

Central Securities Depository and Clearing House Joint-Stock Company Belgrade

**STATUTE
OF THE CENTRAL SECURITIES DEPOSITORY
AND CLEARING HOUSE
CONSOLIDATED VERSION**

As amended effective 28 April 2017

Belgrade, April 2017

Pursuant to Article 12[5] of the Company Law (*Official Gazette of the Republic of Serbia*, Nos. 36/2011, 99/2011, 83/2014 – Other Law, and 5/2015), the Managing Director of the Central Securities Depository and Clearing House hereby adopts this

**CONSOLIDATED VERSION
OF THE STATUTE
OF THE CENTRAL SECURITIES DEPOSITORY
AND CLEARING HOUSE**

I. BASIC PROVISIONS

Article 1

The Central Securities Depository and Clearing House ('the CSD') shall be a legal entity and shall be established and operate as a joint-stock company with all the rights, obligations and powers granted under legislation governing the capital market and corporations law.

Article 2

As provided for under law, this Statute shall govern issues relating to:

- 1) Legal name and seat;
- 2) Activity;
- 3) Representation of the CSD;
- 4) Capital stock;
- 5) Business records;
- 6) Type and class of shares and other securities issued;
- 7) Distribution of profits and coverage of losses;
- 8) Reserve assets of the CSD`;
- 9) Establishment of bodies of the CSD and their respective remits, membership, manner of appointment and dismissal of members, and decision-making;

- 10) Procedure for convening the General Meeting of Shareholders;
- 11) General byelaws and the manner of their adoption;
- 12) Conditions for admission to membership in the CSD; rights and obligations of members of the CSD; rights and obligations of the CSD with respect to its members; termination of membership in the CSD;
- 13) Other issues of relevance for the operation of the CSD.

II. LEGAL NAME AND SEAT

Article 3

- [1] The CSD shall trade under the following legal name: *Centralni registar, depo i kliring hartija od vrednosti akcionarsko društvo, Beograd.*
- [2] The abbreviated legal name of the CSD shall be: *Centralni registar HOV a.d. Beograd.*
- [3] The legal name of the CSD in the English language shall be: Central Securities Depository and Clearing House.
- [4] The abbreviated legal name of the CSD in the English language shall be: CSD & CH of Serbia.
- [5] The seat of the CSD shall be at 5 Trg Republike, Belgrade.

Article 4

The CSD shall have its seal and stamp.

Article 5

The seal of the CSD shall be round in shape and shall bear the text '*Centralni registar, depo i kliring hartija od vrednosti akcionarsko društvo, Beograd*'.

Article 6

The stamp of the CSD shall be rectangular in shape and shall bear the text '*Centralni registar, depo i kliring hartija od vrednosti akcionarsko društvo, Beograd, Trg Republike br. 5*' and contain blank spaces for the entry of dates of receipt of documents received, registration numbers of such documents, and number of attachments enclosed with such documents.

Article 7

Use and safekeeping of seals and stamps of the CSD, the numbers thereof, and any other issues in connection with seals and stamps, shall be governed by a specific byelaw of the CSD.

Article 7a

The following design shall be the logo of the CSD:



III. ACTIVITY OF THE CSD

Article 8

As provided for under the Law on the Categorisation of Activities (*Official Gazette of the Republic of Serbia*, No. 104/2009) and the Government Order on the Categorisation of Activities (*Official Gazette of the Republic of Serbia*, No. 54/2010), the predominant activity of the CSD shall be determined as Category 6619 – ‘Other support activities in the provision of financial services, excepting insurance and pension funds’.

