

[5] Following the registration of the change of form of incorporation with the Business Registers Agency, the CSD shall register shares into accounts of lawful holders pursuant to the decision of the Business Registers Agency registering the change to the form of incorporation of the issuer and the Articles of Association and Articles of Incorporation of the issuer, as well as documents and information on the lawful holders of shares as envisaged under Article 22 of these Operating Rules, within three days of receiving a duly submitted application thereon.

IVA. CHANGE OF STATUS

27c. Depending on the type of change to status, the CSD shall:

1) Register an issue of shares established as a joint-stock company (acquiring company) in the course of a change of status;
2) Register an issue of shares for the purpose of increasing the capital of a joint-stock company (acquiring company);
3) De-register shares of a joint-stock company (transferor company) pursuant to Item 26d of these Operating Rules;
4) Reduce the capital of a joint-stock company (transferor company) pursuant to Item 93 or 95 of these Operating Rules;
5) Transfer financial instruments owned by the transferor company to the acquiring company, pursuant to Item 55 of these Operating Rules;
6) Register third-party interests to shares acquired by a member of the transferor company in the acquiring company in exchange for shares or equity interests in the transferor company.

27d. [1] A corporate agent shall apply in writing to the CSD for assignment of CFI code and ISIN for an issue of shares due to a change of status by means of the CSD client-side web application and accompanied by the following documents:

1) Agreement between the corporate agent and the issuer;
2) Articles of Association and Articles of Incorporation of the issuer registered pursuant to legislation governing the registration of companies;

3) Procedural decision of the Business Registers Agency on the subscribed capital of the newly established joint-stock company where a joint-stock company has been incorporated;
4) Decision on the increase in capital of the joint-stock company (acquiring company) in the event that the status change has resulted in an increase in capital;
5) Procedural decision of the Business Registers Agency registering the capital increase decision, in the event that the status change has resulted in a capital increase;
6) Agreement on change of status, or division plan enacted by the Board of Directors or the Supervisory Board of a two-tier entity;
7) Declaration made in writing by the Chairperson of the Board of Directors, or the Supervisory Board of a two-tier entity, attesting that all obligations of the company with regard to the purchase of equity interests of dissenting members have been met in full or that there have been no dissenting members.

[2] In the event of a simplified absorption-type merger, where the acquiring company is a controlling company holding 90 percent of the equity of the transferor company, or holding at least 90 percent of voting shares in the transferor company, the change of status shall be completed without a formal decision thereon by the transferor company, provided that requirements of Article 501 of the Companies Law have been met.

[3] Pursuant to the documents provided, the CSD shall issue a certificate of the assignment of a CFI code and ISIN within three working days of receiving a duly submitted application, as envisaged under Item 7 of these Operating Rules.

27e. [1] The CSD shall register shares in the issue account of a company established as a joint-stock company following a status change (merger, division by the formation of a new company, mixed division, separation by the formation of a new company, or mixed separation) pursuant to following documents:

1) Application by the issuer submitted via a corporate agent;
2) Approval from the National Bank of Serbia in the event of a change of status of a bank, insurance company, pension fund, leasing firm, or payment institution;
3) Approval from the Securities Commission in the event of a change of status of a broker-dealer, market operator, or investment fund.

[2] In the event that the change of status results in a substitution of shares or equity interests in a different ratio, the documents listed above must be accompanied by a declaration made in writing by the Chairperson of the Board of Directors, or Chairperson of the Supervisory Board of a two-tier entity, attesting that the status change will result in a substitution of shares or equity interests in a different ratio, excepting for members of the transferor company exercising their entitlement to pay-out in lieu of shares.

[3] Pursuant to a duly submitted application and the requisite documents, the CSD shall open an issue account, register shares in the issue account of the issuer, and simultaneously assign a uniform FISN code to the financial instruments within the period stipulated by Item 7a of these Operating Rules.

[4] The CSD shall transfer shares into accounts of lawful holders as envisaged and within the period stipulated by Items 20 to 23 of these Operating Rules.

27f. [1] In the event of the registration of shares for the purpose of an increase in the capital of a joint-stock company (acquiring company) due to a change of status (merger, division by the formation of a new company, mixed division, separation by the formation of a new company, or mixed separation) as envisaged under the Companies Law or under Article 12 [1] 8) of the Law on the Capital Market, the CSD shall register shares in the issue account of the joint-stock company (acquiring company) pursuant to the following documents:

1) Application by the issuer submitted via a corporate agent;
2) Decision of the Securities Commission approving the merger document as envisaged by Article 41 of the Law on the Capital Market;
3) Approval from the National Bank of Serbia in the event of a change of status of a bank, insurance company, pension fund, leasing firm, or payment institution;
4) Approval from the Securities Commission in the event of a change of status of a broker-dealer, market operator, or investment fund.

[2] The declaration referred to in Item 27d[2] must also be submitted in the event that the change of status results in a substitution of shares or equity interests in a different ratio.

[3] Provisions of the Companies Law governing preferential subscription and exclusion of preferential subscription shall not apply to the registration of shares due to an increase in the capital of a joint-stock company (acquiring company) following a status change.

[4] Pursuant to a duly submitted application and the requisite documents, the CSD shall open an issue account, register shares in the issue account of the issuer, and simultaneously assign a uniform FISN code to the financial instruments within the period stipulated by Item 7a of these Operating Rules.

[5] Following the registration of the change of status and pursuant to a procedural decision of the Business Registers Agency registering the change of status, the CSD shall transfer shares into accounts of lawful holders as envisaged and within the period stipulated by Items 20 to 23 of these Operating Rules.

[6] In the event of a separation involving an increase in the capital of one joint-stock company and a simultaneous decrease in the capital of another joint-stock company, the CSD shall simultaneously reduce authorised capital as envisaged by Items 93 or 95 of these Operating Rules by registering shares in the issue account and accounts of lawful holders.

V. CORRECTION OF DATA CONTAINED IN SINGLE RECORD OF LAWFUL HOLDERS OF SECURITIES

28. [1] Data kept in the single record of lawful holders of securities at the CSD may be amended for the purpose of correcting any errors in such record pursuant to:

1) A final court ruling;

2) An application made in writing by a competent Ministry, accompanied by an enactment correcting any error in previously provided data;

3) An application made in writing by an issuer of securities, submitted via a corporate agent, correcting any errors in the schedule of lawful holders provided by the issuer at the time of registration;

4) An application made in writing by a CSD member acting as corporate agent of an issuer that provided erroneous information about persons that purchased or were allotted securities.

[2] The corporate agent of the issuer shall be required to provide the following documents to accompany the application referred to in Paragraph [1], Sub-Item [3]:

1) Declaration made by an authorised officer of the issuer attesting to the accuracy of information, made under full civil and criminal liability and indicating the number of securities held by persons to which the application pertains;
2) Photocopies of the following documents, certified by the CSD member as envisaged by Item 4 of these Operating Rules:
   - [1] Personal identity cards for Serbian natural persons;
   - [2] Passports for foreign natural persons;
   - [3] Death certificates for deceased Serbian natural persons;
   - [4] Appropriate certificates for deceased foreign natural persons;
   - [5] Excerpt from the appropriate register for Serbian legal persons;
   - [6] Excerpt from the appropriate register, not older than six months, for foreign legal persons;
3) Securities transfer order signed by an authorised officer of the issuer.

[3] The corporate agent of the issuer shall accompany the application submitted to the CSD referred to in Point 4) of Paragraph [1] of this Item by the following documents:

1) Declaration by the person in possession of or lawful holder of the securities, made under full civil and criminal liability (indicating the number of securities and information on the holder);
2) Securities transfer order certified by the corporate agent of the issuer as envisaged by Item 4 of these Operating Rules.

Correction of Uniform Identification Numbers of Holders of Financial Instruments

29. [1] The CSD shall correct errors in registered uniform personal identification numbers or registration numbers of holders of financial instruments at the application of a CSD member and pursuant to the following documents:

1) For legal persons:
   – [1] Photocopy of a procedural decision of the Business Registers Agency, for Serbian legal persons;
   – [2] Photocopy of a procedural decision of the appropriate foreign register, accompanied by a translation certified by an authorised court translator, for foreign legal persons;

– [3] Declaration made by an authorised officer of the lawful holder, made under full civil and criminal liability, attesting that no change in ownership of financial instruments had occurred, for foreign legal persons;
- [4] Other document evidencing the identity of the person in question.

2) For natural persons:
- [1] Procedural decision or certificate issued by the Ministry of Interior indicating the erroneous or accurate uniform personal identification number;
- [2] Final court ruling on the change of uniform identification number;
- [3] Declaration made by the issuer under full civil and criminal liability on the accuracy of the uniform personal identification number;
- [4] Photocopy of a current personal identity card, for Serbian natural persons;
- [5] Photocopy of a current or expired passport, for foreign natural persons;
- [6] Death certificates for deceased natural persons;
- [7] Declaration made by an authorised officer of the lawful holder, made under full civil and criminal liability, attesting that no change in ownership of financial instruments had occurred, for foreign legal persons;
- [8] Other document evidencing the identity of the person in question.

[2] Where corrections of uniform identification numbers of legal entities are sought, the CSD member representing the holder shall be required to apply in writing with the CSD, along with the following supporting documents:

1) Procedural decision or extract provided by the Business Registers Agency, and

2) Declaration made by the issuer under full civil and criminal liability containing information on both the erroneous and the correct uniform identification number of the legal person in question.

[3] In the event of a correction in the uniform identification number of a natural person, the CSD member shall apply in writing and provide the following documents:

1) Procedural decision or certificate issued by the Ministry of the Interior containing information on both the erroneous and the correct uniform identification number (where the CSD member is not in possession of such procedural decision or certificate, a statement given by the issuer under full civil and criminal liability affirming the accuracy of the uniform identification number may be provided instead, provided that it contains information on both the erroneous and the correct uniform information number), and

2) Certified photocopy of valid identification document (or, for deceased persons, an extract from the register of deaths containing the uniform identification number).

VI. FINANCIAL INSTRUMENT ACCOUNTS OF CSD MEMBERS

30. [1] A client may authorise any CSD member to make orders with the CSD for opening financial instrument accounts by entering into a contract on opening and maintaining a financial instrument account with such CSD member.

[2] The CSD shall open financial instrument accounts for members of the CSD and their clients pursuant to orders for opening such accounts.

[3] Orders for opening financial instrument accounts shall be made by CSD members by means of the CSD client-side application.

[4] Each CSD member shall be required to keep all contracts on opening and maintaining financial instrument accounts on file, and to provide them for inspection by the CSD when so requested.

[5] Each CSD member shall be required to provide a statement of account balance at the request of any client that has contracted it to open and maintain a financial instrument account.

Proprietary Financial Instrument Account

31. [1] The CSD shall maintain proprietary financial instrument accounts and keep track of balances in such accounts on behalf of CSD members and clients that have contracted them to open and maintain financial instrument accounts.

[2] Financial instruments shall be transferred from a proprietary account maintained with one CSD member into a proprietary account kept with another CSD member pursuant to a financial instrument transfer order made by the client with the CSD member with which the proprietary financial instrument account is maintained and a copy of the contract on the opening and maintenance of proprietary financial instrument account entered into between the client and another CSD member.

Co-Ownership Account

32. [1] 'Co-ownership account' means a financial instrument account wherein are maintained the shares of multiple owners (co-owners of shares), each owning fewer than one share.

[2] Co-ownership accounts shall be opened and maintained by CSD members pursuant to an application and an agreement on the opening and maintenance of a financial instrument account entered into between the CSD member and a mutual proxy designated by agreement of all co-owners. Signatures of co-owners to such agreement shall be certified as envisaged by legislation governing the certification of signatures.

[3] In the event that no mutual proxy is designated, the CSD member shall open the co-ownership account pursuant to an application and an agreement on the opening and maintenance of a financial instrument account entered into with one co-owner or an authorised person of the issuer of the shares in question.

[4] The CSD member shall submit to the CSD a record of the co-owners of shares in both printed and electronic format in accordance with the procedure for submission by

commission, as well as information on the mutual proxy if one has been designated by an agreement between all co-owners.

[5] Until such time as the CSD has registered the mutual proxy, the CSD shall register shares owned by co-owners in the single shareholder record as non-voting shares.

[6] Following the designation of a mutual proxy by all co-owners, the CSD member maintaining the co-ownership account shall notify the CSD of the mutual proxy (indicating their uniform personal identification number and first and last name) for the proxy to receive authorisation for the account and the exercise of voting rights.

[7] The mutual proxy may dispose of shares in the co-ownership account if so stipulated in the agreement between all co-owners.

[8] When altering the registered co-owners, except in the event of a reduction in the number of co-owners not resulting in the registration of a new co-owner, the co-owners shall designate a proxy by entering into a new agreement between all co-owners. The CSD member maintaining the co-ownership account shall notify the CSD of the change and provide information on the new proxy for registration with the CSD.

