



**M E R J**

MERJ DEPOSITORY AND REGISTRY LIMITED  
SECURITIES FACILITY RULES

DIRECTIVE ON DEPOSITORY INTERESTS

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## DEFINITIONS

**"Allocation Component"** means, without limitation, in respect of an Offer:

- (a) a Firm Allocation Component;
- (b) a book-build; or
- (c) a placement.

**"Allocation Interests"** means a journal entry on a MERJ DEP or Issuer operated record -

- (a) representing an Approved Eligible Asset applied for, or to be applied for, under an Offer; and
- (b) by which the Issuer calculates the number of Approved Eligible Assets to be issued or disposed.

**"Approved Clearing House"** means a settlement and deposit system for the safe custody, delivery and payment of Principal Eligible Assets or Participating International Eligible Assets, approved by MERJ DEP for the purposes of establishing a Segregated Account.

**"Approved Eligible Assets"** means an Eligible Asset approved by MERJ DEP.

**"Approved Listing Market Operator"** means, in respect of a class of Eligible Assets or the Issuer of a class of Eligible Assets, the Approved Market Operator -

- (a) to whose official list the Issuer is admitted or has applied for admission in connection with the quotation of the class of Eligible Assets on the financial market operated by the Approved Market Operator; or
- (b) under whose operating rules the Issuer has applied for admission of the class of Eligible Assets to trading status on the financial market operated by the Approved Market Operator.

**"Approved Market Operator"** means a Market Operator approved by MERJ DEP as an Approved Market Operator and specified in the Procedures.

**"Batch Instruction"** means an instruction to MERJ DEP to affect a Batch Settlement;

**"Batch Settlement"** means the process by which multiple transactions are settled in the Securities Facility;

**"Certificate"** means any document issued to a Holder of Principal Eligible Assets or Participating International Eligible Assets as evidence of that Holder's title to those Principal Eligible Assets or Participating International Eligible Assets, for example, a share certificate, an option certificate, debenture or warrant.

**"Commencement Date"** in relation to a class of an Issuer's Eligible Assets, means the date on which Eligible Assets in that class become Approved Eligible Assets.

**“Controlling Participant”** means in relation to a MERJ DEP Holding, means the Participant that has the capacity to either:

- (a) Transfer or Convert Eligible Assets from the Holding; or
- (b) transfer in terms of Rule 21.2; or
- (c) Transmute FDIs from the Holding.

**“Conversion”** means a movement of Eligible Assets from a Holding on one Subregister to a Holding on another Subregister without any change in legal ownership.

**“Corporate Actions”** mean –

- (a) action taken by an Issuer of Eligible Assets for the purpose of giving an Entitlement to Holders of a class of the Issuer’s Eligible Assets;
- (b) action taken by a Principal Issuer for the purpose of giving an Entitlement in respect of Principal Eligible Assets held by a Depository Nominee to Holders of MDIs; and
- (c) action taken by an Issuer of Participating International Eligible Assets for the purposes of giving an Entitlement in respect to Participating International Eligible Assets, held by a Depository Nominee.

**“Cum Entitlement Balances”** means, in respect of a Corporate Action, the number of Parent Eligible Assets to be used by the Issuer to calculate the Entitlement of a Holder or a former Holder of Parent Eligible Assets.

**“Depository Nominee”** means the person appointed under these Rules, being either -

- (a) MERJ Nominees Ltd.; or
- (b) [RESERVED]

**“DI”** stands for Depository Interest and means a unit of beneficial ownership in an Eligible Asset which is not an Eligible Asset of a Foreign Issuer, registered in the name of the Depository Nominee.

**“DI Issuer”** means an Issuer of Eligible Assets quoted on MERJ Exchange, a condition of the issue being that the Eligible Assets are held by Holders in the form of DIs.

**“EIS”** stands for External Interface Specification, and means a document, made by MERJ DEP, that provides detailed information about protocols, message formats and security features for communications between Facility Users and MERJ DEP.

**“Email Details”** means, in respect of a Holding, the email address and Email Purpose of the Holder.

**“Email Purpose”** means, in respect of an email address specified in relation to a Holding, the categories of communications, as specified in the Procedures, that the Holder has indicated a preference to receive by delivery to that email address.

**“End of Day”** means on any Trading Day, 6:00a.m. the following day, Seychelles time or such other time as MERJ DEP may from time to time determine.

**“Entitlement”** means -

(a) property (other than Eligible Assets) or money transferred or paid to a person because the person is or was the holder of an Eligible Asset; or

(b) a right that a person has because the person is or was the holder of an Eligible Asset, including, for example:

(i) a right to be paid an amount or to be issued with additional Eligible Assets; or

(ii) a right that arises out of a reduction in share capital, a scheme of arrangement or compromise or a takeover bid;

and includes a reference to a right, whether existing or future, and whether contingent or not. It includes (without limitation):

(c) rights;

(d) bonus issues;

(e) dividend, interest and trust distribution payments;

(f) priority issues;

(g) offers under an equal access scheme;

(h) in relation to Participating International Eligible Assets, any equivalent or similar benefit (however described) provided or offered by the issuer of the Participating International Eligible Assets; and

(i) interest, principal and any other payments arising in respect of a Government Bond.

**“Entitlement Date”** means, a date specified by the Depository Nominee as the date by reference to which the Depository Nominee will identify the persons entitled to the benefit of a Corporate Action.

**“Ex Period”** means the period from Start of Day on the Ex Date to End of Day on the Record Date in respect of a Corporate Action.

**“Facility User”** means -

(a) a Participant;

(b) an Issuer of Approved Eligible Assets; or

(c) a Market Operator.

**“FDI Register”** means the Holders of FDIs containing the information required by Rule 19.4.

**“FDI”** stands for Foreign Depository Interest and which comprises a beneficial interest or Other Interest in a Participating International Eligible Asset held by a Depository Nominee.

**“FDI Register”** means the record of Holders of FDIs containing the information required by Rule 19.4.

**“Firm Allocation Component”** means that part of an Offer which is reserved for clients of a Participant under an agreement between the Issuer and Participant.

**“Foreign Issuer”** means –

- (a) an Issuer whose place of incorporation does not recognize the Securities Facility operated by MERJ DEP as a system that can transfer and register legal Title to Eligible Assets; or
- (b) an Issuer of securities listed by MERJ Exchange pursuant to the “fast-track securities” framework.

**“Government Bond”** means a debenture, stock or bond (however described) issued by a Government Bond Issuer.

**“Government Bond Depository Interest”** means a unit of beneficial ownership in a Government Bond registered in the name of a Depository Nominee or its nominee.

**“Government Bond Issuer”** means an issuer of Government Bonds that MERJ has approved for quotation and trading on a Market Operator.

**“Held Balance”** means the number of Eligible Assets that remain in a Certificated Holding after a Transfer by a Participant of only some of the Eligible Assets represented by a Certificate or Marked Transfer.

**“Held Balance Reference Number”** means the number allocated by an Issuer to identify a Held Balance.

**“HIN”** stands for Holder Identification Number and means a number used to –

- (a) identify a Holder of Eligible Assets on the MERJ DEP Subregister; and
- (b) link the Holding details maintained on the MERJ DEP Subregister with the Holder’s Registration Details.

**“Holder”** means –

- (a) a person registered as the legal owner of Eligible Assets in a Holding;
- (b) a person who is recorded as holding MDIs on the MDI Register;
- (c) a person who is recorded on a record of Allocation Interests;
- (d) a person who is recorded as holding FDIs on the FDI Register; or
- (e) an owner of a Government Bond.

**“Holding”** means –



- (a) a number of Eligible Assets of an Issuer held by a Holder on the Issuer's register;
- (b) a number of MDIs held by a Holder on the MDI Register;
- (c) a number of Allocation Interests recorded in respect of a Holder;
- (d) a number of FDIs recorded as held by a Holder on an FDI Register; or
- (e) a number of Government Bonds held by a Holder.

**“Instructions”** means a Batch Instruction or RTGS Instruction;

**“Issue Date”** means the date set, in accordance with the Approved Listing Market Operator’s Listing Rules, on which the Issue occurs.

*Note: This date may be prescribed by the Approved Listing Market Operator.*

**“Issuer Sponsored Subregister”** means:

- (a) that part of an Issuer’s register that records uncertificated Holdings of Eligible Assets; or
- (b) that part of a MDI Register, that is administered by the Issuer (and not MERJ DEP).

**“Listing Rules”** means, in respect of an Approved Listing Market Operator or a class of Eligible Assets quoted on the financial market operated by an Approved Market Operator, the listing rules (similar to those contemplated in Section 12 of the Securities Act) of the Approved Listing Market Operator governing Issuers and their Eligible Assets.

**“Marked Transfer”** means a Registrable Transfer Document that has been marked by the Issuer or a marking body.

**“Market Operator”** means -

- (a) MERJ Exchange; or
- (b) any other market operator which MERJ DEP has agreed to provide Securities Facility Services.

**“MDI”** stands for MERJ Depository Interest and means a unit of beneficial ownership in a Principal Eligible Asset, registered in the name of the Depository Nominee, and includes:

- (a) MUFS;
- (b) DIs; and
- (c) Government Bond Depository Interests.

**“MDI Register”** means a register of MDI Holdings maintained by or on behalf of a Principal Issuer under the Rules, consisting of:

- (a) an Issuer-Sponsored Subregister of Holders of MDIs and a MERJ DEP Subregister of Holders of MDIs; or

(b) with the consent of MERJ DEP, a MERJ DEP Subregister of Holders of MDI.

**“MERJ DEP Holding”** means a Holding of Eligible Assets on the MERJ DEP Subregister.

**“MERJ DEP Subregister”** means:

- (a) that part of an Issuer’s register;
- (b) that part of a Foreign Issuer’s or Government Bond Issuer’s MDI Register, for a class of the Foreign Issuer’s or Government Bond Issuer’s (as applicable) Approved Eligible Assets;
- (c) the FDI Register for a class of Participating International Eligible Assets,  
that is administered by MERJ DEP.

**“Message”** means an electronic message of a kind specified in the EIS for use in the Securities Facility or otherwise as prescribed by MERJ DEP.

**“MUFS”** stands for MERJ Units of Foreign Securities and means a unit of beneficial ownership in an Eligible Asset of a Foreign Issuer, registered in the name of the Depository Nominee.

**“Notice”** means in these Rules, a reference to notifying a person of any matters includes a reference to:

- (a) giving Notice of those matters to the person; or
- (b) Transmitting a Message containing those matters to the person.

**“Offer”** means –

- (a) an offer for subscription or an invitation to subscribe for Eligible Assets, under which an Issuer must issue; or
- (b) an offer under which an Issuer must dispose of,

Approved Eligible Assets to successful applicants.

**“Originating Message”** means a Message Transmitted to MERJ DEP by the Controlling Participant for a MERJ DEP Holding which (as a consequence of that Message being processed) results in MERJ DEP or a Facility User Transmitting another Message (whether or not that consequential Message also results from the processing of any intervening Message).

**“Other Interest”** means any right or equitable interest in the Participating International Eligible Asset and includes an option to acquire a right or interest in the Participating International Eligible Asset.

**“Parent Eligible Assets”** means a class of Approved Eligible Assets to which an Entitlement to cash or Eligible Assets attaches that, during an Ex Period, may be Transferred with or without the Entitlement.

**“Participating International Eligible Assets”** mean Eligible Assets –

- (a) traded on a market other than in Seychelles; and

(b) the Depository Interests of which have been declared eligible for settlement by means of FDIs.

**“Principal Eligible Assets”** means Eligible Assets issued or made available by a Principal Issuer.

**“Principal Issuer”** means -

(a) a Foreign Issuer; or

(b) a DI Issuer; or

(c) a Government Bond Issuer.

**“Principal Register”** means the register of Holdings of Principal Eligible Assets maintained by a Principal Issuer under laws applicable to the Principal Issuer in the place where it is established and which otherwise complies with these Rules.

**“Procedures”** means any document, electronic file or other information (recorded by any mode of representing words or reproducing words) approved by MERJ DEP and given where applicable to Participants, Issuers and third-party service providers and, without limitation, includes any EIS and the MERJ DEP Procedures as amended from time to time.

**“Product Disclosure Statement”** means the document that contains information about FDIs prescribed by the Listing Market Operator relating to FDIs.

**“Registrable Transfer Document”** means any document that an Issuer is entitled to accept as a valid instrument of transfer or a Transfer Request Document.

**“Registration Details”** means the name, address, Email Details (if any) and tax residence of a Holder.

**“RTGS”** stands for Real Time Gross Settlement and means the processing and settling of payment and delivery obligations in real time and on a gross, not net, basis, the fundamental characteristic of which is that the payment and delivery components of a transaction become irrevocable at the time of settlement and, in relation to MERJ DEP, is affected in accordance with systems and procedures according to the Securities Facility Rules.

**“RTGS Instruction”** means an instruction to MERJ DEP to settle an RTGS Transaction;

**“Scheduled Time”** means the time within or by which a requirement under these Rules must be complied with as specified in Appendix 1 to these Rules.

**“Segregated Account”** means an account maintained in accordance with these Rules which contains Principal Eligible Assets or Participating International Eligible Assets held solely on behalf of the Depository Nominee.

**“Source Holding”** means the Holding from which Eligible Assets will be deducted in giving effect to a Transfer, Conversion, Corporate Action or other transaction.