Article 9

[1] As provided for under legislation governing the capital market, the CSD shall be tasked with the following:

- 1) Keeping a registry of financial instruments;
- 2) Keeping records of financial instruments in the accounts of their respective issuers;
- 3) Maintaining and keeping records of accounts of members of the CSD and their clients;
- 4) Registering the rights of third parties to securities;
- 5) Keeping electronic records of financial instruments and keeping securities in paper form;
- 6) Maintaining cash accounts of members of the CSD, including performing operations in connection with payments and other yields on financial instruments;
- 7) Registering ownership of paper securities certificates in dematerialised form;
- 8) Performing clearing and settlement operations on the basis of transactions involving financial instruments entered into, as well as establishing balances of receivables and payables of members of the CSD and their clients after the settlement of their mutual receivables and payables;
- 9) Transferring financial instruments into accounts of members of the CSD;
- 10) Establishing and assigning unique financial instrument identification numbers;
- 11) Keeping a list of codes of types of financial instruments;
- 12) Performing activities in connection with corporate actions undertaken by issuers of financial instruments;
- 13) Depositing shares in connection with takeovers of joint-stock companies;

- 14) Assessing taxes payable on transfer of financial instruments, as provided for by law;
 - 15) Taking part in the activities of international organisations engaged in registration, clearing and settlement of financial instruments, and co-operation with such organisations;
 - 16) Other activities in connection with financial instruments, including tasks necessary for the performance of activities within the remit of the CSD.
- [2] When acting in administrative matters, the CSD shall apply the provisions of legislation governing general administrative proceedings.
- [3] A decision of the CSD shall be final and may be contested in an administrative dispute.

IV. REPRESENTATION OF THE CSD

Article 10

The CSD shall enter into legal transactions with third parties in its own name and on its own behalf.

Article 11

- [1] The Managing Director shall act on behalf of and represent the CSD in legal transactions with third parties.
- [2] The Managing Director shall be authorised to act on behalf of and represent the CSD without any limitation.
- [3] In the exercise of his or her powers established by law and this Statute, the Managing Director may authorise, in writing, other staff of the CSD or third parties to act on behalf of or represent the CSD, or to undertake any actions for or on behalf of the CSD.
- [4] The written authorisation of the Managing Director referred to in Paragraph [3] of this Article shall establish the content, scope

and term of such authorisation for acting on behalf of or representing the CSD.

V. CAPITAL STOCK

Article 12

[1] The capital stock of the CSD may not be lower than the RSD equivalent of EUR 750,000.

[2] The stake held by the state in the capital of the CSD may not be lower than 51 per cent.

[3] Funds for the operation of the CSD shall be secured from fees for the provision of services, as governed by the CSD Tariff Rate Rules, as well as from other sources as provided for by law.

Article 13

[1] The cash capital stock of the CSD shall amount to RSD 165,870,000.

[2] The capital stock of the CSD shall be exclusively in cash and shall be divided into 16,587 ordinary shares, each with a face value of RSD 10,000.

[3] The capital stock of the CSD must be fully subscribed and paid in.

[4] Shares of the CSD shall be ordinary voting shares.

Article 14

A uniform record of shareholders of the CSD shall be kept at the CSD.

VI. BUSINESS RECORDS

Article 15

The CSD shall keep business records as provided for by regulations.

Article 16

Financial statements and operating reports of the CSD shall be prepared for each fiscal year, at the time and in the manner established by law and other regulations.

Article 17

[1] The CSD shall submit an annual operating report to the National Assembly, the Government of the Republic of Serbia, and the Securities Commission at the latest four months after the end of each fiscal year.

[2] The CSD shall make public its annual financial statement, prepared in accordance with legislation governing accounting and auditing, and shall submit it to the Government of the Republic of Serbia and the Securities Commission, accompanied by an independent auditor's report, at the latest four months after the end of each fiscal year.

VII. DISTRIBUTION OF PROFITS AND COVERAGE OF LOSSES

Article 18

[1] Following the adoption of financial statements for each fiscal year, the profit for that fiscal year shall be distributed to cover losses carried forward from previous years.

[2] Should any profit remain after distribution for purposes referred to in Paragraph [1] of this Article, the General Meeting of Shareholders may allocate such profit for the following purposes:

- 1) For reserve assets as provided for under Article 19 of this Statute;
- 2) For dividends as provided for under corporations law.