[9] Where a co-owner of a share gains possession of the entire share, the CSD member shall make an order with the CSD for transfer from the co-ownership account to a proprietary financial account of the lawful holder. In this case, the CSD member in charge of the co-ownership account shall be required to provide the CSD with a CD containing an electronic record of information on the lawful holder and the number of shares to be transferred from the co-ownership account to the proprietary financial instrument account, as well as a CD containing an electronic record of information on new co-owners of shares.

Financial Instrument Pledge Account

33. A pledge shall be constituted on financial instruments through the registration of such pledge in the proprietary account of the holder of financial instruments with a CSD member, whereby the pledged financial instruments shall be kept in a special sub-account of the proprietary account termed a 'pledge account'.

Management Account

34. [1] Any CSD member licensed to operate as portfolio manager may open a management account on behalf of its client.

[2] By transferring financial instruments into the management account, the client shall give general authorisation to the CSD member to manage the financial instruments of the client in accordance with and in the manner defined by the operating rules of the CSD member and the contract on the management of financial instruments.

Omnibus or Custody Account

35. [1] 'Omnibus or custody account' means an account in which a CSD member maintains the financial instruments of one or multiple clients.

[2] An investment company (brokerage or dealership) that is a CSD member may contract with clients, other than investment funds or voluntary pension funds, to maintain financial instrument omnibus accounts.

[3] A custody bank that is a CSD member may contract with investment funds or voluntary pension funds to maintain financial instrument custody accounts.

[4] Each CSD member shall be required to keep any contracts for the opening and maintenance of financial instrument omnibus or custody accounts in their records and provide such contracts for inspection by the CSD at the request of the CSD.

[5] The CSD member shall be held liable for the for the reconciliation of balances of financial instruments in an omnibus or custody account with the CSD with those in its analytical records, and shall be required to keep appropriate documents regarding changes to the omnibus or custody account.

36. [1] Financial instruments shall be transferred from the custody account into other financial instrument custody accounts, in the event that there is no change in the lawful owner of the financial instruments, by the custody bank pursuant to a financial instrument transfer order made by the client and a statement made by the client affirming that such transfer will result in no change to the lawful holder of financial instruments.

[2] The client of the custody bank shall provide a statement affirming that such transfer will result in no change to the lawful holder of financial instruments and that the transfer is taking place pursuant to a contract on maintaining financial instrument accounts entered into with the same or a new CSD member, whereby the client shall also be required to specify the number and date of the contract in the statement.

[3] Transfers referred to in Paragraph [1] of this Item shall be carried out through the input of the transfer order into the CSD information system.

[4] The custody bank shall be required to keep on file any documents pursuant to which financial instruments were transferred with no change in ownership, and to provide them for inspection by the CSD when so requested.

37. [Deleted]

38. A CSD member keeping both the proprietary and the omnibus account of the client shall transfer financial instruments from the proprietary to the omnibus account of the client, and vice versa, by inputting the order into the CSD information system, pursuant to the order and a statement given by the client affirming that such transfer will result in no change to the lawful holder of financial instruments.

39. A CSD member shall transfer financial instruments from an omnibus account into another omnibus account with the same or another CSD member pursuant to a transfer order made by the client and a statement made by the client affirming that such transfer will result in no change to the lawful holder of financial instruments, as well as that the transfer is being carried out pursuant to a contract on the maintenance of omnibus financial instrument accounts entered into with a new CSD member or the same CSD member, whereby the client shall also be required to specify the number and date of the contract in the statement.

Deposited Securities Accounts

40. [1] Any person acquiring shares in a target company in a takeover offer shall be required to enter into a contract with a CSD member for opening and maintaining a deposited securities account.

[2] The CSD member shall be required to apply in writing with the CSD to open a deposited securities account on behalf of the offeror (buyer). The CSD member shall be required to provide the contract on opening and maintaining a deposited securities account.

[3] Where own shares are being acquired, the CSD member shall be required to apply with the CSD for opening a deposited securities account as envisaged in Paragraph [2] of this Item.

[4] The CSD shall open a deposited securities account pursuant to the application and documents submitted.

Securities Deposit Account

41. [1] The CSD shall open and maintain securities deposit accounts at the application of CSD members. These accounts shall be used to keep securities given in deposit in cases where payment is made in securities.

[2] Where takeover offers involve payment in securities, the CSD member contracted to the offeror shall apply in writing with the CSD for opening a securities deposit account on behalf of the offeror. Securities to be used in payment shall be transferred from the proprietary securities account of the offeror into the securities deposit account as collateral for payment pursuant to a securities transfer order certified by authorised officers of both the offeror and the CSD member.

Closing Financial Instrument Accounts

42. [1] The CSD shall close financial instrument accounts at the application of any lawful holder filed through the CSD member tasked with maintaining its financial instrument accounts. The CSD shall close a financial instrument account provided that there are no financial instruments in such account.

[2] The CSD shall also close the financial instrument account of a client at the application of the CSD member maintaining the financial instrument account of such client in the event of the termination of the agreement on the maintenance of the financial instrument account entered into between the member and the client, provided that no financial instruments are maintained in that account.

[3] In the event the client is a company struck off the Business Register without a legal successor being designated, the CSD member shall transfer the financial instrument to a suspense account of the CSD, whereupon the CSD shall close the account of the client with the CSD.

[4] By way of an exception, the CSD shall close financial instrument accounts pursuant to summaries of clients that transferred financial instruments to selected depositaries

at the time of the termination of membership, as provided by members whose membership is about to terminate.

[5] Such summaries shall contain the following information: first and last name/company name, personal or corporate registration number, identification of the financial instruments in question (number, CFI code and ISIN), and code and name of the selected depositary.

Content of Financial Instrument Transfer Order and Order for Registering Third Parties' Rights

43. [1] A financial instrument transfer order must contain the following information:

- [1] Name of ordering party/owner of financial instrument;
- [2] Unique identification number of ordering party;
- [3] Financial instrument account to be debited;
- [4] ISINs of financial instruments to be transferred;
- [5] Number (quantity) of financial instruments to be transferred;
- [6] Name of beneficiary;
- [7] Unique identifying number of beneficiary;
- [8] Financial instrument account to be credited, and
- [9] Legal grounds for the transfer of financial instruments.

[2] Where financial instruments are to be transferred simultaneously with payment, the financial instrument transfer order must contain the following information: code of CSD member charged with keeping the cash account of the ordering party or cash account of beneficiary; unit price of financial instruments; currency code; and settlement date.

44. An order for registering third parties' rights must contain the following information:

- [1] Name of pledger (owner of financial instruments);
- [2] Unique identifying number of pledger;
- [3] Proprietary financial instrument account of pledger;
- [4] Name of pledgee;
- [5] Unique identifying number of pledgee;
- [6] ISINs of financial instruments to be transferred;
- [7] Number (quantity) of financial instruments to be transferred;
- [8] Pledge financial instrument account of pledger;
- [9] Legal grounds the transfer of financial instruments, and
- [10] Date of registration of pledge.

Access to Information Maintained by CSD

45. [1] The CSD shall allow members access to the portion of the CSD database pertaining to each member and its clients by means of the CSD client-side web application.

[2] CSD members shall issue statements of balance and transactions regarding financial instrument accounts with reference to data from the CSD database.

[3] A lawful holder of financial instruments or person able to demonstrate sufficient interest in connection with financial instruments may file with the CSD, either directly or through a CSD member, an application for the provision of information in connection with such financial instruments.

VII. OPENING AND MAINTAINING CASH ACCOUNTS

46. [1] The CSD shall open and maintain cash accounts of CSD members denominated in both dinars and foreign currency. These accounts may be guarantee fund accounts and trading deposit accounts.

[2] Any CSD member receiving electronic messages from the CSD relating to payables in connection with trading in foreign-currency-denominated financial instruments shall be required to deposit the appropriate amount into its cash account; in case the account contains excess funds, the member may issue an order for the refund of such excess funds. For trading in dinar-denominated financial instruments, the CSD member shall be required to deposit the appropriate amount on the day of settlement, as envisaged under the CSD Term Schedule Rulebook.

[3] Deposits into cash accounts of CSD members shall be made pursuant to orders made by CSD members with their commercial banks to transfer funds required for the settlement of financial instruments and cash from their accounts into the CSD account kept with the National Bank of Serbia in compliance with payment instructions provided by the CSD to its members.

[4] A sub-account of the Share Fund has been opened under the cash account of the Republic of Serbia with the CSD to be used for the transfer of cash proceeds of the sale of securities held by the Share Fund.

VIII. CLEARING AND SETTLEMENT OF FINANCIAL INSTRUMENTS AND CASH

47. [1] Financial instruments and cash shall be cleared and settled in accordance with the CSD Term Schedule Rulebook.

[2] The CSD shall not transfer financial instruments or cash where:

1) The account of the seller does not contain sufficient financial instruments, or the account of the buyer does not contain sufficient cash;
2) Third parties claim rights to financial instruments, excepting where a pledge becomes due;
3) Financial instruments are attached due to a court order or other measure, and
4) Other cases arise as envisaged by law.

[3] Each CSD member shall be required to make available to the CSD any and all documents submitted by the client pursuant to which transfer or payment orders are made when so requested by the CSD.

Transfer of Financial Instruments Free of Payment

48. [1] The CSD may transfer financial instruments from one account to another account free of payment (FoP) pursuant to a transfer order received via a CSD member accompanied by proof of legal grounds for the transfer of financial instruments, within three days of receiving a duly submitted application.

49. [1] Financial instruments shall be transferred from the account of the previous owner into the account of the new owner pursuant to a lifetime maintenance agreement, deed on the distribution of property before death, final inheritance ruling, final court settlement or other final ruling of a court or other competent authority.

[2] The CSD member maintaining the account of the person transferring financial instruments shall enter transfer orders for such financial instruments by means of the CSD client-side web application.

[2] Financial instruments may also be transferred from the account of the previous owner to that of the new owner pursuant to agreements on non-durational maintenance, lifetime distribution of estate, inheritance, or other court rulings or decisions made by appropriate bodies, and a financial instrument transfer order certified by the person transferring the financial instruments. The CSD member maintaining the account of the person transferring the financial instruments shall input the financial instrument transfer order by means of the CSD client-side web application.

50. [1] The CSD shall transfer financial instruments in the event that liquidation or bankruptcy of a company is completed, or where a sole proprietor is stricken from the business register.

[2] The CSD shall transfer financial instruments pursuant to an enforceable decision on the completion of bankruptcy proceedings or any other court ruling ordering the CSD to transfer financial instruments as may be appropriate.

[3] Where liquidation of a company results in a new lawful owner coming into the possession of financial instruments previously in the possession of such company, the CSD member managing the financial instruments shall provide the CSD with the following documents:

1) Decision of the General Meeting or other body on the initiation of liquidation proceedings;
2) Procedural decision of the Business Registers Agency on the completion of liquidation;
3) Decision on the distribution of assets remaining after liquidation;
4) Financial instrument transfer orders certified by the ordering party and the CSD member.

[4] Financial instruments formerly held by a company struck off the Business Register following compulsory liquidation or on other grounds as stipulated in the Companies Law shall be transferred by the CSD pursuant to the following documents submitted via a CSD member:

1) Application for transfer of financial instruments made by the owner of the company;
2) Financial instrument transfer order certified by the owner of the company and the CSD member;
3) Procedural decision of the Business Registers Agency to strike off the company due to compulsory liquidation;
4) Agreement on the distribution of assets if assets are distributed differently than according to the shares in the equity of the company struck off.

[5] The CSD member shall transfer financial instruments from a financial instrument account held by a sole proprietor in the name of his sole proprietorship to an account held by the sole proprietor in his own name pursuant to a decision of the Business Registers Agency to strike off such sole proprietor from the business register, and a financial instrument transfer order.

51. Financial instruments may be transferred from the account of a previous owner into the financial account of a new owner pursuant to a gift agreement made in writing, or an agreement on the assignment of financial instruments free of charge certified as envisaged by legislation governing the certification of signatures, and a financial instrument transfer order certified by the person transferring the financial instruments (assignor or donor). The CSD member contracted by the assignor or donor to open and maintain a financial instrument account shall input the financial instrument transfer order by means of the CSD client-side web application. In case of gift agreements or assignments free of charge to which one of the parties is the Republic of Serbia, the financial instruments shall be transferred pursuant to the agreement, conclusion of the Government and transfer order, whereby the contract need not be certified by an appropriate body.

52. [Deleted]

53. [1] The CSD shall transfer financial instruments from the proprietary financial instrument account of the founder of a non-joint-stock company or investor in such company into the proprietary financial instrument account of such company in case of the establishment of such company or increase in its equity through an investment in rights, i.e. financial instruments.

[2] Along with the application, the CSD member handling the transaction shall be required to provide the Articles of Incorporation and/or decision on the incorporation of the company or on the increase in the capital of the company referred to in Paragraph [1] of this Item, a procedural decision of the Business Registers Agency on the subscription or capital increase, or proof of the publication of the valuation by the Business Register, as well as a transfer order certified by the ordering party.

[3] In case of multiple founders or investors, transfer orders shall be submitted electronically (on a CD) by a commission as envisaged by these Operating Rules. In addition to the required documents, each CSD member shall be required to give a statement under full civil and criminal liability affirming that transfer orders issued by the founders or investors are in the possession of such member.