**"SRN"** stands for Security holder Reference Number and means a number allocated by an Issuer to identify a Hold on an Issuer Operated Subregister.

**"Start of Day"** means, on any Trading Day, 10:00 am Seychelles time or such other time as MERJ DEP may from time to time determine.

**"Subregister"** means -

(a) in the case of Eligible Assets other than MDIs, a MERJ DEP Subregister or an Issuer Operated Subregister; or

(b) in the case of MDIs, a MDI Register.

**"Target Holding"** means the Holding into which Eligible Assets will be entered in giving effect to a Transfer, Conversion, Corporate Action or other transaction.

**"Third Party Provider"** means a person that -

(a) operates an interface with the Securities Facility;

(b) performs any obligations of a Facility User under these Rules; or

(c) uses facilities provided by MERJ DEP,

on behalf of a Facility User.

**"Title"** in relation to Eligible Assets, means:

(a) legal title where the Eligible Assets can be owned by law, and

(b) equitable or beneficial title where the Eligible Assets can be owned only in equity.

**"Trading Day"** means a day other than -

(a) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and

(b) any other day that MERJ DEP may declare and publish is not a trading day.

**"Transfer"** means a transfer of Eligible Assets, or for the purposes of Section 15, a transfer of Allocation Interests -

(a) from a MERJ DEP Holding to any other Holding; or

(b) from any Holding to a MERJ DEP Holding.

**"Transfer Request Document"** means a document supplied by a Participant to an Issuer that entitles the Issuer to authorise a Transfer of Eligible Assets from an Issuer Sponsored Holding to a MERJ DEP Holding.

**"Transmit"** means to cause a Message to be made available between Participants and/or Facility Users in accordance with any procedures prescribed by MERJ DEP;

**“Transmutation Ratio”** means the ratio which identifies the number or fraction of –

- (a) MDIs into which a Principal Eligible Asset may be converted or vice versa; or
- (b) FDIs into which a Participating International Eligible Asset may be converted or vice versa.

**“Transmute”** means to cause –

- (a) Principal Eligible Assets to be converted into MDIs or vice versa; or
- (b) Participating International Eligible Assets to be converted into FDIs or vice versa.

under these Rules, without any change in beneficial ownership.

**“Valid”** in relation to a Message, means a Message that:

- (a) contains the minimum information and is in the format prescribed by MERJ DEP;
- (b) has been properly authenticated; and
- (c) meets MERJ DEP encryption requirements specified in the EIS.

This Directive sets out the Rules governing MERJ Depository Interests and Foreign Depository Interests.

## **1. APPLICATION OF MDI RULES**

### **1.1. Effect of Rules 1 to 15**

Rules 1 to 15 only apply to, and have effect in relation to, MDIs issued in respect of a class of Principal Eligible Assets.

The Securities Facility Rules, to the extent that they are not inconsistent with Rules 1 to 15, have full force and effect in relation to MDIs other than as specifically modified by the provisions of Rules 1 to 15.

## **2. PREREQUISITES FOR SETTLEMENT OF INSTRUCTIONS IN PRINCIPAL ELIGIBLE ASSETS**

### **2.1. Approval of person as Principal Issuer**

A person who has applied for:

- (a) a class of Principal Eligible Assets; or
- (b) MDIs issued over a class of Principal Eligible Assets,

to be quoted on the market of an Approved Listing Market Operator, may apply to MERJ DEP in the form prescribed in the Procedures to act as Principal Issuer in relation to MDIs issued or to be issued in respect of those Principal Eligible Assets and to have those MDIs approved.

### **2.2. Appointment of Depository Nominee and issue of MDIs**

If MERJ DEP determines to accept an application under Rule 2.1, the Principal Issuer must:

- (a) appoint a Depository Nominee for the purpose of complying with these Rules;
- (b) give Notice to MERJ DEP of:
  - (i) the identity of the Depository Nominee appointed by the Principal Issuer; and
  - (ii) the Transmutation Ratio for the Principal Eligible Assets;
- (c) make arrangements satisfactory to MERJ DEP to enable the Principal Issuer to comply with the requirements of Rules 4.3 and 5; and
- (d) make arrangements satisfactory to MERJ DEP to issue MDIs or make them available in respect of that class of Principal Eligible Assets to each person who has:
  - (i) an entitlement to those MDIs or Principal Eligible Assets; and
  - (ii) where applicable, not elected to take a document of Title to those Principal Eligible Assets.

### **2.3. Vesting arrangements for Principal Eligible Assets**

If Rule 2.2 applies, the Principal Issuer must, either not later than End of Day on the Issue Date for the new Principal Eligible Assets, or such other time as MERJ DEP requires:

- (a) cause the Title to any Principal Eligible Assets that are to be held in the form of MDIs to be vested in the Depository Nominee nominated by the Principal Issuer under Rule 2.2, in a manner recognised by Seychelles law and all applicable foreign laws;
- (b) immediately give Notice to MERJ DEP that Title to the Principal Eligible Assets has vested in the Depository Nominee; and
- (c) record:
  - (i) the MDIs corresponding to the Principal Eligible Assets on the MERJ Subregister or the Issuer Sponsored Subregister, as the case requires; and
  - (ii) the information required to be recorded under these Rules in such manner as to identify each Holder of the MDIs, whether on the MERJ Subregister or the Issuer Sponsored Subregister.

### **2.4. Effective date of approval - MDIs as Approved Eligible Assets**

Where MERJ DEP determines to accept an application made under Rule 2.1, the Commencement Date for MDIs issued in respect of the class of Principal Eligible Assets will be the date that MERJ DEP notifies the Principal Issuer that those MDIs are Approved Eligible Assets, or such other date determined by MERJ DEP.

## **3. TRANSMUTATION AND ALTERATIONS OF PRINCIPAL ELIGIBLE ASSETS**

### **3.1. Transmutation of Principal Eligible Assets to MDIs at Election of Holder**

If a Holder of Eligible Assets that forms part of a class of Principal Eligible Assets in respect of which MDIs have been approved gives Notice to the Principal Issuer, at any time after the date of quotation of the Principal Eligible Assets, requesting the Transmutation of a quantity of those Principal Eligible Assets to MDIs, the Principal Issuer must, provided the Notice is accompanied by any corresponding documents or other proof of Title required by the Principal Issuer:

- (a) as soon as possible, cause Title to the quantity of Principal Eligible Assets specified in the Notice to be vested in the Depository Nominee for those Principal Eligible Assets;
- (b) record:
  - (i) the MDIs corresponding to the Principal Eligible Assets on the MDI Register; and
  - (ii) the information required to be recorded under these Rules in such manner as to identify each Holder of the MDIs, on the MDI Register; and
- (c) give Notice to the Holder that the Transmutation has been affected.

This Rule 3 applies to Principal Eligible Assets that are Government Bonds only in the circumstances specified in the Procedures.

### **3.2. Transmutation of Principal Eligible Assets to MDIs for Settlement Purposes**

Each Participant that is obliged to deliver a quantity of Principal Eligible Assets to another Participant must, unless otherwise agreed with that Participant, do so by initiating a Message to Transfer the corresponding quantity of MDIs in respect of those Principal Eligible Assets.

A Participant must not deliver a paper-based transfer of Principal Eligible Assets to another Participant unless otherwise agreed with that other Participant.

### **3.3. Participant may initiate a Transmutation on behalf of a person**

A Participant that is authorised by a person to do so, may Transmute Principal Eligible Assets to MDIs or MDIs to Principal Eligible Assets on behalf of the person in any circumstance where Transmutation by that person is permitted under these Rules.

## **4. CONSEQUENCES OF VESTING TITLE IN DEPOSITORY NOMINEE**

### **4.1. Trust for Holders of MDIs**

When Title to Principal Eligible Assets is vested in a Depository Nominee under these Rules, all right, title and interest in those Principal Eligible Assets is held by the Depository Nominee subject to the right of any person identified, in accordance with these Rules, as a Holder of MDIs in respect of those Principal Eligible Assets to receive all direct economic benefits and any other entitlements in relation to those Principal Eligible Assets.

### **4.2. Identification of MDI Holders**

For the purposes of Rule 4.1, a person is (subject to any subsequent disposition) entitled to all direct economic benefits and any other entitlements in relation to Principal Eligible Assets vested in a Depository Nominee under these Rules if:

- (a) in accordance with Rule 2.3, the person has been recorded in the MDI Register as the holder of MDIs for those Principal Eligible Assets; or
- (b) under Rule 3.1, the person is the former Holder of the Principal Eligible Assets to which the MDIs relate, or that person's nominee.

### **4.3. Immobilisation of Principal Eligible Assets**

A Depository Nominee that holds Principal Eligible Assets under these Rules must:

- (a)
  - (i) where a Certificate is issued as evidence of Title to those Eligible Assets, make arrangements satisfactory to MERJ DEP for any Certificate representing its holding of Principal Eligible Assets to be held by the Principal Issuer for safekeeping; or
  - (ii) where the Eligible Assets are held on account in an Approved Clearing House, ensure that a Segregated Account is maintained in respect of those Eligible Assets, which must constitute the Principal Register for the purposes of these Rules;
- (b) not dispose of any of those Principal Eligible Assets unless authorised by these Rules; and



- (c) not create any interest (including a security interest) which is inconsistent with the Title of the Depository Nominee to the Principal Eligible Assets and the interests of the Holders of MDIs in respect of the Principal Eligible Assets unless authorised by these Rules.

## **5. REGISTERS AND PROCESSING OF TRANSFERS AND TRANSMUTATIONS**

### **5.1. Issuer to establish and maintain Principal Register and MDI Register**

If MDIs in respect of a class of Principal Eligible Assets are approved, the Principal Issuer must establish and maintain:

- (a) Where the Principal Issuer is a company:
  - (i) a Principal Register that properly records the interest of the Depository Nominee in its Eligible Assets; and
  - (ii) a MDI Register that contains all of the information that would otherwise be required to be kept under the Companies Act if the Principal Issuer were a Seychelles listed public company and the MDI Register were a register of members of that company; or
- (b) Where the Principal Issuer is a Government Bond Issuer:
  - (i) a Principal Register; and
  - (ii) a MDI Register.

### **5.2. Reconciliation of Registers**

The Principal Issuer must ensure always that:

- (a) the total number of MDIs on the MDI Register reconciles to the total number of Principal Eligible Assets registered in the name of the Depository Nominee on the Principal Register, or as otherwise specified in the Procedures; and
- (b) if the Principals Eligible Assets are issued in certificated form, it has one or more Certificates registered in the name of the Depository Nominee in its possession which represent the same number of Principal Eligible Assets as are registered in the name of the Depository Nominee on the Principal Register.

### **5.3. Right of Inspection of MDI Register**

- (a) If a Principal Issuer is required to establish and maintain a MDI Register under Rule 5.1, the Principal Issuer must make its MDI Register available for inspection in Seychelles to the same extent and in the same manner as if that MDI Register were a register of members of a Seychelles listed public company.
- (b) This Rule 5.3 does not apply in respect of a class of Principal Eligible Assets that are Government Bonds or Principal Eligible Assets issued by a DI Issuer to the extent that the Principal Register need not be available for inspection where that Principal Register is located in a foreign jurisdiction.

### **5.4. Issuer Sponsored Subregisters and MERJ Subregisters for MDIs**

If MDIs in respect of a class of Principal Eligible Assets are approved, the Principal Issuer must establish and maintain:

- (a) an Issuer Sponsored Subregister; and
- (b) a MERJ DEP Subregister,

of MDIs in respect of the Principal Eligible Assets as if the MDIs were Eligible Assets of a Seychelles Issuer, issued wholly in uncertificated form.

### **5.5. Agents of Principal Issuer**

Any Third Party Provider appointed by a Principal Issuer to establish and maintain a Principal Register, an MDI Register or any Subregister thereof in respect of a class of its Principal Eligible Assets, is taken to perform those services as the agent of the Principal Issuer for the purposes of these Rules.

### **5.6. Depository Nominee obliged to ensure information is provided to Principal Issuer**

Notwithstanding Rule 5.2, if a Depository Nominee employs or retains a Third Party Provider to administer the MDI Register, which is not the same Third Party Provider as that retained by the Principal Issuer to establish and maintain a Principal Register under Rule 5.5, then the Depository Nominee must ensure that its Third Party Provider provides such information to the Principal Issuer at such times as the Principal Issuer requires for performance of its obligations under Rules 1 to 15.

### **5.7. Power of Attorney**

The Depository Nominee appoints the Principal Issuer to be the Depository Nominee's attorney and in the name of the Depository Nominee (or in the name of the Principal Issuer or its delegate) and on the Depository Nominee's behalf:

- (a) to execute any transfer for the purposes of Rule 3; and
- (b) to do all things necessary or desirable to give full effect to the rights and obligations of the Depository Nominee in Rules 1 to 15;

and the Depository Nominee undertakes to ratify and confirm anything done under this power of attorney by the Principal Issuer.

### **5.8. Delegation by Principal Issuer under Power of Attorney**

The Principal Issuer may in writing:

- (a) delegate its powers to any person for any period;
- (b) at its discretion, revoke any such delegation; and
- (c) exercise or concur in exercising any power despite the Principal Issuer or a delegate of the Principal Issuer having a direct or personal interest in the mode or result of the exercise of that power.