VIII. RESERVE ASSETS

Article 19

- [1] The CSD shall establish its reserves using profits allocated for that purpose by a decision adopted by the General Meeting of Shareholders of the CSD.
- [2] Reserve assets may be used to cover losses, as well as for other purposes.
- [3] Five per cent of the profits of the CSD shall be allocated for the establishment of the reserves.

IX. STAFFING

Article 20

Deleted pursuant to Enactment 10 No. 1-4/8-2 of 24 November
2015

Article 21

Deleted pursuant to Enactment 10 No. 1-4/8-2 of 24 November
2015

Article 22

Rights and obligations of the staff of the CSD shall be governed by general regulations regarding labour issues.

Article 23

Issues of relevance for the employment status of staff and their salaries and other forms of income from employment shall be governed by general internal bylaws and individual employment contracts.

Article 24

Staff of the CSD may not serve as managing directors or members of governing boards of, nor may be employed by, market

operators or investment funds, members of the CSD, or public companies whose financial instruments are cleared and settled by the CSD, or on whose behalf the CSD keeps a registry of such financial instruments.

X. BODIES OF THE CSD

Article 25

As a two-tier entity, the CSD shall have the following bodies:

- 1) General Meeting of Shareholders;
- 2) Board of Directors, and
- 3) Managing Director.

GENERAL MEETING

Article 26

[1] Powers of the General Meeting of Shareholders the CSD shall be exercised by the Government of the Republic of Serbia through its authorised representatives.

[2] Representatives at the General Meeting of Shareholders shall be subject to appointment and dismissal by the Government of the Republic of Serbia at the initiative of the Ministry of Finance.

Article 27

The General Meeting of Shareholders of the CSD shall be tasked with:

- 1) Adopting and amending this Statute;
- 1a) Establishing operating strategy and objectives of the CSD and supervising their attainment;
- 2) Deciding on any increase or decrease in capital stock and each issue of securities;
- 3) Adopting financial statements and auditors' reports;
- 4) Adopting operating reports of the CSD;
- 5) Adopting financial and procurement plans;

- 6) Deciding on status changes and changes to the registered office of the CSD;
- 7) Deciding on the acquisition and disposal of major property and the amount of investment into fixed assets of the CSD;
- 8) Deciding on the use and distribution of profits or coverage of losses;
- 9) Deciding on the amount and structure of reserves;
- 10) Appointing and dismissing members of the Board of Directors;
- 11) Deciding on the remuneration of members of the Board of Directors;
- 12) Adopting its Rules of Procedure;
- 13) Deciding on the selection of auditors;
- 14) Adopting documents governing operating policy;
- 15) Deciding on other issues as provided for by law and other regulations and general byelaws of the CSD.

Article 28

- [1] The General Meeting of Shareholders may be regular or extraordinary.
- [2] A regular General Meeting of Shareholders shall be held annually, at the latest six months from the end of the preceding fiscal year.
- [3] Invitations to attend a regular General Meeting of Shareholders shall be issued at the latest 30 (thirty) days before the date set for the Meeting.

Article 29

- [1] An extraordinary General Meeting of Shareholders shall be held as and when needed, as well as where required by law.
- [2] Invitations to attend an extraordinary General Meeting of Shareholders shall be issued at the latest 21 (twenty-one) days before the date set for the General Meeting.

[3] An extraordinary General Meeting of Shareholders may be held if not convened in accordance with law and without the issuance of invitations and the provision of working papers, provided that such General Meeting is attended by all authorised representatives in the General Meeting of Shareholders.

Article 29a

[1] Authorised representatives in the General Meeting of Shareholders may vote by postal ballot without being required to attend the General Meeting of Shareholders, whereby their signatures on such postal ballots need not be officially certified.

[2] An authorised representative in the General Meeting of Shareholders who has voted by postal ballot shall be deemed present at the General Meeting of Shareholders for purposes of voting on items from the agenda of the meeting that such representative has voted on.