[4] Provisions of the Item referred to shall also apply in cases of investment in rights into foreign legal entities.

54. Financial instruments shall be transferred from the account of a lender to the financial instrument account of a borrower pursuant to a certified loan contract and a financial instrument transfer order certified by the party issuing the order, i.e. the lender. The CSD member keeping the financial instrument account of the lender shall input the financial instrument transfer order by means of the CSD client-side web application.

55. The CSD shall transfer securities based on a change of status of a company, as envisaged by Companies Law, pursuant to an application and the following documents:

1) Agreement on the change of status or division plan adopted by the Board of Directors, or the Supervisory Board of a two-tier entity;
2) Procedural decision of the Business Registers Agency registering the incorporation or increase in the capital of the acquiring company, as envisaged by legislation governing registration;
3) Procedural decision of the Business Registers Agency registering the striking off or decrease in the capital of the transferor company;
4) Approval from the National Bank of Serbia in the event of a change of status of a bank, insurance company, pension fund, leasing firm, or payment institution;
5) Approval from the Securities Commission in the event of a change of status of a broker-dealer, market operator, or investment fund.
6) Financial instrument transfer order.

56. The CSD shall transfer shares into the financial instrument account of the Privatisation Agency or the competent Ministry pursuant to a decision of the Privatisation Agency or the competent Ministry on the transfer of equity in case of breach of a contract on the sale of socially-owned capital.

57. The CSD shall transfer shares in case of assignment of contract on the sale of socially-owned capital pursuant to the following documents provided by a CSD member:

1) Application made in writing;
2) Addendum to the contract on the sale of socially-owned capital, or contract on the sale of socially-owned capital;
3) Assignment agreement;
4) Procedural decision of the Privatisation Agency or the competent Ministry on the assignment of the contract on the sale of socially-owned capital, and
5) Share transfer order.

58. [1] The CSD shall transfer shares into accounts of lawful holders pursuant to procedural decisions on equity verification issued by the appropriate Government Ministries. Along with such decisions, the appropriate ministries shall provide to the CSD a certified list of shareholders both electronically (on a CD) and in hard copy.

[2] The CSD member acting as corporate agent to the issuer shall provide to the CSD an application for the registration of shares and the procedural decision issued by the appropriate ministry, as well as the electronic medium (CD) containing a list of

shareholders that have made payments, in the manner envisaged for the submission of the list of lawful holders.

59. [1] The CSD shall transfer shares from accounts of consortia into those of lawful holders in fulfilment of obligations under contracts on the sale of socially-owned capital.

[2] The CSD member handling the transaction shall file with the CSD an application for the transfer of securities into accounts of consortium members who are lawful holders, and shall provide the following documents:

1) Contract on the sale of socially-owned capital entered into between the Privatisation Agency or the competent Ministry and the purchaser;
2) Consortium contract and Addendum to such contract (indicating the quantity of shares as a whole number);
3) Procedural decision of the Privatisation Agency or the competent Ministry recording the deletion of any pledge on shares, where payment is made in instalments;
4) Certificate issued by the Privatisation Agency or the competent Ministry confirming payment by the consortium pursuant to the sale and purchase contract, where payment is made up front, and
5) Securities transfer order in the form of an electronic file submitted in the manner envisaged for the submission of data by a commission.

60. [1] The CSD shall transfer shares pursuant to a procedural decision of the Privatisation Agency or the competent Ministry transferring shares from the proprietary financial account of the depositary into the proprietary financial instrument account of the Share Fund, as provided for under legislation governing entitlement to shares distributed free of charge and remuneration payable to members of the public in privatisation procedures.

[2] Frozen foreign currency deposit bonds of the Republic of Serbia shall be transferred pursuant to contracts on the transfer of such bonds and transfer orders signed by their previous owners.

Reversal of Executed Order for Transfer of Financial Instruments Free of Payment

60a. An FoP transfer order, or an order to register or delete rights held by a third party, that has been executed may be reversed in the event of error made in the course of entry or execution of such order. The CSD may reverse such transfer order pursuant to the following documentation:

1) Application of the CSD member representing the party initiating reversal of transfer order;
2) Documentation substantiating the alleged error.

Submission of Order for Transfer of Financial Instruments Free of Payment by Commission

60b. [1] A financial instrument transfer order in electronic format ('e-Order') on CD shall be submitted by a commission composed of three representatives of the CSD ('commission members') and one representative of the CSD member submitting the e-Order.

[2] The CSD member shall accompany the CD by the following documents:

1) Financial instrument transfer order signed and certified by an authorised person of the CSD member;

2) Authorisation for the representative of the CSD member to submit the order by commission;

3) Schedule of Persons on CD in a format prescribed by the CSD, where the CD must be certified by an authorised person of the CSD member;

4) Declaration by the CSD member attesting to the accuracy of information contained in the Schedule of Persons, made under full civil and criminal liability;

5) Declaration by the CSD member attesting that financial instrument transfer orders are in its possession, made under full civil and criminal liability. This declaration shall not be made in the event of a decrease in capital in the possession of shareholders;

6) Declaration by the issuer attesting to the accuracy of information contained in the Schedule of Persons, made under full civil and criminal liability, in the event of the annulment of shares in the possession of shareholders and sale of own shares for the purpose of their allotment;

7) The Schedule of Persons in printed format certified by the issuer in the event of a capital decrease by means of the annulment of own shares.

[3] Information shall be submitted by commission in compliance with provisions of Item 23 of these Operating Rules.

Transfer of Financial Instruments versus Payment

61. [1] The CSD shall transfer financial instruments from one account into another at the same time that payment is made, i.e. on a DvP (Delivery versus Payment) basis, pursuant to financial instrument transfer orders and cash payment orders received through CSD members (depositaries of financial instruments and cash of parties to the transaction) by the time limit stipulated in the orders and as envisaged in the CSD Term Schedule Rulebook.

[2] A regulated market or MTF shall provide the CSD with an electronic file containing information on transactions entered into involving financial instruments (proof of transaction). The CSD shall, pursuant to such proofs of transactions, transmit electronic messages to CSD members keeping financial instrument and cash accounts of both sellers and buyers. CSD members shall confirm the receipt of such messages by transmitting return electronic messages to the CSD.

62. [1] The CSD may amend the following data contained in a proof of transaction provided by a regulated market or MTF at the duly reasoned request of the CSD member that is a party to the transaction made in writing:

1) Amount of commission charged by the investment company that is a CSD member;

2) Number of financial instrument account (in case of error in code of CSD member keeping financial instrument account or type of financial instrument account), or
3) Cash account (in case of error in code of CSD member keeping client cash account).

[2] Where a seller does not possess sufficient financial instruments for sale in its account (such as where inappropriate financial instruments were sold in error, or where inaccurate seller data were entered), or where a buyer does not possess sufficient funds to complete a purchase of financial instruments, the CSD member acting as intermediary in such transaction shall be required to apply with the CSD for amendment of client data. The only change permitted shall be the replacement of the uniform identification number of the client (for brokerage transactions) with the uniform identification number of the CSD member acting as intermediary in the transaction (for dealer transactions).

63. [1] The following information may not be amended in proofs of transactions provided by the regulated market or MTF to the CSD:

1) Uniform identification number of buyer and seller, excepting in cases envisaged by Item 62, Paragraph [2];
2) ISINs of financial instruments, and
3) Quantity and price of financial instruments.

[2] Where the seller of financial instruments does not possess such financial instruments for sale in its financial instrument account (such as where inappropriate financial instruments were sold in error, or where inaccurate seller data were entered), or where a buyer does not possess sufficient funds to complete the purchase of financial instruments, and the CSD member acting as intermediary does not take the steps envisaged by Item 62, Paragraph [2], the CSD shall activate other emergency procedures.

[3] For transactions entered into in the regulated market or through an MTF, the CSD shall clear and settle financial instruments and cash at the date indicated by the parties to the transaction, as envisaged under the CSD Term Schedule Rulebook. Financial instruments shall be transferred from the seller to the buyer at the same time cash is transferred from the buyer to the seller on a DvP (Delivery versus Payment) basis.

[4] Where a person or an entity acquires a 5 percent interest in the equity of a bank or other participant defined as such by law by purchasing shares of such bank or other participant defined as such by law, such person or entity shall be required to provide approval of the National Bank of Serbia for such acquisition of holding in equity to the CSD member keeping the financial instrument account in question.

[5] Where a person or an entity acquires a qualifying holding in the equity of an investment company, market operator or investment fund management company by purchasing shares of such company, such person or entity shall be required to provide approval of the Securities Commission for such acquisition of holding in equity to the CSD member keeping the financial instrument account in question.

Financial Instrument Netting at Client Level

64. [1] Financial instruments shall be netted at client level with a CSD member acting as designated depositary, thereby making it possible for a (future) holder of financial instruments to sell such instruments before they are cleared at the CSD, or before they are transferred into its financial instrument account. A CSD member may, on behalf of its clients, monitor the balance (receivables or payables) for a period ranging from T+0 to T+2. The T+0 to T+2 period shall run with respect to the date of settlement.

[2] The CSD shall verify the balances of financial instruments indicated in proofs of transactions provided by regulated markets/MTFs. Where the potential balance is greater than or equal to the number of financial instruments sold, the proof of transaction shall be deemed to be accurate, and where the potential balance is lesser than the number of financial instruments sold an error shall be recorded and the investment company notified to carry out emergency procedures or effect borrowing.

[3] Financial instrument transfer orders pursuant to trading outside a regulated market or an MTF may not be input by means of the CSD client-side application where the seller is not in possession of sufficient financial instruments in its proprietary account or where a purchase order was not previously input with respect to financial instruments not yet settled.

[4] Net securities positions are constantly updated as new proofs of transactions provided by market operators and OTC market orders are input, as depositaries change, and as transactions are cleared and settled; CSD members can thus monitor and keep track of potential balances of their clients by means of the CSD client-side web application.

Trading in Financial Instruments outside Regulated Market or MTF

65. Debt financial instruments may be traded outside a regulated market or an MTF.

66. Financial instruments issued by the Republic of Serbia and the National Bank of Serbia may be traded outside a regulated market or an MTF.

67. Shares shall be traded outside a regulated market or an MTF as provided for under legislation governing takeovers of joint-stock companies and the Companies Law in the following cases:

1) In the procedure of offer for the takeover of stock;
2) In an enforced share purchase procedure;
3) In exercising rights to sell shares;
4) In exercising the special rights of dissenting shareholders, and
5) In the process of acquiring own shares pro rata.

68. Shares issued by banks may be traded outside a regulated market or an MTF in the following cases:

1) Where the Republic of Serbia is the lawful holder of the shares ;
2) Where the Deposit Insurance Agency is the lawful holder of the shares ;
3) Where, pursuant to a contract made in writing, the Deposit Insurance Agency is

authorised by lawful holders to sell shares to third parties for and on their behalf, and

4) In case of the sale of assets of banks in bankruptcy or liquidation, where the bankruptcy or liquidation proceedings are administered by the Deposit Insurance Agency.

69. Shares issued by insurance companies may be traded outside a regulated market or an MTF where the lawful holders of such shares authorise, pursuant to a contract made in writing contract, the Deposit Insurance Agency to sell the shares for and on behalf of the companies in question.

70. Shares issued by the CSD, stock exchange and other entities in the financial sector may be traded outside a regulated market or an MTF where the Republic of Serbia is the lawful holder of the shares in question, or where the lawful holders authorise, pursuant to a contract made in writing, the Republic of Serbia to sell the shares for them and on their behalf.

71. The following shares of joint-stock companies may be traded outside a regulated market or an MTF:

1) Shares transferred to the Share Fund, or to the Privatisation Agency or the competent Ministry, as well as the shares of individual share-holders that have pooled their shares with those owned by the Share Fund or the Privatisation Agency or the competent Ministry, and are offering them for sale simultaneously with the Share Fund or the Privatisation Agency or the competent Ministry;
2) Shares where the lawful holder is the National Pension Fund;
3) Shares where the lawful holder is the National Development Fund, and
4) Shares where the lawful holder is the Republic of Serbia.

72. [1] Shares of joint-stock companies may be traded outside a regulated market or an MTF if the shares in question are not listed on the regulated market or an MTF.

[2] An investment company notifying transactions involving financial instruments in the OTC market shall input transfer orders by means of the CSD client-side web application pursuant to the following documents:

1) Purchase agreement certified as envisaged by legislation governing the certification of signatures;
2) Transfer order certified by the issuer;
3) Certificate issued by the CSD member confirming the purchaser of financial instruments is in possession of the required funds;
4) Certificate issued by the competent body of the joint-stock company attesting that the procedure provided for under the Articles of Incorporation of that company (right of pre-emption) has been complied with or that unrestricted conveyance of shares has been provided for under the Articles of Incorporation.

73. [1] Shares offered by their lawful holder-seller on the basis of the prospectus approved for public offering may be traded outside a regulated market or an MTF.