### **5.9. Indemnity**

If a Principal Issuer or its Third Party Provider executes a transfer of Principal Eligible Assets on behalf of a Depository Nominee as transferor or transferee, other than a Transfer which is

supported by a Message initiated by a Participant under these Rules, the Principal Issuer warrants to MERJ DEP that it indemnifies:

- (a) the Depository Nominee;
- (b) MERJ DEP;
- (c) the transferor or the beneficial owner of the Principal Eligible Assets, as the case requires;  
and
- (d) each Participant,

against all losses, damages, costs and expenses that they or any of them may suffer or incur as a result of the transfer not being authorised by the transferor or by the beneficial owner of the Principal Eligible Assets.

For the avoidance of doubt, Rule 5.9 does not apply to a Government Bond Issuer.

#### **5.10. MERJ DEP holds benefit of warranties for Depository Nominee**

MERJ DEP holds the benefit of any warranties and indemnities given to it by the Principal Issuer under Rules 1 to 15 in trust for the benefit of the Depository Nominee.

#### **5.11. Principal Issuer and Depository Nominee not to interfere in Transfer and Transmutation**

Unless otherwise permitted under these Rules or the Listing Rules, a Principal Issuer or a Depository Nominee must not refuse or fail to register, or give effect to, or otherwise interfere with the processing and registration of:

- (a) a paper-based transfer of Principal Eligible Assets;
- (b) a Transfer of MDIs;
- (c) a Transmutation of Principal Eligible Assets to MDIs;
- (d) a Transmutation of MDIs to Principal Eligible Assets;
- (e) a shunt from a DI Register to a Principal Register; or
- (f) a shunt from a Principal Register to a DI Register.

#### **5.12. No Notice of Unregistered Interests**

For the purposes of all relevant Seychelles and foreign laws, neither MERJ DEP nor any Depository Nominee is affected by actual, implied or constructive notice of any interest in MDIs other than the Holdings on the MDI Register.

A Depository Nominee may deal with the registered Holder of MDIs as if, for all purposes, the Holder of MDIs is the absolute beneficial owner of the Principal Eligible Assets to which the MDIs relate, without any liability whatsoever to any other person who asserts an interest in the MDIs or in the Principal Eligible Assets to which the MDIs relate.

### **6. TERMINATION OF MDI HOLDING BY THE DEPOSITORY NOMINEE**

#### **6.1. Termination of trust over Principal Eligible Assets**

If approval of MDIs in respect of a class of Principal Eligible Assets is revoked by MERJ DEP, the Depository Nominee may, by resolution of its board of directors, revoke the trust under which it holds the Principal Eligible Assets on a date specified in the resolution. The Depository Nominee must notify the affected Holders of MDIs of the revocation in accordance with the Procedures.

From the date of revocation specified in the resolution:

- (a) the Depository Nominee holds the Principal Eligible Assets and any other relevant property on trust for distribution to each Holder of MDIs and otherwise on the same terms as far as practicable as it held the Principal Eligible Assets and other relevant property before such revocation of trust;
- (b) the Depository Nominee may, in its absolute discretion, continue to hold on trust the Principal Eligible Assets and any other relevant property for any period determined by the Depository Nominee instead of distributing that property to the Holder of MDIs and, in doing so, the Depository Nominee will not be liable for any loss, cost, damage or expense suffered by the Holder of MDIs (except where such loss, cost, damage or expense is directly caused by the Depository Nominee's actual fraud or dishonesty); and
- (c) the Depository Nominee may appoint a custodian or agent (including the Principal Issuer) for the purpose of holding Principal Eligible Assets and any other relevant property (including, without limitation, net proceeds referred to in Rule 6.2(c) or performing any of its duties relating to the

distribution or holding of property or for any other purpose for which a trustee may appoint an agent.

## **6.2. Distribution of Principal Eligible Assets and power of sale**

If a Depository Nominee revokes the trust under which it holds a class of Principal Eligible Assets in accordance with Rule 6.1:

- (a) the Depository Nominee may, in its absolute discretion, notify the affected Holders of MDIs in accordance with the Procedures of a procedure by which the Principal Eligible Assets and any other relevant property will be distributed to Holders;
- (b) subject to any law or rule of any financial market where the Principal Eligible Assets are listed or quoted, the Principal Issuer must use all reasonable endeavours to assist the Depository Nominee to distribute the Principal Eligible Assets and any other relevant property to Holders of MDIs in accordance with the procedure notified by the Depository Nominee; and
- (c) if the Depository Nominee, after taking any steps specified in the Procedures, has been unable to distribute the Principal Eligible Assets and any other relevant property to a Holder of MDIs, then the Depository Nominee may sell the Principal Eligible Assets and any other relevant property and hold the net proceeds on trust for distribution to the Holder of MDIs and may, after any period specified by law for holding unclaimed moneys, remit those monies to a regulatory authority in accordance with relevant law.

### **6.3. Exercise of power of sale**

In exercising the power of sale in Rule 6.2, the Depository Nominee may do any of the following:

- (a) sell, dispose of, transfer or otherwise deal with the Principal Eligible Assets and any other relevant property to any person including without limitation to an associate of any of the Principal Issuer, the Holder of MDIs or the Depository Nominee;
- (b) effect any sale by a single contract or in separate lots or parcels or in any other manner that the Depository Nominee may in its absolute discretion think fit, with power to the Depository Nominee to apportion the sale price and all costs, expenses, purchase money and fees between the Principal Eligible Assets so dealt with, provided the apportionment is fair and equitable;
- (c) subject to any contrary rule of law or equity, allow a purchaser of the Principal Eligible Assets any time for payment of the whole or any part of the purchase money either with interest at any rate or without interest and either upon the security of the property sold or any part or upon any other security or without any security and the conditions of sale may include such special conditions as the Depository Nominee may in its absolute discretion think fit;
- (d) receive and retain the proceeds of any sale and issue receipts in respect of such proceeds;  
or
- (e) sign deeds of sale with respect to the sale of any Principal Eligible Asset and any other relevant property, and execute any other documents as may be required to transfer the rights of such Principal Eligible Assets or any other relevant property.

### **6.4. Limitation of liability**

If a Depository Nominee exercises the power of sale in accordance with this Rule 6, the exercise of that power does not involve on the part of the Depository Nominee:

- (a) incurring any personal liability in connection with that exercise or its consequences unless it is committed, made or omitted in bad faith or as a result of negligence or wilful default;  
and
- (b) any breach of duty or trust whatsoever, unless it is committed, made or omitted in bad faith or as a result of negligence or wilful default.

### **6.5. Appointment of custodian or agent**

If the Depository Nominee appoints a custodian or agent in accordance with this Rule 6, the following will apply to such appointment:

- (a) the Depository Nominee may in its absolute discretion appoint one or more persons whom the Depository Nominee determines to be properly qualified to act as the custodian or agent in respect of the Principal Eligible Assets and any other relevant property (including, without limitation, net proceeds referred to in Rule 6.2(c)) (“Relevant Property”);

- (b) the Depository Nominee and the custodian or agent must execute a written agreement setting out the terms and conditions in relation to the appointment of the custodian or agent which provides among other things:
  - (i) that the appointment of the custodian or agent will be subject to such conditions as the Depository Nominee may from time to time determine, and the Depository Nominee may delegate to and confer upon the appointed custodian or agent any authorities, powers and discretions as the Depository Nominee sees fit;
  - (ii) a representation from the custodian or agent to the Depository Nominee that it has the skill, facilities, capacity and staff to carry out the duties of a custodian or agent;
  - (iii) a representation that the custodian or agent agrees to follow any proper instructions or communications from the Depository Nominee or any relevant regulatory authority in relation to the transfer, disposal or remittance of the Relevant Property;
  - (iv) for such other matters that by law are required to be specified in the written agreement between the Depository Nominee and the custodian or agent;
- (c) any consideration or fees applying to the provision of custodian or agency services under this Rule 6 will be deducted from the Relevant Property by the custodian or agent (or as otherwise determined in accordance with the relevant custody or agency agreement referred to in this Rule 6); and
- (d) where the Depository Nominee appoints a custodian or agent in accordance with this Rule 6, the exercise of that power does not involve on the part of the Depository Nominee:
  - (i) incurring any personal liability in connection with that exercise or its consequences unless it is committed, made, or omitted in bad faith or as a result of negligence or willful default; and
  - (ii) any breach of duty or trust whatsoever unless it is committed, made, or omitted in bad faith or as a result of negligence or willful default.

## **7. CORPORATE ACTIONS IN RELATION TO PRINCIPAL ELIGIBLE ASSETS OTHER THAN GOVERNMENT BONDS**

### **7.1. Application of Rules**

The purpose of the following Rules is to ensure that, to the extent permitted by the laws of the Principal Issuer's jurisdiction of incorporation, the benefit of all Corporate Actions of a Principal Issuer will enure to the benefit of the relevant Holders of MDIs as if they were Holders of the corresponding Principal Eligible Assets, where Principal Eligible Assets are held by a Depository Nominee under these Rules. This Rule 6 does not apply to Principal Eligible Assets that are Government Bonds.

### **7.2. Distribution of Dividends to Holders of MDIs**

If MDIs in respect of a class of Principal Eligible Assets are approved under Rule 2, the Principal Issuer must distribute any dividend declared in respect of the corresponding Principal Eligible Assets to the Depository Nominee and/or Holders of MDIs directly as instructed by the Depository Nominee based on relevant Cum Entitlement Balances as at End

of Day on the Record Date for the dividend in proportions as determined by the Transmutation Ratio.

### **7.3. Direction and Acknowledgment by Depository Nominee**

For any distributions paid directly to Holders of MDI's by the Principal Issuer and for the purposes of:

- (a) the Principal Issuer's constitution; and
- (b) all laws governing the entitlement to dividends of a Depository Nominee of the Principal Issuer,

the Depository Nominee is taken to have directed the Principal Issuer to distribute any dividend, that would otherwise be payable to it under the Principal Issuer's constitution, in accordance with these Rules.

### **7.4. Discharge of Principal Issuer's obligation to pay dividend to Depository Nominee**

A Depository Nominee for a Principal Issuer acknowledges that distribution of a dividend directly to a Holder of a MDI in accordance with these Rules discharges the Principal Issuer's obligation to pay the dividend relating to those MDI Holders to the Depository Nominee.

### **7.5. Payment by Depository Interest Issuer**

Rules 7.2, 7.3 and 7.4 apply in respect of a DI as if a reference to "dividend" is a reference to any distribution or payment, whether principal, premium or interest, in respect of the Principal Eligible Assets.

### **7.6. Payment Obligations**

Where a DI Issuer makes a payment pursuant to Rule 7.2, that payment must be made to all entitled parties as soon as reasonably practicable.

### **7.7. Corporate Actions**

- (a) Subject to paragraph (d), if MDIs in respect of a class of Principal Eligible Assets are approved under Rule 2, the Principal Issuer must administer all Corporate Actions that result in:
  - (i) the Issue of additional or replacement Eligible Assets in respect of the Principal Eligible Assets; or
  - (ii) the cancellation, buy back or other reduction in number by whatever means of the Principal Eligible Assets (whether in whole or part), as if each Holder of MDIs with respect to the Depository Nominee's Holding is a Holder of a corresponding number of Principal Eligible Assets, so that the Holding of each Holder of MDIs is adjusted as a result of the Corporate Action (whether by issuing additional or replacement MDIs to Holders of MDIs, or by cancelling or otherwise reducing the number of MDIs in the existing Holdings of Holders of MDIs, as the case may be) based on relevant Cum Entitlement Balances as at End of Day on the Record Date for the Corporate Action on

the same terms as would otherwise have applied if the Holders of MDIs were Holders of the Principal Eligible Assets.

- (b) If the benefits conferred in the Corporate Action are additional or replacement Eligible Assets as described in paragraph (a)(i), the Principal Issuer must ensure that those Eligible Assets are vested in the Depository Nominee as Holder of the Principal Eligible Assets and the benefits are distributed to Holders of MDIs in the form of MDIs corresponding to those Principal Eligible Assets.
- (c) The Principal Issuer must ensure that the benefit of Corporate Actions is conferred on Holders of MDIs in proportions determined by the Transmutation Ratio.
- (d) If:
  - (i) the laws of the Principal Issuer's jurisdiction of incorporation do not permit the Principal Issuer to administer a Corporate Action as if each Holder of MDIs with respect to the Depository Nominee's Holding is the Holder of a corresponding number of Principal Eligible Assets in the manner described in paragraph (a); and
  - (ii) the Principal Issuer has:
    - (A) so notified MERJ DEP in writing;
    - (B) given MERJ DEP:
      - a. written details of an alternative proposal ("Alternative Proposal") under which the number of Principal Eligible Assets held by the Depository Nominee (when adjusted in accordance with the Alternative Proposal), combined with any other benefits (if any) to be conferred on the Depository Nominee pursuant to the Alternative Proposal (such as cash), will result in each MDI Holder being placed as nearly as practicable in the same economic position as a result of the Corporate Action as if the Principal Issuer had administered the Corporate Action in the manner described in paragraph (a); or
      - b. if the laws of the Principal Issuer's jurisdiction of incorporation require the Corporate Action, so far as it concerns the Depository Nominee and the Holders of MDIs with respect to the Depository Nominee's Holding, to be administered having regard only to the Depository Nominee's holding of Principal Eligible Assets at that time, to the exclusion of all other considerations, and such laws do not admit of any alternative proposal under which the interests of Holders of MDIs with respect to the Depository Nominee's Holding may be taken into account (including, without limitation, by the payment of cash consideration in lieu of any additional MDIs to which the Holders of MDIs would have been entitled if the Principal Issuer had administered the Corporate Action in the manner described in paragraph (a), a statement to that effect ("Statement");



(C) provided an undertaking to MERJ DEP that it has disclosed the details of the Corporate Action (including details of any Alternative Proposal or Statement, as applicable) to Holders of MDIs in accordance with all applicable laws; and

(D) provided to MERJ DEP any additional information or documents which MERJ DEP requests for the purpose of evaluating the Corporate Action (as it affects MDI Holders) and the Alternative Proposal or Statement (as applicable) including, without limitation, a legal opinion satisfactory to MERJ DEP confirming the matters referred to in paragraph (d)(i) and such other matters related to the Corporate Action and the Alternative Proposal or Statement (as applicable) as MERJ DEP in its discretion may nominate; and

(iii) MERJ DEP has confirmed in writing its acceptance of the Alternative Proposal or Statement (as applicable),

the Principal Issuer must ensure that:

(iv) the Corporate Action is administered in accordance with the Alternative Proposal or Statement (as applicable); and

(v) the Holding of each Holder of MDIs is adjusted as a result of the Corporate Action accordingly.