[3] Votes of authorised representatives in the General Meeting of Shareholders who vote by postal ballot shall count towards the quorum for the General Meeting of Shareholders.

BOARD OF DIRECTORS

Article 30

[1] The CSD shall have a Board of Directors as its collective management body, as provided for under legislation governing the capital market.

[2] The Board of Directors shall also exercise the duties and function of a supervisory board, as provided for under corporations law.

[3] The Board of Directors shall be made up of a Chairman and four Members.

[4] Members of the Board of Directors shall be subject to appointment and dismissal by the General Meeting of Shareholders of the CSD.

[5] The term of office of Members of the Board of Directors shall be four years and may be renewed.

[6] The Board of Directors of the CSD shall be accountable to the General Meeting of Shareholders of the CSD.

[7] The term of office of a Member of the Board of Directors shall be terminated before the expiry of the original term of appointment where such Member resigns or is dismissed.

Article 31

The Board of Directors of the CSD shall be tasked with:

- 1) Proposing the operating strategy and objectives of the CSD and overseeing their attainment;
- 2) Overseeing the work of the Managing Director and operations of the CSD;
- 3) Establishing accounting and risk management policies;
- 4) Drafting financial statements of the CSD and providing them to the General Meeting of Shareholders for adoption;
- 5) Drafting financial and procurement plans and providing them to the General Meeting of Shareholders for adoption;
- 6) Drafting operating reports and providing them to the General Meeting of Shareholders for adoption;
- 7) Deciding on granting and revoking powers of attorney;
- 8) Convening the General Meeting of Shareholders of the CSD and determining the proposed agenda thereof;
- 9) Adopting and enacting general and other byelaws of the CSD as envisaged by law and other regulations;
- 10) Adopting the byelaw governing organisation and staffing of the CSD;

- 11) Drafting motions for the General Meeting of Shareholders of the CSD and executing its decisions;
- 12) Establishing the amount and date of dividend and the mode and date of payment of dividend;
- 13) Deciding on official travel by the Managing Director of the CSD;
- 14) Adopting the Rules of Procedure of the Board of Directors of the CSD;
- 15) Performing other duties as provided for by law, other regulations, and general byelaws of the CSD.

Article 32

- [1] The Board of Directors of the CSD shall make decisions in its meetings.
- [2] The Board of Directors may, should considerations of urgency so demand, make decisions without holding formal meetings (by mail or telephone).
- [3] Meetings of the Board of Directors shall be held as and when needed, and at least four times each year.
- [4] A meeting of the Board of Directors may also be convened at the motion of the General Meeting of Shareholders.
- [5] The Board of Directors shall make decisions on issues from within its remit by a majority of votes of its Members.
- [6] In the event of tied vote, the Chairperson of the Board of Directors shall have the casting vote.

Article 33

- [1] The Chairperson of the Board of Directors of the CSD shall be tasked with:
 - 1) Convening and chairing meetings of the Board of Directors of the CSD;
 - 2) Proposing the agenda for each meeting of the Board of Directors;

- 3) Initiating discussion of particular issues from within the remit of the Board of Directors;
- 4) Signing documents adopted by the Board of Directors;
- 5) Entering into employment contracts with the Managing Director of the CSD;
- 6) Performing other duties as provided for by legislation and byelaws of the CSD.

[2] In case the Chairperson of the Board of Directors is absent or unable to discharge his or her duties, such duties shall be discharged by the Deputy Chairperson of the Board of Directors.

[3] The Chairperson and Deputy Chairperson of the Board of Directors of the CSD shall be elected by the Members of the Board of Directors from among their number.

[4] The term of office of the Chairperson of the Board of Directors shall be terminated before the expiry of the original term of office in the event that the Chairperson resigns or is dismissed.

MANAGING DIRECTOR

Article 34

[1] The Managing Director shall be appointed by the Government of the Republic of Serbia at the motion of the Ministry of Finance.