[2] A CSD member maintaining the securities account of the lawful holder-seller shall file with the CSD for the transfer of securities into the account of a lawful holder-buyer, as well as submit the report on the outcome of public offering, along with the proof that this document has been submitted to the Commission for Securities. A CSD member shall register the securities and cash proceeds transfer order by means of the CSD client-side web application.

74. [1] Where a purchase or sale of debt securities is performed by the Republic of Serbia or the National Bank of Serbia, they shall submit an electronic file of closed transactions to the CSD.

[2] Pursuant to electronic files or orders on transactions entered into outside a regulated market or an MTF in electronic form, the CSD shall generate electronic notifications which shall be forwarded to the CSD members, participants in the transaction. The CSD members in question shall confirm the receipt of the notification.

[3] The CSD shall clear and settle transactions on a DvP (Delivery versus Payment) basis on the day entered in the order.

Repo Transactions

75. [1] A repo transaction shall be defined as the purchase or sale of financial instruments pursuant to a repo contract, under which one party ('the repo seller') agrees to sell financial instruments to the other party ('the repo purchaser') which in turn agrees to pay the purchase price to the repo seller, whereas the repo-purchaser undertakes to sell, on the day of repurchase, financial instruments envisaged under the repo contract to the repo seller. The repo seller shall pay the previously agreed repurchase price on the day of repurchase.

[2] Financial instruments shall be transferred under a repo contract from the financial instrument account of the repo seller into the re financial instrument account of the repo purchaser pursuant to a certified contract and financial instrument transfer order authorised by the entity performing the transfer in question (the repo seller). A CSD member that maintains the financial instrument account of the repo seller shall input the transfer order electronically, by means of the CSD client-side web application. The CSD shall, pursuant to the registered transfer order, exchange notifications with parties to the transaction electronically. The members in question shall confirm the receipt of the electronic notifications.

76. [1] The Republic of Serbia and the National Bank of Serbia shall perform repurchase transactions involving financial instruments in compliance with regulations.

[2] After the completion of repo trading, the Republic of Serbia and the National Bank of Serbia shall submit to the CSD the electronic file containing information on each repo transaction entered into. The CSD shall forward notifications in electronic form to parties to transactions, who shall, in turn, confirm the receipt of such notification.

77. In repo transactions, the CSD shall clear and settle financial instruments and cash proceeds as of the date initiated by the parties to the transaction, pursuant to the CSD Term Schedule Rulebook. Financial instruments shall be transferred from the repo seller

to the repo purchaser simultaneously with the transfer of cash from the repo purchaser to the repo seller on a DvP (Delivery versus Payment) basis.

78. [1] The repo purchaser should have financial instruments that were the object of repo trading in its account on the day of repurchase, while the repo seller should provide funds to pay for them.

[2] On the day of repurchase, and upon the payment of funds by the repo seller, the CSD shall notify participants in the transaction electronically; these shall, in turn, confirm the receipt of such notifications. The CSD shall clear and settle these securities on a DvP basis upon confirmation and payment.

[3] The CSD shall not be liable to the repo seller or repo purchaser for any damage arising from unfulfilled obligations under a repo contract or from any failure of any CSD member representing any party to a repo transaction.

IX. SHARE TAKEOVER OFFERS

79. [1] A share takeover offer shall be defined as a public offering to all shareholders of an open joint-stock company for the purchase of all voting shares, under conditions and in the manner stipulated by the Law on the Takeover of Joint-Stock Companies.

[2] The offeror shall enter into contract with a CSD member on the maintenance of the deposited securities account of the offeror and on administration of the share takeover offer.

[3] Any CSD member acting for and on behalf of an offeror (an agent of the offeror) shall submit the following documents to the CSD:

1) Application for announcing the share takeover offer;

2) Approval of the share takeover offer issued by the Securities Commission;

3) Text of the takeover offer in both electronic form and hard copy (certified by authorised persons of the offeror and the CSD member acting as agent), and

4) Abbreviated version of the takeover offer in both electronic and printed form (certified by authorised officers of the offeror and the CSD member acting as agent).

[4] The CSD shall display the announcement and text of the share takeover offer on its web site upon being approached to do so by the CSD member acting as agent for the offeror.

[5] Provisions of Paragraph [2] of this Item shall apply in the case of a competing offer or modification of the share takeover offer.

[6] The CSD member acting as agent for the offeror shall immediately notify the CSD of any modification to the offer.

[7] In case of a competing offer, the period for the submission of the original offer shall be extended up to the date of expiry of any competing offers. If the modification of the share takeover offer is publicly announced, the term of the original offer shall be extended to seven days, while the overall term of the offer must comply with the provisions of the law governing the takeover of joint-stock companies.

80. The CSD shall issue single shareholder records, including identification number, name, and address of each shareholder, upon the request of any CSD member acting as agent for the offeror, and in order to notify the shareholders of the share takeover offer.

81. [1] Lawful holders of securities shall issue deposit orders to CSD members maintaining their proprietary accounts in case they decide to accept the public invitation for the takeover of shares.

[2] Shareholders who have transferred their shares into a deposited securities account may issue orders for the withdrawal of the shares from the deposited securities account on each working day during the term of the initial offer.

[3] CSD members may forward to the CSD notifications in electronic form, containing orders for deposit of shares or withdrawal of deposited shares, continually during the term of the share takeover offer.

[4] Pursuant to transfer orders received, the CSD shall transfer securities from the proprietary accounts of shareholders into the deposit account of offerors, or vice versa, where shareholders opt to revoke their share deposits.

82. [1] Pursuant to the law governing the takeover of joint-stock companies, a share takeover offer shall be deemed successful and completed if on the closing date of the offer the deposited securities account contains at least the amount of securities indicated in the share takeover offer as the minimum amount of shares that the offeror intends to purchase. If the amount of deposited shares is greater than the minimum amount of shares on offer, the offeror shall be required to purchase all the shares deposited.

[2] Pursuant to the law governing the takeover of joint-stock companies, a share takeover offer shall be deemed unsuccessful if on the closing day of the offer the amount of shares deposited is lower than the minimum amount of shares offered in the share takeover offer. In this event, the CSD shall transfer the deposited shares from the deposited securities account into proprietary financial instrument accounts of the shareholders who had deposited the shares in question.

[3] Paragraphs [1] and [2] of this Item shall also apply to a conditional offer for the takeover of shares in which the offeror has clearly indicated the minimum amount of voting shares which the offeror intends to acquire through the share takeover offer.

[4] In case of an unconditional share takeover offer, the offeror shall purchase all shares offered for the takeover.

[5] The CSD shall display on its web site all data pertaining to takeover offers for joint-stock companies successfully entered into, as well as on unsuccessful conditional share takeover offers.

83. [1] Where a share takeover offer has been withdrawn, the CSD member acting as agent for the offeror shall notify the CSD on the withdrawal of the offer in both hard copy and electronic form. The CSD shall display the information about the withdrawal on its web site upon request of the agent of the offeror.

[2] A CSD member shall input the data pertaining to the withdrawal of the share takeover offer by means of the CSD client-side web application. The CSD shall transfer deposited shares from the deposited securities account into proprietary financial instrument accounts of the shareholders that had deposited the shares in question.

84. [1] Where a share takeover offer has been withdrawn pursuant to a decision of the Securities Commission, the CSD shall act accordingly and transfer the deposited shares from the deposited securities account into proprietary accounts of the shareholders who had deposited the shares in question.

[2] Where a share takeover offer has been withdrawn pursuant to a decision of the Securities Commission in the period from T+0 to T+2, the CSD shall cancel electronic messages and shall transfer the deposited securities into proprietary accounts of shareholders who had deposited the shares in question.

85. [1] On the closing date of the share takeover offer, the CSD member maintaining the deposited securities of the offeror shall forward to the CSD an electronic file for closing the share takeover offer, which shall contain data about the purchasing offeror, the number of shares involved in the takeover, and the price per each share.

[2] Where a share takeover offer has been completed successfully, the CSD shall forward electronic notifications containing data on deposited shares to CSD members maintaining proprietary financial instrument accounts and cash accounts of the sellers and the purchasing offeror.

[3] Where the share takeover offeror has been completed on a non-working day (Saturday, Sunday, or national or religious holiday designated a non-working day by law), the closing day for the share takeover offeror shall be moved to the first next working day.

[4] Payment pursuant to a successfully closed share takeover offer may be made either in cash or in financial instruments.

[5] The Securities Commission shall set forth the conditions under which an offeror may offer compensation for the takeover as well as the manner of determining the compensation.

86. Where payment is made in whole or in part in financial instruments, the CSD shall open and maintain the financial instrument deposit account of the offeror. Financial instruments used for payment under a share takeover offer shall be deposited into this account. Financial instruments shall be deposited into the deposit account pursuant to a transfer order certified by an authorised officer of the offeror or a CSD member acting as agent for the offeror. The offeror may not use these financial instruments during the term of the share takeover offer.

87. [1] On the closing date of the share takeover offer, the CSD shall forward electronic messages to parties to the share takeover offer procedure. CSD members shall be required to respond to these messages. The CSD shall perform clear and settle these transactions according on a DvP (Delivery versus Payment) basis, as provided for in the CSD Term Schedule Rulebook.

[2] If payment is made in financial instruments, the CSD member acting as agent for the offeror shall forward to the CSD orders for the transfer of financial instruments from the deposit account of the offeror into proprietary financial instrument accounts of the seller shareholders.

X. ACQUISITION OF OWN SHARES

88. [1] A joint-stock company which intends to acquire its own shares by tendering to all shareholders, pursuant to provisions of the Companies Law, shall submit the following documents to the CSD through a CSD member:

1) Decision of the joint-stock company on the acquisition of its own shares;
2) Text of the offer for the acquisition of own shares in both hard copy and electronic form;
3) Approval of the National Bank of Serbia, where a bank intends to acquire its own shares;
4) Approval of the Securities Commission, where a closed investment fund intends to acquire its own shares;
5) Proof of the opening of a deposited securities account where the shares offered in an offer are to be deposited, and
6) Proof of possession of cash assets or bank guarantees.

[2] The text of an offer for the acquisition of own shares shall contain the following information:

1) Type, class and amount of shares that a joint-stock company intends to acquire;
2) Price per share;
3) Form and time limit for payment, and
4) Term of validity of offer that may not be shorter than 15 days.

[3] The CSD shall display the announcement and text of the offer for acquiring own shares on its web site upon being approached to do so by the CSD member handling the transaction.

[4] Lawful holders of shares that the offer for the acquisition of own shares relates to may deposit shares within the period set in the offer by ordering their transfer into a deposited securities account; this order may also be withdrawn by issuing an order for transfer from the deposited securities account during the term of the offer for acquisition of own shares.

89. [1] Where, after the expiry of the time period for the acquisition of own shares, the amount of deposited shares exceeds that indicated in the offer, and where the offering

joint-stock company accepts the excess of deposited shares, such joint-stock company shall be required to provide the CSD with proof, through a CSD member and along with notification made in writing, of the possession of additional assets or a bank guarantee necessary for payment for the excess deposited shares.

[2] Where the joint-stock company refuses to accept an excess of deposited shares, the CSD shall transfer such excess shares from the deposited securities account of the joint-stock company proportionately to each member who had deposited shares. When calculating the amount of shares, the total amount of shares shall be taken proportionately from each shareholder who had deposited the shares. In case of a relatively proportionate return of excess shares relative to the amount deposited, the CSD may issue correction orders for determining the exact amount of shares that a joint-stock company intends to take over.

[3] In case of modification of an offer for the acquisition of own shares (modified price, time limit for or duration of acquisition), documents must be submitted as envisaged by Item 88.

90. [1] On the closing day of the offer for the acquisition of own shares, the CSD shall forward electronic notifications to CSD members maintaining financial instrument accounts and cash accounts of clients. CSD members shall confirm the receipt of these notifications to CSD in electronic form.

[2] The CSD shall be tasked with clearing and settlement on a DvP basis and pursuant to the CSD Term Schedule Rulebook.

XI. PURCHASE OF SHARES FROM DISSENTING SHAREHOLDERS

91. [1] For the purpose of purchasing shares from dissenting shareholders, the corporate agent of the issuer shall input share transfer orders by means of the CSD client-side web application pursuant to the following documents:

1) Application by the joint-stock company for pay-out of dissenting shareholders;

2) Application by a dissenting shareholder for the exercise of their entitlement to pay-out;

3) Certificate issued by the CSD member maintaining the cash account of the joint-stock company attesting that cash has been secured to pay for the shares held by the dissenting creditors.

[2] The CSD shall settle the securities and cash proceeds on a DvP basis pursuant to the application and information submitted.

[3] Cash shall be transferred to CSD members maintaining financial instrument accounts of dissenting shareholders in which the shares subject to the purchase are registered.

91a. For the purpose of transferring shares from a dissenting shareholder to the issuer pursuant to a court ruling, where cash has previously been transferred to the dissenting

shareholder, the dissenting shareholder or issuer shall submit the following documents via a CSD member:

1) Application for transfer of shares from the dissenting shareholder to the issuer;
2) Order for transfer of shares from the proprietary financial instruments account of the dissenting shareholder to the proprietary financial instruments account of the issuer, certified by the dissenting shareholder;
3) Court ruling in question;
4) Proof of payment of cash by the issuer into the account of the dissenting shareholder.