For the purpose of evaluating the Corporate Action (as it affects MDI Holders) and the Alternative Proposal or Statement (as applicable), and in confirming its acceptance of the Alternative Proposal or Statement (as applicable), MERJ DEP relies and is entitled to rely on all information, opinions and other documents provided to it by the Principal Issuer. By confirming its acceptance of the Alternative Proposal or Statement (as applicable), MERJ DEP does not and shall not be taken for any purpose to:

(vi) endorse, promote or otherwise support the Alternative Proposal or Statement;

(vii) express any view about the merits or the correctness of the legal and factual basis of the Alternative Proposal or Statement or any other matter connected with them;  
or

(viii) accept any liability in connection with the Corporate Action, Alternative Proposal or Statement.

For the purposes of this Rule 7.7, “Corporate Action” includes (but is not limited to) bonus issues, rights issues, mergers and reconstructions (including any action taken by a Principal Issuer to reduce (or that will have the effect of reducing) the number of Principal Eligible Assets held by a Depository Nominee).

## **7.8. Dividend Reinvestment and Bonus Share Plans**

If MDIs in respect of a class of Principal Eligible Assets are approved under Rule 2, the Principal Issuer must, in relation to any dividend investment scheme or bonus share plan in respect of those Principal Eligible Assets:

- (a) make available to Holders of MDIs, based on relevant Cum Entitlement Balances as at End of Day on the Record Date for determining entitlements, all benefits and entitlements arising under the dividend reinvestment scheme or bonus share plan, as the case requires;
- (b) distribute all benefits and entitlements arising under the dividend reinvestment scheme or bonus share plan, as the case requires, to Holders of MDIs in proportions determined by the Transmutation Ratio;
- (c) ensure that any right under such a plan to elect to receive Eligible Assets rather than cash is exercised by Holders of MDIs rather than the Depository Nominee; and
- (d) if a Holder of MDIs elects to receive Eligible Assets, issue Principal Eligible Assets to the Depository Nominee and distribute corresponding MDIs to the Holder of MDIs.

### **7.9. Exercise of Holder rights**

If MDIs in respect of a class of Principal Eligible Assets are approved under Rule 2, the Depository Nominee must exercise any rights vested in it as the Holder of the Principal Eligible Assets under any law (including any right to institute legal proceedings as a holder of Eligible Assets), in accordance with:

- (a) any direction given by a Holder of MDIs; or
- (b) any direction of Holders of MDIs given by ordinary resolution at a meeting of Holders of MDIs.

### **7.10. Fractional Entitlements**

- (a) Subject to paragraph (b), if a Corporate Action would give Holders of MDIs a fractional entitlement to additional or replacement Principal Eligible Assets (if they held Principal Eligible Assets directly), the Principal Issuer must ensure that:
  - (i) the number of additional or replacement Principal Eligible Assets issued to the Depository Nominee is calculated as if each Holder of MDIs with respect to the Depository Nominee's Holding is a Holder of a corresponding number of Principal Eligible Assets; and
  - (ii) Holders of MDIs receive additional or replacement MDIs reflecting the entitlements so calculated.
- (b) If:
  - (i) the laws of the Principal Issuer's jurisdiction of incorporation do not permit the Principal Issuer to calculate the number of additional or replacement Principal Eligible Assets issued to the Depository Nominee in the manner described in paragraph (a)(i) and to ensure that Holders of MDIs receive additional or replacement MDIs reflecting the entitlements so calculated; and
  - (ii) the Principal Issuer has:
    - (A) so notified MERJ DEP in writing;
    - (B) given MERJ DEP:
      - a. written details of an alternative proposal ("Alternative Proposal") under which the number of additional or replacement Principal Eligible

Assets issued to the Depository Nominee, combined with any other benefits (if any) to be conferred on the Depository Nominee pursuant to the Alternative Proposal (such as cash), will result in each MDI Holder receiving as nearly as practicable the same economic benefit as a result of the Corporate Action as if the number of additional or replacement Principal Eligible Assets issued to the Depository Nominee had been calculated in the manner described in paragraph (a)(i) and the Principal Issuer had ensured that Holders of MDIs received additional or replacement MDIs reflecting the entitlements so calculated; or

b. if the laws of the Principal Issuer’s jurisdiction of incorporation require the number of additional or replacement Principal Eligible Assets issued to the Depository Nominee to be calculated having regard only to the Depository Nominee’s holding of Principal Eligible Assets at that time, to the

exclusion of all other considerations, and such laws do not admit of any alternative proposal under which the interests of Holders of MDIs with respect to the Depository Nominee's Holding may be taken into account (including, without limitation, by the payment of cash consideration in lieu of such

additional or replacement MDIs as the Holders of MDIs would have received if the number of additional or replacement Principal Eligible Assets issued to the Depository Nominee had been calculated in the manner described in paragraph (a)(i)), a statement to that effect (“Statement”);

(C) provided an undertaking to MERJ DEP that it has disclosed the details of the Corporate Action (including details of any Alternative Proposal or Statement, as applicable) to Holders of MDIs in accordance with all applicable laws; and

(D) provided to MERJ DEP any additional information or documents which MERJ DEP requests for the purpose of evaluating the Corporate Action (as it affects MDI Holders) and the Alternative Proposal or Statement (as applicable) including, without limitation, a legal opinion satisfactory to MERJ DEP confirming the matters referred to in paragraph (b)(i) and such other matters related to the Corporate Action and the Alternative Proposal or Statement (as applicable) as MERJ DEP in its discretion may nominate; and

(iii) MERJ DEP has confirmed in writing its acceptance of the Alternative Proposal or Statement (as applicable),

the Principal Issuer must ensure that:

- (iv) the number of additional or replacement Principal Eligible Assets issued to the Depository Nominee is calculated in accordance with the Alternative Proposal or Statement (as applicable); and
- (v) Holders of MDIs receive additional or replacement MDIs reflecting the entitlements so calculated.

For the purpose of evaluating the Corporate Action (as it affects MDI Holders) and the Alternative Proposal or Statement (as applicable), and in confirming its acceptance of the Alternative Proposal or Statement (as applicable), MERJ DEP relies and is entitled to rely on all information, opinions and other documents provided to it by the Principal Issuer. By confirming its acceptance of the Alternative Proposal or Statement (as applicable), MERJ DEP does not and shall not be taken for any purpose to:

- (vi) endorse, promote or otherwise support the Alternative Proposal or Statement;
- (vii) express any view about the merits or the correctness of the legal and
- (viii) factual basis of the Alternative Proposal or Statement or any other matter connected with them; or
- (ix) accept any liability in connection with the Corporate Action, Alternative Proposal or Statement.

For the purposes of this Rule 7.10, “Corporate Action” includes (but is not limited to) bonus issues, rights issues, mergers and reconstructions (including any action taken by a Principal Issuer to reduce (or that will have the effect of reducing) the number of Principal Eligible Assets held by a Depository Nominee).

#### **7.11. Disposal of surplus Principal Eligible Assets**

If:

- (a) the Depository Nominee receives Principal Eligible Assets in connection with a Corporate Action; and
- (b) following receipt of the Principal Eligible Assets, the Depository Nominee’s Holding of Principal Eligible Assets exceeds the aggregate of each MDI Holder’s entitlement to a whole number of Principal Eligible Assets,

the Depository Nominee must sell such surplus Principal Eligible Assets and distribute the proceeds of sale (less transaction costs) to Holders of MDIs in proportion to their respective Holdings.

#### **7.12. General Direction and Acknowledgment by Depository Nominee**

A Depository Nominee for a Principal Issuer:

- (a) is taken to have directed the Principal Issuer to administer all Corporate Actions of the Principal Issuer in the manner provided in these Rules; and
- (b) acknowledges that compliance with these Rules discharges the Principal Issuer's obligation to make the benefit of a Corporate Action available to the Depository Nominee.

### **7.13. Transmutations of Eligible Assets and associated Entitlements**

Where, during an ex-period for a Corporate Action, Principal Eligible Assets under Rules 1 to 15 are Transmuted in order to give effect to a transfer of those Principal Eligible Assets, the transmutation of those Principal Eligible Assets must be affected together with any associated Entitlement.

### **7.14. Divestment of small Holdings**

If MDIs in respect of a class of Principal Eligible Assets are approved and:

- (a) in accordance with the Listing Rules, a Holder of less than a specified number of Principal Eligible Assets can be subject to divestment or sale of those Principal Eligible Assets by the Principal Issuer; and
- (b) a Holder of MDIs would be subject to divestment or sale if it held the corresponding number of Principal Eligible Assets directly, the Principal Issuer may give a Notice of the planned divestment (i.e. a Notice of Divestment) to the Holder of MDIs. The Principal Issuer must also give a Holder of MDIs the benefit of any notice and consent procedure that may be contained in the constitution of the Principal Issuer, the Listing Rules and the rules of any financial market on which the Principal Eligible Assets are listed or quoted to which the Holder of MDIs would be entitled if it held the Principal Eligible Assets directly.

### **7.15. Depository Nominee may consent to sale or divestment**

If the Depository Nominee is reasonably satisfied that the Principal Issuer has complied with its obligations under Rule 7.14, the Depository Nominee is authorised to consent to the sale or divestment of the number of Principal Eligible Assets which correspond to the Holder's MDIs.

### **7.16. Principal Issuer must distribute proceeds**

The Principal Issuer must distribute to the Holder of MDIs any proceeds of a sale made pursuant to a notice given under Rule 7.14 (net of transaction costs). If the Principal Issuer is required under the laws of its jurisdiction of incorporation to distribute the net proceeds to the Depository Nominee in its capacity as the Holder of the Principal Eligible Assets, the Depository Nominee shall be taken to have directed the Principal Issuer to distribute the net proceeds to the Holder of MDIs. Upon distribution of the net proceeds to the Holder of MDIs, the Principal Issuer must cancel the Holder's MDIs corresponding to the Principal Eligible Assets which have been sold.

### **7.17. Indemnity by Principal Issuer**

By giving a Notice of Divestment, a Principal Issuer indemnifies the Depository Nominee and MERJ DEP against any loss, cost, damage, expense or liability which they may suffer or incur as a result of any sale or divestment of Principal Eligible Assets and the cancellation of MDIs under this Rule.

## **8. ENTITLEMENTS IN RELATION TO GOVERNMENT BONDS**

## **8.1. Application of Rules**

The purpose of the following Rules is to ensure that the benefit of all Entitlements in relation to Principal Eligible Assets that are Government Bonds will enure to the benefit of the relevant Holders of MDIs as if they were Holders of the corresponding Principal Eligible Assets, where Principal Eligible Assets are registered in the name of a Depository Nominee or its nominee under these Rules. This Rule 8 applies only to Principal Eligible Assets that are Government Bonds.

## **8.2. Direction by Depository Nominee**

For the purpose of the terms of issue of Principal Eligible Assets that are Government Bonds approved under Rule 2 and all laws governing the Entitlements of a Depository Nominee for a Principal Issuer, the Depository Nominee is taken to have directed the Principal Issuer to pay any Entitlements that would otherwise be payable to the Depository Nominee in accordance with these Rules.

## **8.3. Payment of Entitlements to Holders of Government Bond MDIs.**

If MDIs in respect of Principal Eligible Assets that are Government Bonds are approved under Rule 2, the Principal Issuer must pay or cause payment of any Entitlements payable in respect of the Government Bonds to the Depository Nominee and/or Holders of the relevant Government Bond Depository Interests as instructed by the Depository Nominee in proportions as determined by the Transmutation Ratio.

## **8.4. Discharge of Principal Issuer's obligation to pay to Depository Nominee**

A Depository Nominee for a Principal Issuer acknowledges that payment of Entitlements relating to Government Bond Depository Interests in accordance with these Rules discharges any obligation the Principal Issuer may have to pay the Entitlements to the Depository Nominee.

## **8.5. Liability of Depository Nominee**

A Depository Nominee has no liability to:

- (a) a Government Bond Issuer;
- (b) Holders of Government Bond Depository Interests; or
- (c) any person claiming an interest in a Government Bond or Government Bond Depository Interest, unless it acts in bad faith, negligently or in breach of these Rules.