[2] The Managing Director may not serve as Chairperson of the Board of Directors.

[3] The term of office of the Managing Director shall last for four years and may be renewed.

Article 35

The Managing Director shall be tasked with:

- 1) Representing and acting on behalf of the CSD;
- 2) Managing the CSD;
- 3) Ensuring compliance of activities of the CSD with legislation and accountability for such compliance;

- 4) Drafting decisions of the Board of Directors and ensuring such decisions are enforced;
- 5) Proposing general byelaws and other documents for adoption by the Board of Directors;
- 6) Deciding on the use of assets held by the CSD for current spending for regular operations of the company and deciding on the investment of available funds;
- 7) Deciding on the rights, duties and responsibilities of staff, as provided for by law;
- 8) Deciding on official travel by staff of the CSD;
- 9) Enacting general and other byelaws not placed within the remit of any other body of the CSD by the law, other regulations, or general byelaws of the CSD;
- 10) Performing other duties as provided for by law, other regulations and general byelaws of the CSD.

Article 36

- [1] The Managing Director shall attend meetings of the Board of Directors and the General Meeting of Shareholders of the CSD and shall take part in their deliberations but shall not have a vote.
- [2] Staff of the CSD and any other persons may attend meetings of the Board of Directors and the General Meeting of Shareholders of the CSD if invited to do so by the Managing Director.

Article 37

- [1] None of the following may serve as Managing Director or Member of the Board of Directors:
 - 1) Any person suffering the legal consequences of having been convicted in a court of law;
 - 2) Any person in a managerial position at, or employed by, any public authority, with the exception of the ownership stake of the Republic of Serbia in the CSD;

- 3) Any person serving as managing director or member of board of directors or employee of any market operators authorised to operate as provided for by law, or any person with a qualifying holding in such market operator;
 - 4) Any person serving as managing director, member of board of directors or employee of any brokerage or dealership company, credit institution with authorised bank, public company or investment fund whose securities are admitted to trading in the securities market, except where such person holds a stake in the capital of any entity referred to above;
 - 5) Any person closely linked to persons referred to in Items 1) to 4) of this Paragraph.
- [2] The reputation and experience as businesspeople of the Managing Director and Members of the Board of Directors should ensure the sound and reliable management of the CSD, and persons in these positions must have appropriate reputations as businesspeople and at least three years of professional experience in dealing with securities.
- [3] The Managing Director of the CSD must be a full-time employee; he or she and at least one Member of the Board of Directors must be in command of the Serbian language.

XI. GENERAL BYELAWS

Article 38

- [1] The CSD shall have as its byelaws the Statute, the Operating Rules, the Fee Schedule, as well as other byelaws governing the operations of the CSD.
- [2] The Securities Commission shall be empowered to grant prior consent to the Statute, Operating Rules, and Tariff Rate Rules of the CSD and to any amendments thereof within thirty (30) days of

receiving a request thereto; the proposed byelaw shall enter into effect upon obtaining the consent of the Securities Commission.

[3] The CSD may adopt other rules and procedures to more regulate tasks from within its remit in detail.

[4] The byelaws referred to in Paragraph [1] of this Article shall be posted on the web site of the CSD immediately after receiving consent.

[5] General byelaws of the CSD that the Securities Commission is not required to grant consent to shall become effective on the eighth day following the day of their being posted on the notice board of the CSD.

[6] Notwithstanding the foregoing, general byelaws referred to in Paragraph [5] of this Article may become effective earlier than eight days following the day of their being posted only for justifiable reasons determined at the time that such general byelaws were adopted.

[7] Procedures, guidelines, and other general and specific byelaws adopted by the Managing Director shall become effective on the day of their adoption, excepting where otherwise stipulated by such byelaws.

Article 39

[1] The CSD Tariff Rate Rules shall establish the amount of membership dues and fees charged by the CSD for the provision of its services.