XII. REDUCTION IN THE AUTHORISED CAPITAL OF A JOINT-STOCK COMPANY

92. [1] A joint-stock company shall apply for a reduction in its authorised capital with the CSD, via a corporate agent, in the event of:

1) Withdrawal and annulment of shares in the possession of shareholders;

2) Annulment of the own shares of the joint-stock company;

3) Reduction in the face value of shares or of book value in the case of shares with no face value.

[2] The application shall be submitted to the CSD within five working days of the registration of the decision on the decrease in authorised capital as envisaged by legislation governing registration.

93. [1] Where the number of shares is reduced due to the withdrawal or annulment of shares in the possession of shareholders, the joint-stock company shall submit the following documents via a corporate agent:

1) Application by the joint-stock company for a decrease in authorised capital by withdrawal and annulment of shares in the possession of shareholders;

2) Decision on decrease in authorised capital by withdrawal or annulment of shares made by the General Meeting of the company in question;

3) Procedural decision of the Business Registers Agency on the registration of the decision on decrease in authorised capital;

4) Orders for the transfer of shares from shareholders' financial instrument accounts submitted electronically (on a CD), whereby the submission shall be performed by a commission, as envisaged by Item 60b of these Operating Rules;

5) Declaration of compliance with statutory requirements for a decrease in authorised capital made by:

- [1] The Managing Director or Chairperson of the Board of Directors of a single-tier company;

- [2] The Managing Director or Chairperson of the Executive Board and Chairperson of the Supervisory Board of a two-tier company.

[2] In the event of a decrease in authorised capital that a company is required to perform in compliance with creditor safeguards of the Companies Law, after the expiry of the continuous three-month notice period for the decision on the decrease in authorised capital prescribed by the Business Registers Agency, the joint-stock company shall accompany the documents referred to in Paragraph [1] of this Item submitted to the CSD by the following documents:

1) Proof of publication of the decision on decrease in authorised capital;

2) Declaration of compliance with statutory requirements for the decrease in authorised capital in connection with creditor safeguards as envisaged by Article 322 of the Companies Law.

[3] Pursuant to the application and documents, the CSD shall annul shares held by shareholders within three days of receiving such duly submitted application.

94. [1] Where the number of shares is reduced upon the annulment of the own shares of a joint-stock company, the company shall submit the following documents to the CSD via a corporate agent:

1) Application by the joint-stock company for decrease in authorised capital by annulment of own shares;

2) Decision of the joint-stock company on decrease in authorised capital by annulment of own shares;

3) Procedural decision of the Business Registers Agency on registration of the decision to decrease authorised capital;

4) Declaration of compliance with statutory requirements for a decrease in authorised capital as envisaged by Item 93 [1] 5) of these Operating Rules;

5) Orders for the transfer of shares from shareholders' financial instrument accounts submitted electronically (on a CD), whereby the submission shall be performed by a commission, as envisaged by Item 60b of these Operating Rules.

[2] Provisions of Item 93 [2] of these Operating Rules shall apply in the event of the decrease in authorised capital that a company is required to perform in compliance with creditor safeguards of the Companies Law.

[3] Pursuant to the application and documents, the CSD shall annul own shares of a joint-stock company within three days of receiving such duly submitted application.

95. In case of a reduction in the face value of shares, or of book value of shares holding no face value, the joint-stock company in question shall submit the following documents to the CSD via a corporate agent:

1) Application by the joint-stock company for a decrease in capital by a reduction in the face value of shares, or of book value of shares holding no face value;

2) Application for assignment of CFI code and ISIN;

3) Application for registration of the issue in the issue account of the issuer;

4) Decision by the General Assembly of the company;

5) Procedural decision of the Business Registers Agency on the registration of the capital decrease decision;

6) Declaration of compliance with statutory requirements for capital decrease referred to in Item 93 [1] 5) of these Operating Rules.

[2] Provisions of Item 93 [2] of these Operating Rules shall apply in the event of a decrease in authorised capital that a company is required to perform in compliance with creditor safeguards of the Companies Law.

[3] No Schedule of Persons shall be submitted as there will be no change in the number of shares in the possession of lawful holders.

[4] Pursuant to the application and documents, the CSD shall decrease the capital of the joint-stock company by reducing the face or book value of shares within three days of receiving such duly submitted application.

95a. In the event of a simultaneous capital decrease and capital increase, the corporate agent shall submit documents as envisaged by these Operating Rules, depending on the manner in which the capital is increased and decreased.

96. [1] In the event of the withdrawal and annulment of shares due to a failure to make payment or contribution, the joint-stock company shall submit the following documentation to the CSD via a corporate agent:

1) Application for withdrawal and annulment of shares;

2) Decision on withdrawal and annulment of shares;

3) Procedural decision of the Business Registers Agency registering the decision on withdrawal and annulment of shares;

4) Schedule of Persons whose shares are to be withdrawn and annulled.

[2] Pursuant to the application and documents, the CSD shall annul shares not paid-in in full, or shares for which the non-cash contribution was not made, within three days of receiving such duly submitted application.

XIII. COMPULSORY PURCHASE OF SHARES AND ENTITLEMENT TO PURCHASE OF SHARES

Compulsory Purchase of Shares

97. Where the General Meeting, acting on the motion of a shareholder holding at least 90 percent of the authorised capital of a joint-stock company and controlling at least 90 percent of the votes of all shareholders holding ordinary shares ('the purchaser'), decides in favour of an enforced purchase of all shares belonging to the remaining shareholders, regardless of any encumbrances, limitations, and third-party interests in such shares, the purchaser shall submit the following documents to the CSD via a corporate agent:

1) Request for compulsory purchase of shares;
2) Decision of the General Meeting on compulsory purchase of shares, within three working days of registration;
3) Procedural decision of the Business Registers Agency registering such decision;
4) Declaration of the purchaser regarding persons connected with the purchaser for a period of at least one year prior to the enactment of the decision on compulsory purchase of shares;
5) Certificate issued by the CSD member attesting that cash has been secured by the purchaser for the purchase of the shares held by the remaining shareholders, within three working days of the submission of the decision thereon adopted by the General Meeting;
6) Notification of the compulsory purchase of shares in electronic and printed format, published by the CSD on the web site of the CSD.

98. Where the purchaser has met the requirement for the compulsory purchase of shares by means of a share takeover offer, the issuer may, on behalf of the purchaser, apply with the CSD for compulsory purchase of shares under conditions cited in the takeover offer within three months of the expiry of the share takeover offer.

99. [1] The CSD shall publish a notice of the commencement of the compulsory purchase procedure on its web site on the working day immediately following the day of receipt of a duly submitted compulsory purchase application.

[2] On the working day immediately following the day of notification, the corporate agent of the issuer shall input the electronic order by means of the client-side CSD web application and confirm the compulsory purchase procedure. The CSD shall generate electronic messages and transmit such messages to:

1) CSD members maintaining financial instrument accounts of shareholders whose shares are subject to the compulsory purchase;

2) CSD member maintaining the cash account of the purchaser;

3) CSD member maintaining the financial instruments account of the purchaser.

99a. [1] The CSD shall clear and settle the shares on a DvP (Delivery versus Payment) basis, as provided for under the CSD Term Schedule Rulebook.

[2] Cash shall be transferred to CSD members maintaining financial instruments accounts of shareholders in which shares subject to the compulsory purchase are registered.

[3] For clients whose shares are maintained in a suspense account with the CSD, the CSD shall transfer cash to the CSD member acting as corporate agent for the issuer.

[4] The CSD shall transfer shares to the purchaser free of any burden, ban on disposal, limitation, or third-party interest in such shares.

99b. [1] In the event of a compulsory purchase of pledged shares initiated by the pledgee, the CSD shall pay the cash proceeds of the compulsory purchase of such pledged shares into the account of the member that initiated the sale at the application of the pledgee.

[2] In the event of a compulsory purchase of pledged shares not initiated by the pledgee, the CSD shall pay the cash proceeds of the compulsory purchase of such pledged shares into the account of the member maintaining the securities account of the pledger.

[3] In the event of a compulsory purchase of shares held by shareholders whose registration data are incomplete or erroneous, the CSD shall pay the sum of the cash proceeds of the purchase into the account of the corporate agent of the issuer.

[4] In the event of a compulsory purchase of shares subject to a registered pledge or ban on disposal or an injunction pursuant to a decision of a competent authority, the CSD shall transfer the cash proceeds of such purchase to the corporate agent of the issuer.

99c. [1] The CSD shall notify the corporate agent of the issuer of the identity of the competent authority at the application of which a pledge or ban on disposal or injunction has been registered on shares subject to the compulsory purchase for the purpose of the transfer of the proceeds to such authority.

[2] The CSD shall simultaneously notify the competent authority at the application of which a pledge or ban on disposal or injunction has been registered on shares subject to the compulsory purchase of the transfer of such shares following their compulsory purchase, and shall also notify such authority of the identity of the corporate agent of the issuer into whose account the cash proceeds of the compulsory purchase have been transferred.

99d. [1] In the event that a CSD member receiving the cash proceeds of the compulsory purchase of shares is unable to ascertain information regarding shareholders, such member shall be required to repay the undistributed portion of the cash proceeds to the corporate agent of the issuer within 10 days of the settlement of the compulsory purchase and provide a schedule of the shareholders and amounts of proceeds not paid.

[2] In the event that the corporate agent of the issuer is also unable to distribute the cash proceeds to the appropriate shareholders, such issuer shall be required to repay the undistributed portion of the cash proceeds to the purchaser within 15 days of the settlement of the compulsory purchase and provide a schedule of the shareholders and amounts of proceeds not paid.

[3] In the event that the corporate agent of the issuer is unable to transfer the cash proceeds of a compulsory purchase of shares subject to a pledge or ban on disposal or injunction of an authority to such authority, the corporate agent shall be required to repay the undistributed portion of the cash proceeds to the purchaser within 30 days of the settlement of the compulsory purchase and provide a schedule of the shareholders and amounts of proceeds not paid and simultaneously notify the competent authority thereof.

Entitlement to Sale of Shares

100. [1] A controlling shareholder that has acquired shares constituting at least 90 percent of the authorised capital of a joint-stock company and controlling at least 90 percent of the votes of all shareholders holding ordinary shares shall be required to purchase the shares of each of the remaining shareholders upon their request made in writing.

[2] The CSD member maintaining the financial instruments account of the shareholder shall administer the entitlement procedure pursuant to an application thereto and the following documents:

1) Application for the sale of shares made with the joint-stock company;
2) Order for transfer from the proprietary account of the shareholder into the proprietary financial instruments account of the controlling shareholder, certified by the shareholder as envisaged by Item 4 of these Operating Rules;
3) Certificate of the joint-stock company attesting to the price set for its shares, as envisaged by law, or court ruling, where the company has not set the price;
4) Certificate issued by a bank that is a CSD member attesting that cash has been secured by the controlling shareholder for the purchase of shares from the remaining shareholders.

101. Where the controlling shareholder has acquired, on the basis of a share takeover offer, at least 90 percent of the authorised capital of the joint-stock company, and holds at least 90 percent of the votes of all shareholders holding ordinary shares, the remaining shareholders shall be entitled to sell their shares under conditions laid out in the takeover offer, within three months of the closing date for the takeover of shares.

102. The CSD shall forward notifications in electronic form to all parties to the transaction pursuant to orders input. The CSD shall clear and settle securities on a DvP (Delivery versus Payment) basis on the date indicated in the transfer order.

XIII a. PAYMENT OF DIFFERENCE IN SHARE PRICE

102a. The CSD shall pay out the difference in the price of shares in the event that a final court ruling obliges the purchaser of such shares to pay the difference up to the full price of such shares, or in the event that the offeror is obligated by law to pay the difference in price. The CSD member handling the transaction shall provide the following documentation:

1) Application by the paying party to effect payment of difference in share price;
2) Document establishing the difference in the price of shares of the company, as provided for by law (final court ruling, statement made by issuer under full civil and criminal liability, or other document pertaining to the difference in the price of shares that incontrovertibly establishes the amount of and grounds for payment);
3) Certificate issued by the CSD member handling the transaction attesting that sufficient funds have been secured for payment to be effected;
4) Information about members (cash depositaries) keeping cash accounts of clients that are to receive payment of the difference in the price of shares;
5) List of persons that are to receive payment of difference in the price of shares, submitted in electronic format (on a CD), whereby both the CD and the list in paper format must be certified by an authorised officer of both the CSD and the paying party.

XIV. DISPOSAL OF OWN SHARES

103. [1] When the sale (disposal) of own shares is performed through an offer made to all shareholders exercising priority registration rights pursuant to provisions of the Companies Law, the issuer of the shares shall submit, through a CSD member, the following documents to the CSD:

1) Application made in writing;

2) Decision of the joint-stock company on the sale (disposal) of its own shares;

3) Text of the sale (disposal) offer (in both hard copy and electronic format).