For the avoidance of doubt and without limiting the foregoing:

- (a) A Depository Nominee has no liability to pass to any person a better interest in
- (b) any Eligible Asset than it has.
- (c) A Depository Nominee has no liability as an Issuer in relation to Entitlements in respect of a Government Bond. It is acknowledged that the Government Bond Issuer is responsible

for the payment of all Entitlements in respect of a Government Bond and Government Bond Depository Interest.

## **8.6. Disclosure Obligations**

A Depository Nominee has no obligation to provide a disclosure document in respect of Government Bonds or Government Bond Depository Interests, unless the Depository Nominee is required to provide an information statement under the Securities Act.

## **9. TAKEOVERS**

For the avoidance of doubt, this Rule 9 does not apply in relation to Principal Eligible Assets that are Government Bonds.

### **9.1. Depository Nominee to accept only if authorised by Holders of MDIs**

If a takeover offer in respect of Principal Eligible Assets is received by a Depository Nominee, the Depository Nominee must not accept the offer except to the extent that acceptance is authorised by Holders of MDIs with respect to the Principal Eligible Assets under these Rules.

### **9.2. Acceptance with respect to Holders of MDIs on MERJ Subregister**

If:

- (a) Principal Eligible Assets are held by a Depository Nominee; and
- (b) the corresponding MDIs are held on a MERJ Subregister, then the provisions of the Rules governing the processing of takeover acceptances of Eligible Assets held on a MERJ Subregister apply as if the MDIs were Eligible Assets of a listed Seychelles public company and the Depository Nominee must accept a takeover offer with respect to Principal Eligible Assets which it holds if and to the extent to which acceptances are received and processed pursuant to the Rules.

### **9.3. Acceptance with respect to Holders of MDIs on Issuer-Sponsored Subregister**

If:

- (a) Principal Eligible Assets are held by a Depository Nominee; and
- (b) corresponding MDIs are held on the Issuer Sponsored Subregister,

then the Depository Nominee must:

- (c) as soon as possible after the date of receipt of the takeover offer from the offeror, send to each Holder of MDIs registered on the MDI Register at the date of the offer, copies of the offer documentation, together with any other documents sent to target holders of the Principal Eligible Assets; and
- (d) ensure that the offer documentation sent to Holders of MDIs includes a Notice in a form acceptable to MERJ DEP in accordance with the Procedures.

### **9.4. Processing of acceptances from Holders of MDIs**

Where the provisions of Rule 9.3 apply, the Depository Nominee must ensure that:

- (a) the offeror receives and processes acceptances from Holders of MDIs or appoints a receiving agent in Seychelles to receive and process acceptances with respect to Holders of MDIs on the Issuer Sponsored Subregister; and
- (b) either the offeror or the offeror's receiving agent provides the Depository Nominee with a clear statement of the number of Principal Eligible Assets held by the Depository Nominee with respect to which acceptances of Holders of MDIs have been received, in sufficient time to enable the Depository Nominee to lodge a valid acceptance of the offer with the offeror as holder of the Principal Eligible Assets.

### **9.5. Liability of Depository Nominee**

The Depository Nominee has no liability to:

- (a) the Principal Issuer;
- (b) Holders of Principal Eligible Assets;
- (c) Holders of MDIs;
- (d) any person claiming an interest in Principal Eligible Assets or MDIs; or
- (e) the takeover offeror,

with respect to lodging or not lodging takeover acceptances for the whole or any part of its Holding of Principal Eligible Assets unless it:

- (f) acts contrary to a statement of a receiving agent given under Rule 9.4(b) or contrary to the information supplied to it by MERJ DEP regarding takeover acceptances with respect to Holdings on the MERJ Subregister for the MDIs;
- (g) acts negligently or in breach of these Rules; or
- (h) negligently fails to lodge the acceptance or acceptances before the close of the offer period.

## **10. VOTING ARRANGEMENTS**

### **10.1. Interpretation**

For the purposes of Rule 10, “constitution of a Principal Issuer” means:

- (a) in respect of a share, Memorandum of Association and Articles of Association as defined in the Companies Act; or
- (b) in respect of a Eligible Asset other than a share, the document or legislation which creates the right for a holder of Eligible Assets to attend and vote at meetings of holders of Eligible Assets of that class and to appoint proxies in respect of that voting.

For the avoidance of doubt, this rule 10 does not apply in relation to Principal Eligible Assets that are Government Bonds.

### **10.2. Principal Issuer to notify Holders of MDIs**



If a meeting is convened of Holders of a class of Principal Eligible Assets vested in a Depository Nominee for a Principal Issuer, the Principal Issuer must give a Notice of the meeting to each Holder of MDIs at the same time as Notice of the meeting is sent to Holders of the Principal Eligible Assets.

### **10.3. Holders of MDIs may give Directions to Depository Nominee**

Subject to Rule 10.8, the Depository Nominee must appoint two proxies even if under the constitution of the Principal Issuer, a Depository Nominee has a right to:

- (a) appoint more than one proxy for the purpose of voting at a meeting of the Principal Issuer; and
- (b) cast different proxy votes for different parts of the Holding.

### **10.4. Proxies to indicate results of resolution**

One of the two proxies so appointed in accordance with Rule 10.3 must indicate the number of Principal Eligible Assets in favour of the resolution described in the proxy, and the second proxy must indicate the number of Principal Eligible Assets against the resolution described in the proxy.

### **10.5. Determining the number of Eligible Assets for each proxy**

The manner in which the number of Principal Eligible Assets is determined for each proxy is by:

- (a) taking the number of MDIs in favour of the resolution;
- (b) taking the number of MDIs against the resolution;
- (c) applying the Transmutation Ratio to those MDIs; and
- (d) entering the resultant number of Principal Eligible Assets on the appropriate proxy.

### **10.6. Depository Nominee appointing a single proxy**

If under the constitution of the Principal Issuer, a Depository Nominee can only appoint a single proxy, the Depository Nominee must:

- (a) take the number of MDIs in favour of the resolution;
- (b) take the number of MDIs against the resolution;
- (c) determine the net voting position either in favour of or against the resolution;
- (d) apply the Transmutation Ratio to those MDIs; and
- (e) accordingly enter the resultant number of Principal Eligible Assets on the proxy.

### **10.7. Voting instructions by Depository Nominee**

Where the appointed proxy or proxies are required to vote on multiple resolutions, the Depository Nominee must instruct the proxy or proxies to vote in such manner as will in the reasonable opinion of the Depository Nominee best represent the wishes of the majority of Holders of MDIs.

### **10.8. Depository Nominee to appoint Holders of MDIs as proxy**

The Depository Nominee must appoint a Holder of MDIs or a person nominated by a Holder of MDIs as its proxy for the purpose of attending and voting at a meeting of the Principal Issuer where:

- (a) the constitution of the Principal Issuer allows the Depository Nominee to appoint Holders of MDIs or a person nominated by a Holder of MDIs as its proxy; and
- (b) the Holder of MDIs has informed the Principal Issuer that the Holder wishes to nominate another person to be appointed as the Depository Nominee's proxy.

### **10.9. Principal Issuer must notify Holders of MDIs of their Rights**

The Principal Issuer must:

- (a) include with the Notice of meeting given under Rule 10.2 a Notice in a form acceptable to MERJ DEP in accordance with the Procedures; and
- (b) make appropriate arrangements to:
  - (i) collect and process any directions by Holders of MDIs;
  - (ii) provide the Depository Nominee with a report in writing that clearly shows how the Depository Nominee must exercise its right to vote by proxy at the meeting, in sufficient time to enable the Depository Nominee to lodge a proxy for the meeting; and
  - (iii) where a Holder of MDIs, or a person nominated by a Holder of MDIs, is to be appointed the Depository Nominee's proxy in accordance with Rule 10.8, collect and process all relevant proxy forms in sufficient time to enable the Depository Nominee to lodge a proxy or proxies for the meeting.

### **10.10. Depository Nominee to call for a poll**

To the extent that it is able to do so, the Depository Nominee must make or join in any demand for a poll in respect of any matter at a meeting of the Principal Issuer in accordance with any report in writing supplied by the Principal Issuer under Rule 10.9(b)(ii).

### **10.11. Meetings of Holders of MDIs**

If it is necessary or appropriate for a meeting of Holders of MDIs to be convened for any purpose, including a purpose specified in these Rules:

- (a) the meeting may be convened by the directors or other governing body, as the case requires, of the Principal Issuer to which the MDIs relate, or in any other manner in which a meeting of holders of Eligible Assets of the Principal Issuer may be convened under the law of the place of formation of the Principal Issuer;
- (b) the rights of Holders of MDIs to appoint a proxy, to vote on a show of hands, to call for a poll and vote on a poll must be determined as if the meeting were a meeting of holders of Eligible Assets of the Principal Issuer;

(c) the requirements for Notice of the meeting and the rules and procedures for a meeting of Holders of MDIs must be the requirements, rules and procedures that would apply to a meeting of holders of Eligible Assets of the Principal Issuer.

## **10.12. Liability of Depository Nominees**

The Depository Nominee has no liability to:

- (a) the Principal Issuer;
- (b) Holders of Principal Eligible Assets;
- (c) Holders of MDIs; or
- (d) any person claiming an interest in Principal Eligible Assets or MDIs,

with respect to any conduct or omission of the Depository Nominee at or connected with a meeting of Holders of Eligible Assets of a Principal Issuer, unless the Depository Nominee:

- (e) acts contrary to a report of the Principal Issuer given under Rule 10.9(b)(ii);
- (f) acts negligently or in breach of these Rules; or
- (g) negligently fails to vote or lodge forms of proxy before the close of the period
- (h) within which proxies for the meeting may be lodged.

## **11. SPECIFIC MODIFICATIONS TO RULES**

### **11.1. Modifications**

[RESERVED]

### **11.2. MDI to Principal Eligible Asset Transmutation**

A MDI to Principal Eligible Asset Transmutation may be initiated by a Participant only in accordance with the Procedures.

### **11.3. Actions of MERJ DEP**

If an Originating Message Transmitted to MERJ DEP complies with Rule 11.2 and there are sufficient available MDIs in the Source Holding, MERJ DEP must:

- (a) deduct the number of MDIs specified in the Originating Message from the Source Holding; and
- (b) Transmit a Message to the Principal Issuer to transfer Principal Eligible Assets in accordance with the Originating Message.

### **11.4. Principal Issuer to generate Trustee Transfer Forms**

If a Principal Issuer receives a Valid Message under Rule 11.3(b), the Principal Issuer must, within the Scheduled Time:

- (a) generate a Transfer Form in accordance with the Procedures; or
- (b) otherwise take the necessary steps to make the Transfer of the corresponding Principal Eligible Assets in a way that is recognized by applicable law (e.g. for DLT Assets),

and register that Transfer in the Principal Register.

#### **11.5. Time at which Transfer takes effect**

A Transfer initiated under Rule 11.4 is deemed to take effect at the time MERJ DEP deducts the number of MDIs specified in the Originating Message from the Source Holding.

#### **11.6. Authority of Holder of MDI required**

A Participant must not transmit a Valid Originating Message which has the effect of Transmuting MDIs to Principal Eligible Assets without the prior authority of the Holder of MDIs.

#### **11.7. Principal Eligible Asset to MDI Transmutation**

A Principal Eligible Asset to MDI Transmutation may be initiated by a Participant that:

- (a) lodges a properly completed document of Transfer and Certificate or Marked Transfer with the Principal Issuer within the Scheduled Time; and
- (b) Transmits a Valid Originating Message to MERJ DEP in accordance with the Procedures.

This Rule 11.7 applies to Principal Eligible Assets that are Government Bonds only in the circumstances specified in the Procedures.

#### **11.8. MERJ DEP to request Principal Issuer to authorise the Transmutation**

If an Originating Message Transmitted to MERJ DEP complies with Rule 11.7(b), MERJ DEP will:

- (a) Transmit to the Principal Issuer a Message requesting the Principal Issuer to authorise the Transmutation of Principal Eligible Assets to MDIs in accordance with that Originating Message; and
- (b) specify the Registration Details in the Message to the Issuer to enable the Issuer to validate the Registration Details, where applicable.

#### **11.9. Principal Issuer to process the Transfer**

If a Principal Issuer receives:

- (a) a properly completed document of Transfer and Certificate or Marked Transfer; and
- (b) a Valid Message under Rule 11.8 from MERJ DEP pursuant to an Originating Message,

the Principal Issuer must, within the Scheduled Time:

- (c) enter the Transfer in the Principal Register;
- (d) Transmit a Message to MERJ DEP to Transfer the Eligible Assets in accordance with the Originating Message; and
- (e) in the case of a Message requesting the Principal Issuer to authorise a Transfer where the Transfer has the effect of a Conversion, ensure the Registration Details specified in the

Message for the Target Holding match the Registration Details maintained by the Principal Issuer for the Source Holding.

#### **11.10. MERJ DEP to enter Eligible Assets into Target Holding**

If MERJ DEP receives a Valid Message under Rule 11.9(d), MERJ DEP must enter Eligible Assets into the Target Holding in accordance with the Originating Message.

#### **11.11. Conditions for Issuer's authorisation of a Transfer not met**

If the conditions for authorisation by the Issuer of a Transfer as stipulated in Rule 11.9 are not met, the Issuer must, within the Scheduled Time:

- (a) reject the Message; and/or
- (b) return the properly completed document of Transfer and Certificate or Marked Transfer to the Participant that lodged it without entering the Transfer in the Principal Register, whichever is relevant.