[2] The CSD shall be required to notify its clients of the adoption of, or any changes to, its Tariff Rate Rules at least 7 (seven) days before the entry of such Tariff Rate Rules into effect.

XII. MEMBERSHIP IN THE CSD

Article 40

[1] The following entities may be members of the CSD: Republic of Serbia; 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, as well as any other entities that meet membership criteria envisaged under byelaws of the CSD.

[2] Any entity wishing to become a member of the CSD shall be required to file an application, in writing, indicating the name and seat of the applicant and the signature of its authorised officer or his or her legal representative, as well as other information.

[3] The following documents must be enclosed with the application referred to in Paragraph [2] of this Article:

- 1) Decision on registration with the Business Registry;
- 2) Operating license;
- 3) Numbers of bank accounts used by the applicant for its payment operations;
- 4) Proof of being equipped for electronic exchange of information with the CSD;
- 5) Proof of payment of the required amount into the CSD Guarantee Fund, accompanied by the required amount of bills of exchange and authorisation for the CSD to be able to draw such bills of exchange under the conditions and in the manner provided for under general byelaws of the CSD.

[4] Where the requirements of Paragraphs [1], [2] and [3] of this Article have been satisfied, the CSD shall be required to adopt, within 30 (thirty) days of receiving the application for membership, a procedural decision admitting the applicant to membership in the CSD.

[5] The decision admitting the applicant to membership shall be final, and may be contested in an administrative dispute.

[6] Upon the adoption of such procedural decision the Managing Director or a person authorised by the Managing Director shall enter into a membership agreement with the applicant that shall govern their mutual rights and obligations.

[7] The format and content of the agreement referred to in Paragraph [5] above shall be established by the Managing Director of the CSD.

Article 41

Each member of the CSD shall be required to operate as provided for in the membership contract entered into with the CSD and in legislation governing the capital market.

XIII. MUTUAL RIGHTS AND OBLIGATIONS OF MEMBERS OF THE CSD AND THE CSD

Article 42

Each member of the CSD shall undertake to:

- 1) Ensure that there are sufficient financial instruments in its accounts kept at the CSD and/or sufficient cash to cover any liabilities undertaken;
- 2) Before commencing transactions with the CSD, train an appropriate member of its staff to perform transactions with the CSD, whereupon such member of its staff shall be issued an identification (smart) card by the CSD;
- 3) Perform any transactions with the CSD electronically, in the manner provided for under general byelaws of the CSD;
- 4) Update particular data on the holders of financial instrument accounts at the request of the client or a representative of the client;

- 5) Prevent the use or possession of identification (smart) cards by any persons other than the authorised persons issued such cards;
- 6) Indemnify the CSD for any and all damage caused through the unauthorised use of identification (smart) cards;
- 7) Use information obtained through the CSD information system solely for its own purposes, without being entitled to make such information available to third parties;
- 8) Notify the CSD of any and all issues that may arise in accessing the CSD information system;
- 9) Ensure the availability of the member of its staff authorised to perform transactions involving securities (for addressing any disputes with the CSD) each working day;
- 10) Pay fees for the use of services provided by the CSD in accordance with the CSD Tariff Rate Rules;
- 11) Keep orders issued by clients and other documents in connection with transactions involving financial instruments in the manner provided for by law;
- 12) Act in accordance with general and specific byelaws of the CSD and comply with the provisions of the membership agreement.

Article 43

Each member of the CSD may:

- 1) Issue orders for the opening of its own accounts and financial instrument accounts of its clients;
- 2) Issue orders for the opening of cash accounts with the CSD;
- 3) Issue orders for the opening of issuing accounts of issuers and provide services to its issuer clients in the process of issuing financial instruments;
- 4) Issue orders to the CSD, pursuant to issuer orders, for the payment of dividend, coupon, and principal amount of a

- debt security, as well as for other corporate actions, as provided for under the Operating Rules of the CSD;
- 5) Issue orders for the transfer of title to financial instruments pursuant to orders received from owners of financial instruments and their representatives, as provided for under the Operating Rules of the CSD;
 - 6) Issue orders for the registration and removal of liens on financial instruments;
 - 7) Perform other activities as provided for under legislation governing the capital market and the Operating Rules of the CSD.