[2] The offer for sale (disposal) of own shares shall be published by the CSD on its web site.

[3] Lawful holders of shares to which the offer of sale (disposal) of own shares pertains may register and pay in the shares within a period set in the offer by making a share purchase order. The CSD member with which the shares were registered shall forward the electronic file containing such share purchase order to the CSD.

[4] Clearing and settlement on a DvP basis shall be carried out in accordance with the CSD Term Schedule Rulebook.

104. If own shares are disposed of for the purpose of distributing assets among the employees of the joint-stock company or connected company, or for rewarding members of the Board of Directors or Executive or Supervisory Boards in line with the provisions of the Companies Law, the issuer shall submit the following documents to the CSD via a CSD member:

1) Application for the sale (disposal) of own shares filed by the CSD member, stating the grounds for the acquisition of own shares;
2) Decision on the disposal of own shares as provided for under the provisions of the Companies Law;
3) Statement issued by the joint-stock company that the disposal of its own shares to entities listed under this Item is in line with the company Statute and the decision on the acquisition of shares;
4) Transfer orders submitted in electronic form (on a CD), whereby the transfer shall be carried out by a commission and in the manner set forth in these Operating Rules.

XIV a. TRANSFER OF TITLE TO SHARES PURSUANT TO AGREEMENT ON SALE OF EQUITY UNDER PRIVATISATION LAW

104a. [1] The CSD shall transfer title to shares pursuant to an agreement on the sale of equity under the Privatisation Law. A CSD member acting for and on behalf of the seller of shares in the sale of equity of an entity subject to privatisation shall be required to provide the following documentation to the CSD:

1) Application for settlement of financial instruments and cash;
2) Agreement on the sale of equity of the entity subject to privatisation;
3) Certificate issued by the CSD member representing the purchaser of equity attesting that sufficient funds have been secured to effect the transaction;
4) Signed and certified DvP transfer order;
5) Authorisation for the person signing the transfer order.

[2] The CSD shall clear and settle the financial instruments in question on a DvP basis in accordance with the Term Schedule Rulebook.

[3] As provided for under the Privatisation Law, the CSD shall *ex officio* constitute a pledge to the benefit of the Privatisation Agency immediately upon transferring equity of the entity subject to privatisation to the purchaser of such equity.

XV. POOLING OF SHAREHOLDER SHARES WITH PACKAGE OF SHARES OWNED BY JOINT-STOCK COMPANY OR PRIVATISATION AGENCY

105. A CSD member acting for and on behalf of its client (Share Fund, Privatisation Agency, or the competent Ministry) shall file with the CSD an application for the pooling (depositing) of shareholders' shares with the Share Fund, Privatisation Agency, or the competent Ministry and shall submit the following documents:

1) Contract on the provision of services in preparation and realization of pooling offer entered into between the Share Fund, Privatisation Agency, or the competent Ministry and the CSD member;

2) Application filed by the CSD member for the opening of the pooling account (depositing account);

3) Public offering for the pooling of shares made in writing and certified by the authorised officers, and

4) Text of the pooling offer in both hard copy and electronic form.

[2] The CSD shall publish the text of the offer for disposal (depositing) of shares on its web site. CSD members shall inform thereof any shareholders the share pooling offer refers to that have contracted such members to open and maintain securities accounts.

106. Lawful holders of shares the share pooling (depositing) offer refers to may deposit such shares within a period determined in the offer, by making a transfer order with a CSD member, or by making a withdrawal order should they decide not to pool their shares. Lawful holders may not make withdrawal orders following the expiry of the time limit for depositing shares.

107. Where the Share Fund, Privatisation Agency, or the competent Ministry enter into a purchase contract with a purchaser, the CSD member handling the transaction shall submit such contract to the CSD. In addition to the contract, the CSD member shall also file an application indicating the date of settlement of the transaction.

108. The CSD shall notify CSD members participating in the sale of shares by means of pooling via E-mail. The CSD members shall confirm the receipt of such electronic notification. The CSD shall transfer the securities and cash on a DvP basis on the date of settlement, as provided for under the CSD Term Schedule Rulebook.

XVI. REGISTRATION OF THIRD-PARTY RIGHTS TO FINANCIAL INSTRUMENTS

109. [1] The rights of third parties to financial instruments shall apply with respect to other persons from the day of registration in the CSD.

[2] A pledge on financial instruments shall be constituted through the registration of such pledge in the proprietary account of the holders of financial instruments, whereby the financial instruments subject to the pledge shall be transferred into a special-purpose sub-account of the proprietary securities account ('the pledge account').

[3] A pledge contract, or any other legal document in compliance with the law, shall serve as legal grounds for third parties to acquire rights with respect to financial instruments.

[4] Where a loan contract serves as legal grounds for the registration of a pledge, and the borrower is a resident entity while the lender is a non-resident entity, the approval of the National Bank of Serbia for a resident to borrow from abroad shall also be required in addition to the loan contract and pledge contract for the pledge to be registered at the CSD.

[5] The CSD member maintaining the proprietary account of the pledger shall input the order for registration of third-party rights into the CSD client-side web application pursuant to the legal grounds and an order for transfer of financial instruments from the proprietary account onto the pledge account certified by the pledger.

[6] Each CSD member shall be required to keep in its records proof of third parties' acquisition of rights with respect to financial instruments in compliance with the law, and shall be required to make such proof available to the CSD when so requested. The registration of third-party rights with respect to financial instruments shall result in the freezing of the balance of financial instruments in the pledge account; such instruments may only be transferred from the pledge account as provided for by law.

[7] The CSD shall register second- and higher-priority pledges upon the application of a CSD member supported by the appropriate pledge contract and other legal documents, as provided for by law.

[8] An enforcement creditor that has acquired a pledge, as well as any and all other pledge creditors, shall be compensated according to the order of registration of their pledges with the CSD, as envisaged under the law governing enforcement and security.

[9] The CSD shall publish data on registered rights of third parties with respect to financial instruments on its web site.

110. The registration of a pledge created by a legal transaction shall be annulled pursuant to an order for the transfer of financial instruments submitted by the pledger accompanied by proof of termination of the initial obligation of the pledger issued by the pledgee; where the pledgee notifies the CSD that the receivables in question have been extinguished; and pursuant to a final court ruling.

110a. [1] The CSD shall replace a pledgee registered under a pledge agreement pursuant to an application for the replacement of the pledgee, agreement on the assumption of liabilities, and order for the replacement of the pledgee, as submitted through a CSD member by the creditor (pledger) transferring the claim.

[2] The CSD shall make changes to other information in connection with a pledge registered pursuant to a pledge agreement pursuant to an application thereto accompanied by the requisite supporting documents, as submitted by the pledger or pledgee through a CSD member.

111. [1] Where the a lawful holder of financial instruments that have been transferred into a pledge account fails to fulfil its obligations by the time limit set in the original contract pursuant to which the pledge was constituted, the creditor shall be entitled to start the procedure for selling the pledged financial instruments if allowed to do so under the original contract; in doing so the creditor shall be required to give eight days' notice to the debtor, or the pledger, where these are not one and the same person. The pledgee may start the procedure for selling financial instruments pursuant to a final court ruling.

[2] The creditor shall inform both parties (the debtor and pledger, where these are not one and the same person) in a timely fashion of the date set for the sale of the pledged

financial instruments, as well as of the manner in which the sale is envisaged to take place, as provided for by law.

[3] The sale of pledged financial instruments shall be initiated by an electronic request that shall be entered by the CSD member representing the pledgee.

[4] Pledged financial instruments sold shall be settled on a DvP (Delivery versus Payment) basis, whereby the cash shall be transferred into the cash account of the CSD member that initiated the sale of the financial instruments.

112. [1] The CSD member shall transfer the proceeds from the sale of financial instruments into the cash account of the creditor without delay.

[2] Where the amount obtained through the sale of pledged financial instruments exceeds the amount of debt, the CSD member shall transfer the excess funds into the cash account of the debtor without delay.

[3] A CSD member acting on behalf of the pledgee shall submit to CSD, by means of the CSD client-side web application, data on the pledge and the legal grounds for the registration of the third-party right with respect to financial instruments after the sale.

112a. In the event that any payment is made with reference to a pledged financial instrument (such as payment of dividend, coupon/annuity, or principal) and the sale of such instruments has been initiated but not executed, the CSD shall pay the appropriate cash sums into the account of the member that initiated the sale of such pledged financial instruments at the request of the pledgee, if this was envisaged under the original contract.

XVII. LIMITATION OF RIGHTS ARISING FROM SECURITES

113. [1] The exercise of rights arising from securities may be limited in the following cases:

1) Where a competent authority issues a decision prohibiting the exercise of some or all rights arising from securities;

2) Where the Securities Commission issues a decision disenfranchising the lawful holder.

[2] The CSD shall register a limitation of the exercise of some or all rights arising from securities pursuant to a decision of a competent authority submitted either by a CSD member or directly by such competent authority.

[3] The CSD shall erase a previously registered limitation of the exercise of some or all rights arising from securities pursuant to a decision of a competent authority submitted either by a CSD member or directly by such competent authority.

[4] The CSD shall register and erase the disenfranchisement of a lawful holder of shares pursuant to a decision thereto issued by the Securities Commission.

[5] Where existing shares subject to a registered limitation on disposal pursuant to a decision thereto issued by the Securities Commission are replaced, the CSD shall notify the Securities Commission of the replacement.

114. [Deleted]

115. The CSD shall publish data on registered limitations of rights arising from securities for shareholders to which the registered limitation applies on its web site.

XVIII. PERFORMANCE OF CORPORATE ACTIONS

116. [1] The CSD shall perform corporate actions through a CSD member and at the application of the issuer or any other duly authorised person.

[2] The application referred to in Paragraph [1] of this Item shall be filed through a CSD member in either hard copy or electronic form.

[3] Upon receiving the application referred to in Paragraph [1] of this Item, the CSD shall act in accordance with such application by undertaking the action indicated in such application by the time limit set by such application, in compliance with these Operating Rules and other general byelaws of the CSD.

[4] Corporate actions shall entail:

1) Payment of dividend in shares or in cash;

2) Payment of coupons or annuities under debt financial instruments;

3) Payment of debt financial instruments upon their maturity;

4) Notification of payment of debt financial instruments, or coupons or annuities;

5) Notification of non-payment of debt financial instruments, or coupons or annuities;

5a) Notification of the repurchase of debt financial instruments before maturity;

6) Notification of the payment of dividend;

7) Notification of an invitation to the General Meeting;

8) Notification issued by lawful shareholders on share takeover offers;

9) Notification issued by lawful shareholders on offers for acquisition of own shares;

10) Notification issued by lawful shareholders on the offer for disposal of own shares;

11) Notification on acquisitions of own shares by dissenting shareholders;

12) Notification on enforced sales of shares;

13) Notification on entitlement to sale of shares;

14) Notification on pooling of shares with government package for the purpose of sale by public offering;

15) Provision of the single shareholder record for the purpose of the General Meeting, as well as in other cases envisaged by law.

16)

17) Other notifications at request of members.

Payment of Dividend

117. [1] A CSD member acting as corporate agent of the issuer shall submit a notice of the issuer of intent to pay dividend via the CSD at the latest seven working days before the day scheduled for the calculation of dividend and transmission of electronic messages ('calculation date).

[2] The CSD member acting as corporate agent of the issuer shall input, by means of the client-side CSD web application, the notice of the issuer of intent to pay dividend referred to in Paragraph [1] of this Item and the electronic order for payment of dividend with information on the net dividend (dividend less tax) for each share and category of person.

[3] The notice of the issuer of intent to pay dividend via the CSD must contain:

1) Dividend date (date as of which the schedule of shareholders entitled to dividend is set, as established in the Articles of Association or decision of the issuer);

2) Calculation date;

3) Payment (settlement) date;

4) Invitation to shareholders lacking active financial instruments accounts (whose accounts have been closed between dividend date and date of notice of intent to pay dividend) to provide dividend payment instructions to the corporate agent by the day immediately preceding the calculation date.

[4] The CSD shall publish notification of the issuer of intent to pay dividend on its web site on the same day.

[5] The CSD shall send to the corporate agent of the issuer a schedule of shareholders lacking active financial instruments accounts as of the date of submission of the notice of the issuer of intent to pay dividend so as to allow such shareholders to be invited to provide payment instructions.

117a. [1] On the day preceding the calculation date, the corporate agent of the issuer shall submit the following documents to the CSD:

1) Application of the CSD member for payment of dividend;
2) Application of the issuer for payment of dividend;
3) Decision of the appropriate body of the issuer of the payment of dividend;
4) Notification of the payment of dividend in printed and electronic format.

[2] The CSD shall verify payment information by category of person in the CSD system.

[3] In the event that the category of shareholder changes between the dividend date and the working day immediately preceding the calculation date, the corporate agent of the issuer shall make the appropriate adjustments to the dividend calculation for that category in the CSD system.