#### **11.12. Time at which Transfer takes effect**

A Transfer initiated under Rule 11.7 takes effect when both the actions described in Rule 11.9(c) and (d) are completed.

#### **11.13. MERJ DEP may purge unactioned Messages**

If a Principal Issuer receives a Message from MERJ DEP under Rule 11.8 and does not respond to MERJ DEP under either Rule 11.9 or Rule 11.11 within the relevant Scheduled Time for response, MERJ DEP may purge the unactioned Message from the Settlement Facility.

### **12. SHUNTING BETWEEN REGISTERS**

#### **12.1. Shunt from DI Register to Principal Register**

Where a Holder gives Notice requesting that the Principal Issuer shunt all or part of a Holding of DIs into Principal Eligible Assets, the Principal Issuer must reduce that Holding by the number specified in the Notice and take such steps as are necessary to shunt the same number of Principal Eligible Assets from the relevant Segregated Account to the Approved Clearing House account nominated in the Notice, within 2 Business Days of receipt of that Notice.

#### **12.2. Shunt from Principal Register to DI Register**

Where a Holder gives Notice requesting that the Principal Issuer shunt all or part of a Holding of Principal Eligible Assets into DIs, the Principal Issuer must take all necessary steps to shunt those Principal Eligible Assets to the Segregated Account and enter the same number of DIs into a Holding in accordance with the instructions given in the Notice, within 2 Business Days of receipt of that Notice.

This Rule 12 does not apply to Principal Eligible Assets that are Government Bonds or to Government Bond Depository Interests.

### **13. TAX LAWS**

#### **13.1. Principal Issuer to comply with Tax laws**

The Principal Issuer will use its best endeavours to:

- (a) comply with all applicable Tax laws as agent and attorney of the Depository Nominee;
- (b) ensure that the Depository Nominee complies with all applicable Tax laws; and
- (c) not do any act or thing which creates a Tax liability, or not omit to do any act or thing, the omission of which creates a Tax liability, which must be discharged by the Depository Nominee, unless provision has been made for the discharge of the liability by some person other than the Depository Nominee.

The obligations of the Principal Issuer and the Depository Nominee are subject to all relevant Tax laws.

### **14. NOTICE**

#### **14.1. Notice to Holders of MDI's**

Any obligation to give notice to Holders of MDIs under Rules 1 to 15 must be discharged upon the Depository Nominee giving notice to the Holder of MDIs at the mailing address, email address or other electronic messaging service (e.g. in app messaging) utilized by MERJ DEP as agreed pursuant to the terms and conditions of services from time to time to the Holder of MDIs noted on the MDI Register.

### **15. GENERAL INDEMNITY**

#### **15.1. Principal Issuer to indemnify the Depository Nominee**

The Principal Issuer indemnifies the Depository Nominee against all expenses, losses, damages and costs that the Depository Nominee may sustain or incur in connection with:

- (a) MDIs;
- (b) its capacity as holder of Principal Eligible Assets;
- (c) any act done, or required to be done, by the Principal Issuer (whether or not on behalf of the Depository Nominee) under Rules 1 to 15 of the Rules; and
- (d) any act otherwise done or required to be done by the Depository Nominee under Rules 1 to 15 of the Rules.

This Rule 1 does not apply to a Government Bond Issuer.

### **16. APPLICATION AND SCOPE OF FDI RULES**

#### **16.1. Effect of Rules 16 to 31**

Rules 16 to 31 only apply to, and have effect in relation to, Participating International Eligible Assets and FDIs.

The Securities Facility Rules, to the extent that they are not inconsistent Rules 16 to 31 have full force and effect in relation to FDIs other than as specifically modified by the provisions of Rules 16 to 31.

Note: Where Rules 16 to 31 are inconsistent with other Rules, Rules 16 to 31 take precedence.

## **17. PREREQUISITES FOR SETTLEMENT OF INSTRUCTIONS IN PARTICIPATING INTERNATIONAL ELIGIBLE ASSETS**

### **17.1. Declaration of Participating International Eligible Assets**

MERJ DEP may declare a class of Eligible Assets to be Participating International Eligible Assets available for settlement by means of FDIs if:

- (a) MERJ DEP has given Notice to the Depository Nominee of those Eligible Assets;
- (b) the Depository Nominee agrees to hold the Eligible Assets on behalf of, and in accordance with its arrangements with, persons entitled to those Eligible Assets and to record FDIs on the FDI Register;
- (c) MERJ DEP is satisfied that the Depository Nominee is capable of complying with Rules 16 to 31;
- (d) MERJ DEP is satisfied that arrangements are made for the Depository Nominee to comply with the requirements of Rule 20.3 and 21.4; and
- (e) MERJ DEP is satisfied that transactions in those Eligible Assets may be settled by means of FDIs.

### **17.2. FDIs as Approved Eligible Assets**

Where MERJ DEP makes a declaration under Rule 17.1, the FDIs corresponding to those Participating International Eligible Assets are Approved Eligible Assets for the purposes of these Rules. Each FDI will correspond to one or more units of the underlying Participating International Eligible Asset in accordance with the Transmutation Ratio published in the Product Disclosure Statement.

### **17.3. Effective date of approval of FDIs**

Where MERJ DEP makes a declaration under Rule 17.1, the effective date of approval of FDIs corresponding to the Participating International Eligible Assets will be the date MERJ DEP notifies the Depository Nominee of the approval.

## **18. VESTING OF TITLE OR OTHER INTERESTS IN THE DEPOSITORY NOMINEE**

### **18.1. Vesting arrangements**

A Depository Nominee must make arrangements for the vesting in the Depository Nominee of either:

- (a) Title to Participating International Eligible Assets; or
- (b) an Other Interest in Participating International Eligible Assets (in which case, “Title” in these Rules 16 to 31 includes a reference to such Other Interest).

### **18.2. Recording FDIs on the FDI Register**

Subject to Rule 27.2, if pursuant to arrangements to which Rule 18.1 applies, Title to Participating International Eligible Assets vests in the Depository Nominee, the Depository Nominee must, as soon as reasonably practicable:

- (a) give Notice to MERJ DEP that Title to the Participating International Eligible Assets has vested in the Depository Nominee; and
- (b) record:
  - (i) the number of FDIs corresponding to the Participating International Eligible Assets on the FDI Register; and
  - (ii) the information required to be recorded under these Rules in such manner as to identify each Holder of the FDIs on the FDI Register.

### **18.3. Transfers of Participating International Eligible Assets**

If a Holder of FDIs, in accordance with its arrangements with a Depository Nominee, transfers Participating International Eligible Assets corresponding to the FDIs, then the Depository Nominee must as soon as reasonably practicable:

- (a) cause Title to the quantity of the Participating International Eligible Assets to be transferred in accordance with the arrangements with the Holder of FDIs;
- (b) remove the number of FDIs corresponding to the Participating International Eligible Assets and if the transfer is for the total number of FDIs for that Holder the name of the Holder from the FDI Register; and
- (c) give notice to the Holder of FDIs that the transfer of Participating International Eligible Assets has been affected.

Subject to Rule 21.5, in effecting a transfer of Participating International Eligible Assets or a Transmutation of FDIs to Participating International Eligible Assets, the Depository Nominee may use any Participating International Eligible Assets, including where applicable those of the same Issuer and class, in respect of which Title is vested in it from time to time and may acquire other Participating International Eligible Assets, including where applicable those of the same issuer and class, for the purpose of discharging its obligations to the Holders of FDIs from time to time.

### **18.4. Receipt of non-Participating International Eligible Assets**

If the Depository Nominee receives Eligible Assets that are not Participating International Eligible Assets, it must:



- (a) not record FDIs corresponding to those Eligible Assets on the FDI Register unless those Eligible Assets are declared to be Participating International Eligible Assets under Rule 17; and
- (b) transfer the Eligible Assets to the person entitled to those Eligible Assets or to its designated agent or nominee.

### **18.5. Disposal of non-Participating International Eligible Assets**

If, after reasonable endeavours, the Depository Nominee is unable to affect a transfer under Rule 18.4 to the person entitled to those Eligible Assets or its designated agent or nominee, the Depository Nominee is entitled to dispose of the Eligible Assets and distribute the net proceeds to that person.

## **19. TRANSMUTATION**

### **19.1. Transmutation of Participating International Eligible Assets to FDIs**

- (a) A person who holds Title to Participating International Eligible Assets may request a Transmutation of a quantity of those Participating International Eligible Assets to FDIs by submitting a Notice to the Depository Nominee subject to payment of any associated fees and costs from time to time as determined by MERJ DEP. The Notice must be accompanied by documents, or other information deemed acceptable by the Depository Nominee depending on the type of Eligible Asset, evidencing Title to the Participating International Eligible Assets.
- (b) The Depository Nominee may automatically Transmute Participating International Eligible Assets it receives to FDIs in connection with a simultaneous purchase of the corresponding FDI occurring through the systems of an Approved Market Operator in accordance with processes laid down in the Procedures.

Note: for Participating International Eligible Assets admitted by MERJ Exchange pursuant to the “fast track securities” framework, the Holder will ordinarily be required to facilitate the step on Rule 19.1(a) with its current custodian to transfer of the Participating International Eligible Assets to an account designated by the Depository Nominee at the Approved Clearing House.

### **19.2. Actions of Depository Nominee**

Subject to Rule 27.2, on receipt of a Notice under Rule 19.1(a), the Depository Nominee must as soon as reasonably practicable and where it is in its power to do so:

- (a) cause Title to the quantity of Participating International Eligible Assets specified in the Notice to be vested in the Depository Nominee;
- (b) record:
  - (i) the FDIs corresponding to the Participating International Eligible Assets on the FDI Register; and
  - (ii) the information required to be recorded under these Rules in such manner as to identify each Holder of FDIs on the FDI Register; and

(c) give Notice to the person that the Transmutation has been affected.

### **19.3. Transmutation of FDIs to Participating International Eligible Assets**

- (a) A Holder of FDIs may give Notice to the Depository Nominee, requesting the Transmutation of a quantity of those FDIs to the corresponding Participating International Eligible Assets subject to payment of any associated fees and costs from time to time as determined by MERJ DEP. The Notice must be accompanied by sufficient instructions to enable the Depository Nominee to transfer the Participating International Eligible Assets to the Holder of FDIs or its designated agent or nominee.
- (b) The Depository Nominee may automatically Transmute FDIs to Participating International Eligible Assets in connection with a simultaneous sale of the corresponding FDI occurring through the systems of an Approved Market Operator in accordance with processes laid down in the Procedures.

### **19.4. Actions of Depository Nominee**

On receipt of such Notice under Rule 19.3(a), the Depository Nominee must within as soon as reasonably practicable:

- (a) cause Title to the quantity of the Participating International Eligible Assets specified in the Notice to be vested in the Holder of FDIs or its designated agent or nominee;
- (b) remove the number of FDIs corresponding to the Participating International Eligible Assets and if the Notice is for the total number of FDIs for that Holder the name of the Holder from the FDI Register; and
- (c) give notice to the Holder of FDIs that the Transmutation has been affected.

### **19.5. Participant may initiate a Transmutation on behalf of a person**

A Participant that is authorised by a person to do so, may Transmute Participating International Eligible Assets to FDIs or FDIs to Participating International Eligible Assets on behalf of the person in any circumstance where a Transmutation by that person is permitted under these Rules.

### **19.6. Transmutation by Depository Nominee**

If, in accordance with its arrangements with a Holder of FDIs, a Depository Nominee has a right to Transmute FDIs to Participating International Eligible Assets other than in accordance with this Rule 19 then it must:

- (a) 3 Business Days prior to effecting the Transmutation, send a Notice to the Holder of FDIs;
- (b) as soon as reasonably practicable, cause Title to the quantity of Participating International Eligible Assets specified in the Notice to be vested in the Holder or its designated agent or nominee;
- (c) remove the number of FDIs corresponding to the Participating International Eligible Assets and if the Notice is for the total number of FDIs the name of the Holder from the FDI Register; and

- (d) give Notice to the Holder that the Transmutation has been affected in accordance with this Rule 19.6.

## **20. CONSEQUENCES OF VESTING TITLE IN THE DEPOSITORY NOMINEE**

### **20.1. Trust for Holders of FDIs**

When Title to Participating International Eligible Assets is vested in a Depository Nominee under these Rules, all right, title and interest in those Participating International Eligible Assets is held by the Depository Nominee subject to the right of any person identified, in accordance with these Rules, as a Holder of FDIs in respect of those Participating International Eligible Assets to receive all direct economic benefits and any other entitlements in relation to those Participating International Eligible Assets.

### **20.2. Identification of Holders of FDIs**

For the purposes of Rule 20.1, a person is (subject to any subsequent disposition) entitled to all direct economic benefits and any other entitlements in relation to Participating International Eligible Assets vested in a Depository Nominee under these Rules if:

- (a) in accordance with these Rules, the Depository Nominee has recorded the person in the FDI Register as the Holder of FDIs for the corresponding Participating International Eligible Assets;
- (b) in accordance with Rule 18.2, the person is entitled to be registered as the Holder of FDIs for the corresponding Participating International Eligible Assets (in which case, a reference to “Holder” in these Rules 16 to 31 includes a reference to such persons); or
- (c) under Rules 19.1 and 19.2, the person is the former holder of Participating International Eligible Assets to which the FDIs relate, or that person’s designated agent or nominee (in which case, a reference to “Holder” in these Rules 16 to 31 includes a reference to such persons).