Article 44

The CSD shall:

- 1) Keep a registry of financial instruments and keep track of balances in financial instrument accounts of each member of the CSD and its clients;
- 2) Open financial instrument accounts and client accounts for each member and keep track of balances in such accounts;
- 3) Open cash accounts for its members and keep track of balances in such accounts;
- 4) Open and maintain issuing accounts of issuers of financial instruments;
- 5) Calculate total cash liabilities and receivables of its members arising from transactions involving financial instruments;
- 6) Clear and settle liabilities and receivables of members in financial instruments or cash arising from transactions entered into involving financial instruments;
- 7) Transfer financial instruments directly, as instructed by its members;
- 8) Open lien accounts and register liens and other third party interests, as instructed by members;

- 9) Make directly available for inspection the balances of securities in the accounts of members and the accounts of their clients, as well as the balances in the cash accounts of its members;
- 10) Provide support to its members regarding the use of the information and communication system of the CSD;
- 11) Provide its members with identification (smart) cards for accessing and using the information and communication system of the CSD;
- 12) Provide other services regarding financial instruments, as stipulated under legislation and regulations.

XIV. TERMINATION OF MEMBERSHIP IN THE CSD

Article 45

The membership in the CSD of a member of the CSD shall terminate:

- 1) Pursuant to an application thereto made in writing by such member, provided that such member has fulfilled all of its obligations arising from transactions entered into involving financial instruments;
- 2) Where such member has had its operating licence permanently revoked;
- 3) Pursuant to a decision on liquidation;
- 4) Where such member no longer meets the requirements for membership in the CSD;
- 5) Where such member has repeatedly failed to meet its obligations with the CSD or has failed to adhere to other general byelaws of the CSD.

Article 46

- [1] Where a member of the CSD files for termination of membership on grounds referred to in Article 45 of this Statute,

the CSD shall be required to establish the state of any as yet unexecuted transactions of that member involving financial instruments without delay and the manner of completing such transactions, and to notify the member thereof immediately.

[2] In the event of termination of membership on grounds referred to in Article 45 2), 4) and 5) of this Statute, before taking action as referred to in Paragraph [1] of this Article the CSD shall *ex officio* bar the member from transactions involving financial instruments.

[3] The membership of a member in the CSD shall terminate after such member has fulfilled its obligations with the CSD and its other members. Financial instruments of such member and its clients shall be transferred to financial instrument accounts of another member or other members of the CSD pursuant to contracts with such other members.

[4] Upon the termination of membership in the CSD, the CSD shall transfer into the cash accounts of the former member any cash of such member remaining after the settlement of any outstanding liabilities arising from transactions entered into involving financial instruments.

Article 47

[1] The CSD shall oversee its members insofar as activities from within the remit of the CSD are concerned.

[2] In performing such oversight the CSD shall be entitled to have direct access to documentation concerning activities referred to in Paragraph [1] of this Article.

[3] Where oversight performed by the CSD establishes non-compliance with the law or irregularities that represent infringement of the law, or of any byelaw of the Securities Commission or the CSD, it shall issue a procedural decision instructing the member in question to comply by a particular deadline.

[4] The CSD shall, without delay, notify the Securities Commission and the market operator, in the manner stipulated by the Securities Commission, of any substantial infraction of provisions of the law or of any byelaw of the Securities Commission or the CSD committed by any member of the CSD.

XV. OTHER ISSUES OF IMPORTANCE FOR THE OPERATION OF THE CSD

Article 48

[1] The Managing Director, Members of the Board of Directors and staff of the CSD shall be required to provide the CSD with information regarding the securities they hold, as well as information on any changes to their securities portfolios.

[2] The requirement referred to in Paragraph [1] of this Article shall also apply to family members of persons referred to in that Paragraph.