117b. [1] At the latest one working day prior to the calculation date, a shareholder entitled to receive dividend may, via a CSD member, provide instructions for payment of dividend to a selected securities depositary, or may submit information on the CSD member to pay dividend.

[2] The CSD member acting as corporate agent of the issuer shall confirm dividend payment by means of the client-side CSD web application on the day preceding the calculation date.

117c. [1] On the calculation date, the CSD shall publish the notice of the issuer on the payment of dividend on its web site.

[2] The dividend payment notice must indicate:

1) Dividend date;

2) Calculation date;

3) Payment date;

4) Total net amount of dividend by shareholder category.

[3] The CSD shall transmit electronic messages to:

1) Corporate agent of the issuer for each shareholder receiving dividend;

2) Selected depositary or CSD member to pay dividend.

[4] In the event that no depositary has been selected, the CSD shall transmit electronic messages to:

1) Member with which shares were maintained as of dividend date provided that the securities account remains active;

2) Where the account is inactive, the CSD shall transmit electronic messages to the member with which a new agreement on the maintenance of a securities account has been entered into, pursuant to a client review referred to in Item 42 [2] and [3] of these Operating Rules;

3) Where the account is inactive and membership in the CSD of the member that maintained the securities account of the shareholder as of dividend date has terminated without the shareholder entering into a new agreement on the maintenance of a securities account, the CSD shall transmit electronic messages to the member with which the former maintaining member has entered into a client transfer agreement with.

[5] In the event that none of the conditions referred to in Paragraphs [3] and [4] of this Item has been met, the CSD shall transmit the electronic messages to the corporate agent of the issuer.

[6] In the event that the shareholder holds shares with multiple depositaries on dividend date, the CSD shall calculate and pay dividend at the level of each individual depositary.

[7] Notwithstanding the above provisions, where dividend is paid for shares issued pursuant to the Law on Entitlement to Shares Distributed Free of Charge and Compensation in Cash Granted to Members of the Public in the Privatisation Procedure recorded on dividend date in a broker account, the CSD shall transmit the electronic messages to the broker administering the securities account in question.

117d. [1] CSD members shall be required to respond to electronic messages transmitted to them, as provided for under the CSD Term Schedule Rulebook.

[2] A CSD member that has not entered into an agreement on the opening and maintenance of a securities account with a shareholder entitled to dividend shall be required to decline an electronic message.

[3] In the event that a CSD member declines an electronic message and instructs the CSD to redirect the message to another CSD member, the CSD shall follow such instruction.

[4] In the event that a CSD member declines an electronic message without instructing the CSD to redirect the message to another CSD member, the CSD shall transmit such message to the corporate agent of the issuer.

[5] In the event that a CSD member does not respond to electronic messages, the CSD shall assume member consent and shall generate appropriate DUPL messages.

117e. [1] On dividend payment date, the issuer shall deposit cash required for payment of dividend into the CSD cash account with the National Bank of Serbia crediting the cash account of the CSD member acting as corporate agent of the issuer with the CSD.

[2] On dividend payment date, the CSD shall direct cash required for payment of dividend to CSD members that have confirmed receipt of electronic messages and that have been generated DUPL messages, which shall transfer the cash into cash accounts of persons entitled to dividend.

[3] For shareholders whose shares are maintained in a suspense securities account with the CSD, the dividend shall be paid to the CSD member acting as corporate agent of the issuer.

[4] After the dividend has been paid, the CSD shall publish a notice of payment of dividend on its web site.

117f. [1] In the event that a CSD member that has received a dividend is unable to ascertain information on persons entitled to dividend required for distribution of the dividend, such CSD member shall be required to repay the undistributed portion of the dividend to the corporate agent of the issuer within 10 days following payment of the dividend, and provide a schedule of the shareholders and amounts of dividend not paid.

[2] In the event the corporate agent of the issuer is also unable to distribute the dividend to the appropriate shareholders, such corporate agent shall be required to repay the undistributed portion of the dividend to the issuer, within 15 days following payment of the dividend, and provide a schedule of the shareholders and amounts of dividend not paid.

Payment of Debt Financial Instruments, Interest Coupons, Annuities, and Repurchase before Maturity

118. [1] Payment upon maturity of debt financial instruments, interest coupons, or annuities shall be made into the cash account of the corporate or issuing agent with the CSD, as provided for under the CSD Term Schedule Rulebook. The CSD member acting as corporate or issuing agent shall be required to initiate the payment of debt financial instruments by means of the CSD client-side web application or the payment of interest coupons and annuities, as well as to verify data related to the payment pursuant to the decision and at the request of the issuer, in the manner prescribed in the CSD User Manual.

[2] Pursuant to the date of payment input and the payment made, the CSD shall generate and forward electronic notifications to the CSD members maintaining lawful holders' financial instrument accounts, and to members maintaining cash accounts of lawful holders of financial instruments, pursuant to the application for the payment of financial instruments and interest coupons. CSD members shall be required to confirm the receipt of such notification in electronic form.

[3] Payment of interest coupons or annuities shall be made through the transfer of funds into the accounts of the CSD members maintaining financial instruments accounts of lawful holders, with such members then transferring the funds into the cash accounts of lawful holders. Funds for interest coupons may be redirected, at the request of a CSD member, to a CSD member maintaining the cash account of lawful holder of financial instruments.

[4] Payment of debt financial instruments upon maturity shall be made through the transfer of funds into the accounts of CSD members maintaining financial instrument accounts of lawful holders, with such members thereupon transferring the funds into the cash accounts of lawful holders. Funds for the payment of financial instruments may be redirected, at the request of a CSD member, to a CSD member maintaining the cash account of a lawful holder of financial instruments. After payables arising from debt financial instruments have been settled, the CSD shall de-register such financial instruments by transferring them into a special account to conclude the issue of financial instruments.

[5] The CSD shall make public on its web site the notification of the issuer to the effect that the issuer shall pay matured financial instruments, coupons or annuities of the day of their maturity. The application for making the notification of the issuer public shall be filed by the CSD member acting as corporate or issuing agent.

[6] Where the determined amount of funds is not paid on the day of maturity, or payment is made in part, the CSD shall not pay out the funds in question. The CSD member acting as corporate or issuing agent shall be required to notify the CSD of the failure of the issuer to settle its payables upon their maturity by means of the CSD client-side web application, as well as lawful holders of financial instruments by posting the notification on the CSD web site. Where the issuer pays the entire amount of payable under the decision on the issue of the matured financial instruments, coupons or annuities, and a CSD member confirms the payment and files an application for payment, the CSD shall transfer such funds to lawful holders, as well as de-register such matured debt financial instruments or transfer funds arising from interest coupons or annuity.

[7] The CSD may make payment for and de-register financial instruments prior to their maturity at the request of the issuer, which must be provided through a CSD member and comply with the decision to issue such financial instruments.

[8] The CSD shall de-register financial instruments after their maturity where the payables under such these financial instruments have been settled through the activation of means of security (bill of exchange, bank guarantee, bond etc.), pursuant to a decision issued and an application filed by the issuer, and pursuant to the following documentation provided by an issuing agent that is a CSD member:

1) Order for the transfer of financial instruments from the corresponding financial instrument account certified by the lawful holder of such financial instruments and the issuing agent who is a CSD member;
2) Proof issued by a bank confirming that funds have been paid into the account of the lawful holder of financial instruments pursuant to activation of means of security;
3) Statement given by issuer under full civil and criminal liability, and certified in court, to the effect that payables under the matured financial instruments and interest coupons, in the event of coupon debt securities, have been settled after maturity through the activation of means of security.

[9] The CSD shall not be liable to issuers and lawful holders for any damage caused by delayed payment for any reason, as well as for omissions or delays caused by an error made by a CSD member acting as corporate agent to an issuer.

Annulment of Debt Financial Instruments

118a. [1] At the request of the issuer, the CSD shall annul an issue of financial instruments, in whole or in part, pursuant to a decision adopted by the issuer on the annulment of own debt financial instruments acquired.

[2] The request for annulment shall be provided through a CSD member and shall be accompanied by the decision of the issuer on the annulment of own debt financial instruments.

Publication of Invitation to General Meeting

119. [1] Upon an application by a joint-stock company, a CSD member shall submit to the CSD an application for publication of an invitation to a General Meeting. The CSD member shall accompany such application by an invitation to the General Meeting in electronic format.

[2] The CSD shall publish the invitation to the General Meeting on its web site.

Single Shareholder Record

120. [1] An application for issuing single shareholder records may be filed with the CSD through a CSD member acting as corporate agent for an issuer.

[2] Single shareholder records issued shall contain balances registered on the day indicated in the application, while such day cannot be the day of issue of the single shareholder record.

[3] Single shareholder records shall include: single shareholder identifier; name or business name; shareholder address; number of shares owned and number of votes conferred by such shares; any registered third-party rights (pledges) with respect to such shares, along with information on such pledges; and any limitations to the right of disposal of such shares.

[4] Where the shares of a lawful holder are kept in an omnibus or custody account, instead of shareholder name, surname and uniform identification number, the single shareholder record shall contain the name of the CSD member with which the omnibus or custody account is kept and the number of such account, and, for custody accounts, designation of entity type.

[5] The CSD shall issue single shareholder records in both hard copy and electronic form.

[6] The CSD shall issue single shareholder records within 2 (two) days of the day of receiving an application thereto.

[7] All shareholders shall be entitled to access the single shareholder record of the joint-stock company in which they hold shares.

[8] The right conferred under Paragraph [7] of this Item shall be exercised through the granting of access to single shareholder records kept in electronic form at the premises of the CSD and at the application of an interested party or its proxy. The application shall be filed through a CSD member, while records may only be inspected in the presence of such CSD member.

[9] Any person applying with the CSD for the issuance of or access to single shareholder records shall be required to provide authorisation for making the filing and taking possession of such records, or for inspecting single shareholder records.

121. For the purposes of holding a General Meeting of Shareholders, the CSD shall issue single shareholder records at the request of the joint-stock company in question, as well

as wherever the corporate agent for the issuer files an application thereto on behalf of the issuer.

122. The CSD shall issue single shareholder records pursuant to a court decision with respect to convening a General Meeting of Shareholders at the request of person authorised by the court to convene such meeting.

123. The CSD shall issue single shareholder records at the request of duly registered associations of shareholders of joint-stock companies. Such associations shall file applications for access to single shareholder records through CSD members.

124. The CSD shall issue single shareholder records pursuant to a decision approving an offer for the takeover of shares of a joint-stock company at the request of a CSD member acting as corporate agent for the seller. In such cases single shareholder records shall contain: shareholder uniform identification number; name and surname or company name; and shareholder address.

125. The CSD shall issue single shareholder records at the request of a CSD member acting as corporate agent for the issuer where payment of dividend is sought through the CSD, and pursuant to a decision on the payment of dividend. In such cases single shareholder records shall contain: the personal identification number or registration number of the shareholder, personal or business name of the shareholder; address of the shareholder; number of shares; type of entity; country identifier; and code of the CSD member.

125a. The CSD shall provide single shareholder records at the request of a CSD member acting as corporate agent for the issuer in the event of a replacement of shares. In this case, the single shareholder record shall contain the personal identification number or registration number of the shareholder, personal or business name of the shareholder; address of the shareholder; number of shares held; registered rights of third parties (pledges) on such shares, indicating pledgees; any restrictions on the disposal of shares; financial instruments account; and code of the CSD member maintaining the financial instruments account.

126. [1] The CSD shall make information contained in single shareholder records public on its web site.

[2] Single shareholder records published on the CSD web site shall contain the following information:

1) Name and surname, or company name of each shareholder, and

2) Number of shares owned by each shareholder.

[3] Where the shares of a lawful owner are kept in an omnibus or custody account, the published single shareholder records shall contain, instead of shareholder name and surname, the name of the CSD member with which the omnibus or custody account is kept and the number of such account, and, for custody accounts, designation of entity type.

[4] Where the limitation on rights conferred by securities have been registered, or where a pledge has been constituted, the CSD shall include the notification of such pledge or limitation in single shareholder records published on the CSD web site in addition to information referred to in Paragraph [2].

127. Where a joint-stock company has issued shares under the Law on Entitlement to Shares Distributed Free of Charge and Compensation in Cash Granted to Members of the Public in the Privatisation Procedure, the CSD shall make public on its web site the information on the ten shareholders holding the largest amount of such shares as contained in the single shareholder record of the joint-stock company.

Credit Institution Not Allowed to Trade as Investment Company

127a. A credit institution that is not allowed by the Securities Commission to trade as an investment company but is a member of the CSD may perform the following functions:

1) Opening and maintenance of proprietary, co-ownership, and omnibus financial instrument accounts;
2) Collection of client funds pursuant to sale and purchase transactions involving financial instruments, dividend, enforced sale, and the like;
3) Collection on behalf of the client of matured coupons and principal amounts of debt securities;
4) Change to personal information of clients;
5) Other functions and activities in connection with financial instruments, as provided for under law.