### **20.3. Immobilisation of Participating International Eligible Assets**

A Depository Nominee that holds Participating International Eligible Assets under these Rules must:

- (a) where a Certificate is issued as evidence of Title to those Participating International Eligible Assets, make arrangements satisfactory to MERJ DEP for any Certificate representing its holding of Participating International Eligible Assets to be held by the Depository Nominee or another person for safe keeping;
- (b) where the Participating International Eligible Assets are held on account in or through an Approved Clearing House or custodian, ensure that a Segregated Account is maintained in respect of those Participating International Eligible Assets;
- (c) not dispose of any of those Participating International Eligible Assets unless authorised by these Rules; and
- (d) subject to Rule 20.4, not create any interest (including a security interest) which is inconsistent with the Title of the Depository Nominee to the Participating International

Eligible Assets and the interests of the Holders of FDIs in respect of the Participating International Eligible Assets unless authorised by these Rules.

#### **20.4. Approved Security Interests**

A Depository Nominee is permitted to enter into any arrangement with an Approved Clearing House, or custodian or a nominee in relation to holdings in that Approved Clearing House, including, without limitation, where that arrangement involves the creation of an interest (including a security interest) affecting the Title of the Depository Nominee to the Participating International Eligible Assets provided that:

- (a) the circumstances in which the interest arises relate to the ordinary and usual activities of the Approved Clearing House, custodian or nominee in connection with the Participating International Eligible Assets; and
- (b) the interest arises only in circumstances where the Depository Nominee has failed to perform an obligation under the terms of its arrangements with the Approved Clearing House, the custodian or nominee.

### **21. REGISTERS AND PROCESSING OF TRANSMUTATIONS AND TRANSFERS**

#### **21.1. FDIs not transferable**

An FDI is a record of the beneficial interest or Other Interest of the Holder of FDIs in the corresponding Participating International Eligible Assets.

FDIs cannot be assigned or transferred by the Holder of FDIs to any other person except for the purposes of recording interests in FDIs in accordance with these Rules.

#### **21.2. Transfers of FDIs only recognised and registered for recording interests under these Rules**

The Depository Nominee must not recognise transfers of FDIs or register transfers in the FDI Register except for the purposes of recording interests in FDIs in accordance with these Rules.

A transfer of Participating International Eligible Assets vested in the Depository Nominee will not be recognised by the Depository Nominee except in accordance with these Rules.

*Note: This means, transfers can only be affected in connection with the purchase or sale of Participating International Eligible Assets.*

#### **21.3. No right to deal with the Issuer of Participating International Eligible Assets**

Registration of a Holder of FDIs on the FDI Register does not create any right in a Holder, its designated agent or nominee to deal with an issuer of Participating International Eligible Assets, except to the extent that such a right arises by a holding of a beneficial interest or Other Interest in Participating International Eligible Assets following a transfer under Rule 18.3 or a Transmutation.

#### **21.4. FDI Register**

A Depository Nominee, in which Title to Participating International Eligible Assets is vested under these Rules, must establish and maintain an FDI Register in Seychelles. The manner of the establishment and maintenance of the FDI Register is set out in the Procedures.

The FDI Register must be a MERJ Subregister and the whole of the register for FDIs.

#### **21.5. FDI Register must reconcile to Participating International Eligible Assets**

The Depository Nominee must ensure at all times that the total number of FDIs on the FDI Register reconciles to the total number of Participating International Eligible Assets in which Title is vested in the Depository Nominee.

#### **21.6. Right of inspection of FDI Register**

The Depository Nominee must make the FDI Register available for inspection to the same extent and in the same manner as if that register were a register of members of a Seychelles listed public company.

#### **21.7. Third Party Provider as Agent**

If a Depository Nominee employs or retains a Third Party Provider to establish and maintain an FDI Register then, for the purposes of these Rules, the Third Party Provider is taken to perform those services as the agent of the Depository Nominee.

#### **21.8. Delegation of Powers**

The Depository Nominee may, in writing:

- (a) delegate its powers to any person for any period;
- (b) at its discretion, revoke any such delegation; and
- (c) exercise or concur in exercising any power despite the Depository Nominee or a delegate of the Depository Nominee having a direct or personal interest in the mode or result of the exercise of that power.

#### **21.9. Indemnity**

If a Depository Nominee or its Third Party Provider registers a Holder of FDIs, or effects a Transmutation of Participating International Eligible Assets to FDIs or FDIs to Participating International Eligible Assets other than in accordance with these Rules, it indemnifies:

- (a) MERJ DEP;
- (b) the beneficial owner of the Participating International Eligible Assets; and
- (c) each Participant;

against all losses, damages, costs and expenses that they or any of them may suffer or incur as a result of the registration of the Holder of FDIs or the Transmutation of Participating International Eligible Assets to FDIs or FDIs to Participating International Eligible Assets not being authorised by the beneficial owner of the Participating International Eligible Assets.

### **21.10. Depository Nominee not to interfere in Transmutation**

Unless otherwise permitted under these Rules, a Depository Nominee must not refuse or fail to give effect to or otherwise interfere with the processing and registration of:

- (a) a Transmutation of Participating International Eligible Assets to FDIs;
- (b) a Transmutation of FDIs to Participating International Eligible Assets; or
- (c) a transfer of Participating International Eligible Assets in accordance with Rule 18.3.

### **21.11. No Notice of interests by persons that are not Holders of FDIs**

For the purposes of all relevant Seychelles and foreign laws, neither MERJ DEP nor any Depository Nominee is affected by actual, implied or constructive notice of any interest in FDIs or Participating International Eligible Assets unless the person is a Holder of FDIs or entitled to be a Holder of FDIs in accordance with these Rules.

### **21.12. Dealings with Holders of FDIs**

A Depository Nominee may deal with the Holder of FDIs as if, for all purposes, the Holder of FDIs is the absolute beneficial owner of the Participating International Eligible Assets to which the FDIs relate, without any liability whatsoever to any other person who asserts an interest in the FDIs or in the participating International Eligible Assets to which the FDIs relate.

## **22. TERMINATION OF FDI HOLDING BY THE DEPOSITORY NOMINEE**

### **22.1. Termination of trust over Participating International Eligible Assets**

If approval of FDIs in respect of a class of Participating International Eligible Assets is revoked by MERJ DEP, the Depository Nominee may, by resolution of its board of directors, revoke the trust under which it holds the Participating International Eligible Assets on a date specified in the resolution. The Depository Nominee must notify the affected Holders of FDIs of the revocation in accordance with the Procedures. From the date of revocation specified in the resolution:

- (a) the Depository Nominee holds the Participating International Eligible Assets and any other relevant property on trust for distribution to each Holder of FDIs and otherwise on the same terms as far as practicable as it held the Participating International Eligible Assets and other relevant property before such revocation of trust;
- (b) the Depository Nominee may, in its absolute discretion, continue to hold on trust the Participating International Eligible Assets and any other relevant property for any period determined by the Depository Nominee instead of distributing that property to the Holder of FDIs and, in doing so, the Depository Nominee will not be liable for any loss, cost, damage or expense suffered by the
- (c) Holder of FDIs (except where such loss, cost, damage or expense is directly caused by the Depository Nominee's actual fraud or dishonesty); and
- (d) the Depository Nominee may appoint a custodian or agent (including the Principal Issuer) for the purpose of holding Participating International Eligible Assets and any other relevant

property (including, without limitation, net proceeds referred to in Rule 22.2(c)) or performing any of its duties relating to the distribution or holding of property or for any other purpose for which a trustee may appoint an agent.

## **22.2. Distribution of Participating International Eligible Assets and power of sale**

If a Depository Nominee revokes the trust under which it holds a class of Participating International Eligible Assets in accordance with Rule 22.1:

- (a) the Depository Nominee may, in its absolute discretion, notify the affected Holders of FDIs in accordance with the Procedures of a procedure by which the Participating International Eligible Assets and any other relevant property will be distributed to Holders;
- (b) subject to any law or rule of any financial market where the Participating International Eligible Assets are listed or quoted, the Depository Nominee may enter into arrangements with the issuer of the Participating International Eligible Assets for the purpose of assisting the Depository Nominee to distribute the Participating International Eligible Assets and any other relevant property to Holders of FDIs in accordance with the procedure notified by the Depository Nominee;
- (c) if the Depository Nominee, after taking any steps specified in the Procedures, has been unable to distribute the Participating International Eligible Assets and any other relevant property to a Holder of FDIs, then the Depository Nominee may sell the Participating International Eligible Assets and any other relevant property and hold the net proceeds on trust for distribution to the Holder of FDIs and may, after any period specified by law for holding unclaimed moneys, remit those monies to a regulatory authority in accordance with relevant law; and
- (d) where the Depository Nominee has incurred any fees or expenses as a result of entering into arrangements with the issuer of Participating International Eligible Assets for the purposes of this Rule 22, the Depository Nominee is entitled to apportion the fees and expenses among Holders of FDIs on a fair and equitable basis and deduct from the Participating International Eligible Assets and any other relevant property held sufficient to reimburse the Depository Nominee for such fees and expenses.

## **22.3. Exercise of power of sale**

In exercising the power of sale in Rule 22.2, the Depository Nominee may do any of the following:

- (a) sell, dispose of, transfer or otherwise deal with the Participating International Eligible Assets and any other relevant property to any person including without limitation to an associate of any of the issuer of the Participating International Eligible Assets, the Holder of FDIs or the Depository Nominee;
- (b) effect any sale by a single contract or in separate lots or parcels or in any other manner that the Depository Nominee may in its absolute discretion think fit, with power to the Depository Nominee to apportion the sale price and all costs, expenses, purchase money and fees between the Participating International Eligible Assets so dealt with, provided the apportionment is fair and equitable;

- (c) subject to any contrary rule of law or equity, allow a purchaser of the Participating International Eligible Assets any time for payment of the whole or any part of the purchase money either with interest at any rate or without interest and either upon the security of the property sold or any part or
- (d) upon any other security or without any security and the conditions of sale may include such special conditions as the Depository Nominee may in its absolute discretion think fit;
- (e) receive and retain the proceeds of any sale and issue receipts in respect of such proceeds; or
- (f) sign deeds of sale with respect to the sale of any Principal Eligible Asset and any other relevant property, execute any other documents, and do any other thing (including without limitation dealing on behalf of the Holder with the issuer of Participating International Eligible Assets for the purpose of registering the Participating International Eligible Assets in the name of the Depository Nominee or in the name of any other person) as may be convenient or required to exercise any of the powers of the Depository Nominee in this Rule 19A or to transfer the rights of such Participating International Eligible Assets or any other relevant property.

#### **22.4. Limitation of liability**

If a Depository Nominee exercises the power of sale in accordance with this Rule 22, the exercise of that power does not involve on the part of the Depository Nominee:

- (a) incurring any personal liability in connection with that exercise or its consequences unless it is committed, made or omitted in bad faith or as a result of negligence or wilful default; and
- (b) any breach of duty or trust whatsoever, unless it is committed, made or omitted in bad faith or as a result of negligence or wilful default.

#### **22.5. Appointment of custodian or agent**

If the Depository Nominee appoints a custodian or agent in accordance with this Rule 22, the following will apply to such appointment:

- (a) the Depository Nominee may in its absolute discretion appoint one or more persons whom the Depository Nominee determines to be properly qualified to act as the custodian or agent in respect of the Participating International Eligible Assets and any other relevant property (including, without limitation, net proceeds referred to in Rule 22 .2(c) (“Relevant Property”));
- (b) the Depository Nominee and the custodian or agent must execute a written agreement setting out the terms and conditions in relation to the appointment of the custodian or agent which provides among other things:
  - (i) that the appointment of the custodian or agent will be subject to such conditions as the Depository Nominee may from time to time determine, and the Depository Nominee may delegate to and confer upon the appointed custodian or agent any authorities, powers and discretions as the Depository Nominee sees fit;



- (ii) a representation from the custodian or agent to the Depository Nominee that it has the skill, facilities, capacity and staff to carry out the duties of a custodian or agent;
  - (iii) a representation that the custodian or agent agrees to follow any proper instructions or communications from the Depository Nominee or any relevant regulatory authority in relation to the transfer, disposal or remittance of the Relevant Property;
  - (iv) for such other matters that by law are required to be specified in the written agreement between the Depository Nominee and the custodian or agent;
- (c) any consideration or fees applying to the provision of custodian or agency services under this Rule 22 will be deducted from the Relevant Property by the custodian or agent (or as otherwise determined in accordance with the relevant custody or agency agreement referred to in this Rule 22); and
- (d) where the Depository Nominee appoints a custodian or agent in accordance with this clause 22, the exercise of that power does not involve on the part of the Depository Nominee:
- (i) incurring any personal liability in connection with that exercise or its consequences unless it is committed, made or omitted in bad faith or as a result of negligence or wilful default; and
  - (ii) any breach of duty or trust whatsoever unless it is committed, made or omitted in bad faith or as a result of negligence or wilful default.

## **23. CORPORATE ACTIONS**

### **23.1. Application of Rules**

The purpose of the following Rules is to ensure that the benefit of Corporate Actions affecting Participating International Eligible Assets will enure to the benefit of the relevant Holders of FDIs on the Entitlement Date as if they were holders of the corresponding Participating International Eligible Assets held by a Depository Nominee under these Rules.