[3] Information regarding securities referred to in Paragraphs [1] and [2] of this Article must be made available to public scrutiny.

Article 49

[1] The Managing Director, Members of the Board of Directors and staff of the CSD shall be required to keep confidential all information regarding issuers of securities, as well as any other information regarding facts and circumstances that they become aware of in the exercise of their duties, excepting only such information as is publicly available, whereby they may not use such information for their own personal purposes, communicate it to third parties, nor make it available for the use of third parties.

[2] Any piece of information referred to in Paragraph [1] of this Article, excepting such information as is publicly available, shall be deemed confidential.

[3] Information deemed confidential may only be communicated or made available pursuant to a court order or the Securities Commission.

[4] The CSD may provide information referred to in Paragraph [2] of this Article and make it available to the appropriate bodies of the Republic of Serbia for the purposes of oversight, regulation, inquiry, or enforcement, as provided for under appropriate legislation.

Article 50

[1] The Managing Director, Members of the Board of Directors and staff of the CSD may not engage in trading of financial instruments nor provision of investment advice regarding financial instruments.

[2] Persons referred to in Paragraph [1] of this Article may not use their activities at the CSD for the pursuit of their own personal interests or of those of other parties.

Article 51

The CSD shall be required:

- Not to provide information it obtains in the performance of its activities where such information is deemed confidential;
- Not to provide advice on transactions involving financial instruments and investment into financial instruments, nor to provide its opinion on the benefits or drawbacks of purchasing or selling financial instruments traded in the market;
- Not to provide information on the balances of financial instrument accounts of any member or its clients, or the balances of the cash accounts of such member.

XV. TRANSITIONAL AND FINAL PROVISIONS

Article 52

- [1] The Securities Commission shall be empowered to grant consent to any amendments to this Statute adopted by the General Meeting of the CSD.
- [2] Amendments to this Statute shall be made in the procedure and manner stipulated for its adoption.

Article 53

Legislation governing the capital market and corporations law shall apply to any and all issues not governed by this Statute.

Article 54

The rights and duties of the preceding Board of Directors shall remain in effect until such time as a new Board of Directors of the CSD is convened.

Article 55

This Statute shall enter into effect upon receiving consent from the Securities Commission.

Article 56

This Statute shall be posted on the web site of the CSD immediately upon receiving consent from the Securities Commission.

Article 57

The Statute of the CSD (*Official Gazette of the Republic of Serbia*, No. 113/2006) shall be repealed as of the time of the entry into effect of this Statute.

**STAND-ALONE ARTICLES OF AMENDMENTS TO THE
STATUTE
UNDER ENACTMENT 10 NO. 1-4/8-2 OF 24 NOVEMBER
2015**

Article 26

These amendments to the Statute of the CSD shall enter into effect upon receiving consent from the Securities Commission and shall be posted on the web site of the CSD immediately upon receiving consent from the Securities Commission.

Article 27

[1] Enactments adopted pursuant to the Statute of the CSD 10 No. 1/1-2 of 14 February 2012 shall remain in effect following the entry into effect of these amendments to the Statute.

**STAND-ALONE ARTICLES OF AMENDMENTS TO THE
STATUTE
UNDER ENACTMENT 10 No. 1-5/7-7 of 25 April 2017**

Article 3

These amendments to the Statute of the CSD shall enter into effect upon receiving consent from the Securities Commission and shall be posted on the web site of the CSD immediately upon receiving consent from the Securities Commission.

- [2] This Consolidated Version of the Statute of the CSD comprises:
- 1) Statute of the CSD, 10 No. 1/1-1 of 14 February 2012;
 - 2) Amendments to the Statute of the CSD, 10 No. 1-4/8-2 of 24 November 2015;
 - 3) Amendments to the Statute of the CSD, 10 No. 1-5/7-7 of 25 April 2017.

MANAGING DIRECTOR

Dr Ana Jovanovic