XIX. RISK MITIGATION; ESTABLISHMENT AND USE OF GUARANTEE FUND

128. On the day of settlement, CSD members that are parties to concluded transactions involving financial instruments shall be required to provide financial instruments and funds to allow the CSD to settle financial instruments and funds on a DvP (Delivery versus Payment) basis, pursuant to the CSD Term Schedule Rulebook.

129. [1] All CSD members, excepting only the Republic of Serbia and the National Bank of Serbia, shall be required to make payments into the CSD Guarantee Fund in order to provide funds for the settlement of payables should a CSD member fail to provide financial instruments or funds for transactions entered into involving financial instruments in the regulated market or through an MTF.

[2] The amount payable to the CSD Guarantee Fund shall be EUR 40,000; this sum shall be payable into the CSD account kept with the National Bank of Serbia, pursuant to payment instructions provided by the CSD.

[3] Foreign currency assets of CSD members shall consist of assets of the CSD Guarantee Fund and funds paid up by CSD members pursuant to transactions entered into involving financial instruments.

[4] The CSD shall calculate and pay interest on foreign currency assets of CSD members or foreign currency assets paid in pursuant to transactions involving financial instruments, as provided for under the decision of the National Bank of Serbia governing

the calculation, collection, and payment of interest on foreign currency assets of the CSD held by the National Bank of Serbia. The CSD may neither invest the foreign currency assets of CSD members nor place such funds in a time deposit, but may rather only hold such funds as sight deposits with the National Bank of Serbia. The CSD may not invest or deposit for any defined time period the foreign currency assets of CSD members, but may hold them only as sight deposits with the National Bank of Serbia.

[5] The CSD shall keep foreign currency assets of CSD members in the currency used by each particular CSD member at the time of payment.

[6] Apart from Guarantee Fund assets, each CSD member shall also be required to provide bills of exchange in security for the timely settlement of financial instruments and cash for transactions entered into involving financial instruments.

130. [1] Where a CSD member does not have sufficient financial instruments or cash in its account on the day of settlement, the CSD shall utilise Guarantee Fund assets pursuant to the CSD Term Schedule Rulebook.

[2] Where assets from the Guarantee Fund account are utilised, the CSD shall assess fees for such utilisation which shall be payable until the defaulting CSD member pays in or refunds the utilised assets into the Guarantee Fund account, as provided for under the CSD Tariff Rate Rules.

[3] A CSD member shall be required to refund the utilised assets as soon as possible, and at the latest by the start of the working day immediately following the day of utilisation of such assets.

131. [1] Where assets of the Guarantee Fund assets are not sufficient for the settlement of the liabilities owed by a CSD member, the CSD shall draw bills of exchange and charge them to the CSD member up to the amount missing.

[2] Where it is not possible to provide the assets necessary for the settlement of transaction by utilising the Guarantee Fund and bills of exchange and conditions are not met for the settlement of liabilities and claims in financial instrument and cash as envisaged in the CSD Term Schedule Rulebook, the CSD shall reverse the transaction in question with the consent of all parties to such transaction, and shall notify the Securities Commission and the market operator thereof.

Emergency Steps for Compulsory Sale or Compulsory Purchase of Financial Instruments

132. [1] Where it is not possible to provide cash or financial instruments by utilising the Guarantee Fund, the CSD shall take emergency steps for compulsory sale or compulsory purchase of financial instruments.

[2] Compulsory sale or compulsory purchase of financial instruments shall commence by the input of the sale order or purchase order, into the IT system of the market operator where the financial instruments in question are traded by the CSD; where this is not possible (if financial instruments are not traded with the market operator, or if trading in such securities has not been scheduled), enforced sale or enforced purchase shall

commence with an invitation issued to all CSD members to submit offers for the sale or purchase of such financial instruments.

[3] The CSD shall rank the offers by price; offers offering the same price shall be ranked by the time of their receipt. In case of compulsory sale, offers with higher price shall be accepted, whilst in the case of compulsory purchase offers with a lower price shall be accepted.

[4] CSD shall notify all offerors in a compulsory sale or compulsory purchase whether their offers have been accepted or not, and for the accepted offers the CSD shall carry out clearing and settlement on a DvP (Delivery versus Payment) basis.

[5] Compulsory sale and compulsory purchase of financial instruments shall be carried out in the manner stipulated in these Operating Rules, and pursuant to the CSD Term Schedule Rulebook.

132a. Where membership of a CSD member in the CSD is to be terminated as envisaged under Article 45 of the Statute of the CSD, the CSD shall, having established that the CSD member has no outstanding liabilities arising from transactions involving financial instruments, refund any cash from the guarantee fund into the cash account of the CSD member listed in the instruction provided by the CSD member.

XX. KEEPING ELECTRONIC RECORDS ON FINANCIAL INSTRUMENTS AND KEEPING SECURITIES IN PAPER FORM

133. [1] The CSD shall permanently keep dematerialised financial instruments in electronic format, and shall prevent any unauthorised access, modifications or loss in case of any malfunction of the information system or natural disasters by making backup copies of all data and establishing a secondary database.

[2] The CSD shall keep original documents used for registration for at least five (5) years, while documents in electronic form shall be kept permanently.

[3] The CSD shall dematerialise securities by registering such securities electronically with the CSD, at the application of the issuer filed through the CSD member acting as corporate agent to the issuer.

XXI. OTHER CSD TASKS

134. [1] The CSD shall implement the procedure for admission of new CSD members pursuant to legislation governing the capital market and the Statute of the CSD.

[2] The CSD may temporarily suspend membership in the CSD where a CSD member fails to fulfil obligations set forth in its membership contract.

135. [1] The CSD shall oversee its members with respect to such activities as CSD members undertake in accordance with these Operating Rules.

[2] In carrying out oversight referred to in Paragraph [1] of this item, the CSD shall be entitled to inspect any and all documents directly.

136. [1] Where the CSD finds any non-compliance with legislation governing the capital market, enactments of the Commission, or enactments of the CSD, it shall issue a decision ordering the CSD member to ensure compliance by a particular time limit.

[2] The CSD shall notify the Commission and the market operator, without delay and in the manner envisaged under the pertinent Commission enactment, of any non-compliance by a CSD member with legislation governing the capital market, enactments of the Commission, or enactments of the CSD.

137. The CSD shall make information on all financial instruments registered with the CSD public on its web site, as provided for by law.

138. [1] The CSD shall devise information technology solutions for conducting its affairs.

[2] The CSD shall devise information technology solutions for its web site.

139. [1] The CSD shall develop and implement application software and other information technology solutions to safeguard the integrity of the CSD information system and the data in its possession.

[2] 'User of the CSD information system' means any CSD member or government authority.

[3] Each CSD member shall be allowed access to data in the possession of the CSD that pertain to that member and its clients. Government authorities shall be allowed access to data in the possession of the CSD as envisaged under appropriate legislation.

[4] To ensure access to data in the possession of the CSD, the CSD shall produce and issue to users of its information system smart cards that shall allow secure access and restrict and control access rights, as provided for under appropriate legislation.

[5] Each smart card certificate shall be valid for a period of one year, after the expiry of which the holder of the smart card shall be required to return the smart card to the CSD for certificate renewal or revocation.

[6] Each user of the CSD information system shall be required to adopt a formal enactment made in writing designating staff members that use CSD software applications in their daily work, and to notify the CSD thereof.

[7] In the event that a staff member assigned a smart card leaves the employ of a user of the CSD information system, or moves to a position that does not require access to CSD software applications, such user shall be required to return the smart card to the CSD and apply for revocation of the smart card certificate.

[8] In the event of any change to staff using the CSD information system in their daily work, each user of the CSD information system shall be required to act as required under Paragraph [6] of this Item without delay.

[9] Each user of the CSD information system shall be required to apply for the issuance of a unique personalised smart card for each staff member who uses the CSD software

applications in his or her daily work; such smart card shall contain access credentials that may be known solely to the person in whose name the smart card is issued.

[10] Each smart card shall be presented at the premises of the CSD exclusively to the person in whose name it has been issued, or to such other person as may be authorised by the user of the CSD information system.

[11] In the event that an authorised person takes possession of a smart card, in presenting the smart card the CSD shall be required to guarantee the integrity of the information contained therein. Where a person in whose name a smart card has been issued suspects that the confidentiality of access credentials has been compromised following the presentation of the smart card, such person shall be required to notify the CSD thereof without delay in order for access to the CSD information system to be blocked for that particular card.

[12] The person in whose name a smart card is issued and the user of the CSD information system shall be held liable for any and all actions undertaken through the use of such smart card.

[13] No person may use a smart card except the person in whose name the smart card is issued; the person in whose name a smart card is issued and the user of the CSD information system shall be held liable for any unauthorised use of such smart card.

[14] Where a smart card is lost or stolen, or in the event there are reasons to suspect a breach of confidentiality of access credentials contained therein, the person in whose name the smart card is issued and the user of the CSD information system shall be required to notify the CSD thereof without delay in order for access to the CSD information system to be blocked for that particular card.

[15] Each user of the CSD information system shall be required to formally prescribe procedures for staff conduct to prevent unauthorised use of smart cards to access the CSD information system.

139a. [1] Pursuant to the Government Order on general requirements for the issue and sale of government securities in the primary market ('the Order'), the Public Debt Administration of the Ministry of Finance, on behalf of the Republic of Serbia, shall organise and conduct auctions for the purchase of government securities before maturity via an auction platform established in the CSD Information System ('the Auction Platform').

[2] CSD members shall be granted access to the Auction Platform as envisaged by the Order.

[3] CSD member employees authorised to trade in government securities shall access the Auction Platform by means of a smart card containing specific authorisation for access to the Auction Platform.

[4] The CSD shall grant specific authorisation to access the Auction Platform to CSD member employees authorised to trade in government securities pursuant to the following documents:

1) Application by the CSD member for specific authorisation for access to the Auction Platform;

2) Certificate issued by the CSD member attesting that the person for whom the specific authorisation is sought is employed by the CSD member and duly authorised to trade in government securities by the statutory representative of the CSD member;

3) Certificate issued by the Public Debt Administration attesting that the member is an authorised participant;

4) Approval of the Public Debt Administration for the person for whom specific authorisation for access to the Auction Platform is sought.

140. The CSD shall perform tasks pursuant to the membership of the CSD in international organisations.

141. The CSD shall assess and charge fees from its members for the provision of services pursuant to the CSD Tariff Rate Rules.

XXII. TRANSITIONAL AND FINAL PROVISIONS

143. These Operating Rules of the Central Securities Depository and Clearing House shall enter into effect upon being approved by the Securities Commission.

144. These Operating Rules of the Central Securities Depository and Clearing House shall be posted on the web site of the CSD immediately upon being approved by the Securities Commission.

145. Operating Rules of the Central Securities Depository and Clearing House (*Official Gazette of the Republic of Serbia* Nos. 113/2006, 24/2008, 38/2008, 70/2008, 17/2009, 55/2010 and 102/2010) and 10 No. 2/8-5 of 26 December 2011 shall be repealed as of the entry into effect of these Operating Rules.

Done at Belgrade,
this 27th day of April, 2012

CHAIRPERSON
OF THE BOARD OF DIRECTORS
Vida Uzelac

10 No. 2/12-3

STAND-ALONE AMENDMENTS TO OPERATING RULES
Under Enactment 10 No. 2-9/33-2 of 18 January 2018

Article 30

[1] These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be posted on the CSD web site immediately upon being so approved.

Done at Belgrade,
this 18th day of January, 2018

10 No. 2-9/33-2

CHAIRMAN
OF THE BOARD OF DIRECTORS
Milan Lučić

STAND-ALONE AMENDMENTS TO OPERATING RULES
Under Enactment 10 No. 2-9/36-7 of 22 March 2018

Article 2

[1] These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be posted on the CSD web site immediately upon being so approved.

Done at Belgrade,
this 22nd day of March, 2018

10 No. 2-9/36-7

CHAIRMAN
OF THE BOARD OF DIRECTORS
Milan Lučić

STAND-ALONE AMENDMENTS TO OPERATING RULES
Under Enactment 10 No. 2-9/39-2 of 10 October 2018

Article 1

Compulsory share purchase procedures commenced by the CSD prior to the entry into effect of the Law Amending the Companies Law (*Official Gazette of the Republic of Serbia*, No. 44/18) shall be completed pursuant to provisions of Articles 515 to 521 and 523 of the Companies Law (*Official Gazette of the Republic of Serbia*, Nos. 36/11. 99/11, 83/14 – Other Law, and 5/15).

Article 2

Procedures for sale of shares where the shareholders are entitled to sale and where applications for such sale were submitted to joint-stock companies prior to the entry into effect of the Law Amending the Companies Law (*Official Gazette of the Republic of Serbia*, No. 44/18) shall be completed pursuant to provisions of Articles 522 and 523 of

the Companies Law (*Official Gazette of the Republic of Serbia*, Nos. 36/11. 99/11, 83/14 – Other Law, and 5/15).

Article 3

[1] These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be posted on the CSD web site immediately upon being so approved.

Done at Belgrade,
this 10th day of October, 2018

10 No. 2-9/39-2

CHAIRMAN
OF THE BOARD OF DIRECTORS
Milan Lučić