### **23.2. Entitlement Date**

The Entitlement Date in respect of FDIs must correspond, as nearly as possible, to the record date in the relevant foreign jurisdiction (or such other term that is used in the foreign jurisdiction being the date used to identify the person entitled to the benefit of a Corporate Action).

### **23.3. Distribution of dividends or other distributions to Holders of FDIs**

If any dividend or other distribution or other payment is declared, or is otherwise owing in accordance with the terms of issue of the Participating International Eligible Assets, and is received by the Depository Nominee or its designated agent, then the Depository Nominee must:

- (a) receive the dividend, distribution or payment on trust for Holders of FDIs; and

- (b) where the relevant dividend, distribution or payment is paid wholly or partly in cash, distribute that cash to Holders of FDIs based on the Entitlement Date and otherwise deal with the dividend in accordance with Rule 23.6.

#### **23.4. Direction by Depository Nominee**

If permissible under the rules of the issuer of the Participating International Eligible Assets or the relevant foreign jurisdiction, the Depository Nominee may direct the issuer of the Participating International Eligible Assets or another person to distribute any dividend, distribution or payment that would otherwise be payable to the Depository Nominee, in accordance with these Rules and the payment to Holders of FDIs in accordance with such direction that will discharge the obligation of the Depository Nominee to distribute the dividend, distribution or payment under Rule 23.3.

#### **23.5. Payment Obligations**

Where a Depository Nominee makes a payment pursuant to this Rule 23, that payment must be made to all Holders of FDIs as soon as reasonably practicable after the payment of cleared funds to the Depository Nominee.

#### **23.6. Non-elective Corporate Actions**

If a Corporate Action is declared in respect of the Participating International Eligible Assets (including for example, a bonus issue, rights issue, merger and reconstruction), the Depository Nominee must:

- (a) where the benefits conferred are additional or replacement Participating International Eligible Assets:
- (i) ensure Title to those Participating International Eligible Assets is vested in the Depository Nominee;
  - (ii) record additional or replacement FDIs in the FDI Register in the name of Holders of FDIs based on the Entitlement Date on the same terms as would otherwise have applied if the Holders of FDIs were holders of the Participating International Eligible Assets;
- (b) subject to any arrangements with Holders of FDIs, where the benefits conferred are other Eligible Assets (that are not Participating International Eligible Assets), rights or property, arrange for those benefits to be sold and the proceeds distributed to Holders of FDIs based on the Entitlement Date;
- (c) where the benefit conferred is a cash payment (including for example, a cash return of share capital), distribute the proceeds to Holders of FDIs based on the Entitlement Date.

#### **23.7. Elective Corporate Actions**

If the Depository Nominee receives an offer to subscribe for or otherwise acquire additional Participating International Eligible Assets or other Eligible Assets in its capacity as holder of the Participating International Eligible Assets, it is not obliged to take any action at all,

including notifying the Holders of FDIs of that offer, responding in any way to the offer or, if it is renounceable, by disposing of it.

Nothing in this Rule 23.7 prevents the Depository Nominee from entering into an arrangement with Holders of FDIs whereby the benefit of an elective Corporate Action may be made available to the Holder of FDIs including an arrangement contemplated by Rule 23.9.

### **23.8. Dividend reinvestment plans or bonus share plans**

The Depository Nominee has no obligation to accept or participate in any dividend or other distribution reinvestment plan or bonus share plan on behalf of any Holder of FDIs.

Nothing in this Rule 23.8 prevents the Depository Nominee from entering into an arrangement with Holders of FDIs whereby the benefit of a dividend, or other distribution, reinvestment plan or bonus share plan may be made available to the Holder of FDIs including an arrangement contemplated by Rule 23.9.

### **23.9. Exercise of Rights of Holders of FDIs**

To the extent the Depository Nominee agrees to exercise any rights in relation to the Participating International Eligible Assets under any law (including any right to institute legal proceedings as a holder of Participating International Eligible Assets), the Depository Nominee must act in accordance with:

- (a) any instruction or other direction given or taken to be given by a Holder of FDIs in accordance with the arrangements with the Depository Nominee; or
- (b) any direction of Holders of FDIs given by ordinary resolution at a meeting of Holders of FDIs convened in accordance with these Rules.

If the Depository Nominee does not have any instructions or directions from Holders of FDIs, it may take any reasonable action in relation to an elective Corporate Action to confer the benefit of the offer on Holders of FDIs according to Rule 23.6, provided that such action does not incur any additional liability to Holders of FDIs.

### **23.10. Fractional entitlements**

If, because of the number of Participating International Eligible Assets received by the Depository Nominee as a result of a Corporate Action, a Holder of FDIs would have a fractional entitlement to additional or replacement FDIs, the Depository Nominee must:

- (a) round down the entitlement of the Holder to the nearest whole FDI;
- (b) as soon as reasonably practicable, arrange for any surplus Participating International Eligible Assets to be sold; and
- (c) distribute the proceeds to the Holder of FDIs or its designated nominee or agent in accordance with the arrangements between the Depository Nominee and the Holder.

### **23.11. Actions by Depository Nominee in arranging for sale of Participating International Eligible Assets**

In arranging for the sale of Participating International Eligible Assets pursuant to Rule 23.10 and this Rule 23.11, the Depository Nominee:

- (a) may aggregate the surplus fractional Participating International Eligible Assets to which the Holder and all other Holders of FDIs may be entitled; and
- (b) arrange for the sale of those aggregated Participating International Eligible Assets,

remitting the proceeds of sale to the Holder or its designated nominee or agent pro rata, in accordance with the arrangements between the Depository Nominee and the Holders. Without limitation, the arrangements between the Depository Nominee and the Holders may provide for the proceeds to be remitted to a designated nominee or agent of the Holder based on the pro rata aggregated entitlement of all Holders for which that designated nominee or agent acts from time to time.

### **23.12. Discharge of Depository Nominee's obligations**

Compliance with these Rules discharges the Depository Nominee's obligation to make the benefit of a Corporate Action available to the Holder of FDIs. Without limitation, the sale of surplus Participating International Eligible Assets and distribution of proceeds to a Holder or its designated nominee or agent in accordance with Rules 23.10 and 23.11 discharges any obligation of the Depository Nominee to issue FDIs or distribute proceeds to Holders in accordance with these Rules or otherwise.

### **23.13. Processing of Corporate Actions**

Unless otherwise agreed with the Depository Nominee, MERJ DEP must not process any Corporate Action in relation to the Participating International Eligible Assets.

### **23.14. Adjustments to outstanding Instructions**

MERJ DEP may make adjustments to outstanding Instructions to reflect Corporate Actions in any Participating International Eligible Assets.

*Note: Adjustments to outstanding Instructions under this Rule will be undertaken by MERJ DEP through diary adjustments based on the Entitlement Date for the relevant Corporate Action notified by the Depository Nominee.*

## **24. TAKEOVERS**

### **24.1. No obligation on the Depository Nominee**

If a takeover bid is made or announced for all or any of the Participating International Eligible Assets, the Depository Nominee has no obligation to do anything in respect of the takeover bid including providing any information or document it receives in connection with that takeover bid to any Holder of FDIs and must not accept the bid except to the extent that acceptance is authorised by Holders of FDIs.

## **24.2. Acceptance on behalf of Holders of FDIs**

Where the Depository Nominee agrees to act on behalf of Holders of FDIs to accept any takeover bid, it must:

- (a) within 5 Business Days after the date of receipt of any documentation relating to the takeover bid from the bidder, send or cause to be sent to each Holder of FDIs registered on the FDI Register corresponding to the date of the bid, copies of the bid documentation, together with any other documents sent to target holders of the Participating International Eligible Assets; and
- (b) ensure that the offer documentation sent to Holders of FDIs includes a Notice in a form satisfactory to MERJ DEP in accordance with the Procedures.

## **24.3. Liability of Depository Nominee**

If Rule 24.2 applies, the Depository Nominee has no liability to:

- (a) the issuer of the Participating International Eligible Assets;
- (b) beneficial owners of Participating International Eligible Assets;
- (c) Holders of FDIs;
- (d) any person claiming an interest in Participating International Eligible Assets or FDIs; or
- (e) the bidder,

with respect to lodging or not lodging takeover acceptances for the whole or any part of the Participating International Eligible Assets unless it:

- (a) acts contrary to a report of a receiving agent or other record of acceptances by Holders of FDIs;
- (b) acts negligently or in breach of these Rules; or
- (c) negligently fails to lodge the acceptance or acceptances before the close of the offer period.

## **24.4. Compulsory acquisition of Participating International Eligible Assets**

- (a) If the Participating International Eligible Assets are compulsorily acquired under a takeover bid, then the Depository Nominee must:
  - (i) where the consideration is paid wholly or partly in cash, distribute that payment to Holders of FDIs;
  - (ii) subject to any arrangements with Holders of FDIs, where the consideration is received in other Eligible Assets, rights, property or other benefits, the Depository Nominee must dispose of those benefits and distribute the proceeds to Holders of FDIs; and
- (b) as soon as reasonably practicable, remove the name of the Holder and the number of FDIs corresponding to the Participating International Eligible Assets from the FDI Register.

## **25. VOTING ARRANGEMENTS**

### **25.1. Depository Nominee not obliged to notify Holders of FDIs**

A Depository Nominee is not obliged to notify Holders of FDIs of any meeting of holders of Participating International Eligible Assets.

The Depository Nominee is not obliged but may, from time to time, arrange for Holders of FDIs to be provided with copies of any financial statements, annual reports, notices of meetings or any other documents concerning the Participating International Eligible Assets which are ordinarily sent to holders of the Participating International Eligible Assets.

### **25.2. Depository Nominee not obliged to vote on behalf of Holders of FDIs**

The Depository Nominee is not obliged to notify, or to exercise on behalf of Holders of FDIs, any voting entitlements in respect of the Participating International Eligible Assets.

### **25.3. Procedure for exercising voting entitlements**

Where the Depository Nominee agrees to exercise on behalf of Holders of FDIs any voting entitlements in respect of the Participating International Eligible Assets, the Depository Nominee must only act upon instructions received in accordance with Rules 25.4 to 25.12.

### **25.4. Depository Nominee to notify Holders of FDIs of meeting**

If a meeting is convened of holders of Participating International Eligible Assets vested in a Depository Nominee, the Depository Nominee must send a notice of the meeting to each Holder of FDIs recorded in the FDI Register at the mailing address, email address or via an electronic messaging service (e.g. in app messaging) as agreed pursuant to the terms and conditions of services from time to time as soon as reasonably practicable after it receives such notice.

### **25.5. Holders of FDIs may give Directions to Depository Nominee**

If a Depository Nominee has a right to:

- (a) appoint more than one proxy for the purpose of voting at a meeting; and
- (b) cast different proxy votes for different parts of the holding of Participating International Eligible Assets,

the Depository Nominee must appoint two proxies.

### **25.6. Proxies to indicate results of resolution**

One of the two proxies so appointed in accordance with Rule 25.5 must indicate the number of Participating International Eligible Assets in favour of the resolution described in the proxy, and the second proxy must indicate the number of Participating International Eligible Assets against the resolution described in the proxy.

### **25.7. Determining the number of Participating International Eligible Assets for each proxy**

The manner in which the number of Participating International Eligible Assets is determined for each proxy is by:

- (a) taking the number of FDIs in favour of the resolution;
- (b) taking the number of FDIs against the resolution; and
- (c) entering the resultant number of Participating International Eligible Assets on the appropriate proxy.

### **25.8. Depository Nominee appointing a single proxy**

If the Depository Nominee can only appoint a single proxy, the Depository Nominee must:

- (a) take the number of FDIs in favour of the resolution;
- (b) take the number of FDIs against the resolution;
- (c) determine the net voting position either in favour of, or against the resolution; and
- (d) enter the resultant number of Participating International Eligible Assets on the proxy.

### **25.9. Voting instructions by Depository Nominee**

Where the appointed proxy or proxies are required to vote on multiple resolutions, the Depository Nominee must instruct the proxy or proxies to vote in such manner as will, in the reasonable opinion of the Depository Nominee, best represent the wishes of the majority of Holders of FDIs.

### **25.10. Depository Nominee must notify Holders of FDIs of their rights**

The Depository Nominee must:

- (a) include with the notice of meeting distributed under Rule 25.4 a Notice in a form acceptable to MERJ DEP in accordance with the Procedures; and
- (b) make appropriate arrangements whereby the Depository Nominee or its receiving agent will:
  - (i) collect and process any directions by Holders of FDIs; and
  - (ii) provide the Depository Nominee with a report in writing that clearly shows how the Depository Nominee must exercise its right to vote by proxy at the meeting, in sufficient time to enable the Depository Nominee to lodge a proxy for the meeting.

### **25.11. Depository Nominee may call for a poll**

To the extent that it is able to do so, the Depository Nominee may make or join in any demand for a poll in respect of any matter at a meeting of the issuer of Participating International Eligible Assets.

### **25.12. Meetings of Holders of FDIs**

If it is necessary or appropriate for a meeting of Holders of FDIs to be convened for any purpose, including a purpose specified in these Rules, then the Depository Nominee must convene a meeting according to the rules and procedures that would otherwise apply to a meeting of members of a Seychelles listed public company as if the FDIs were shares of that company.

### **25.13. Liability of Depository Nominee**

The Depository Nominee has no liability to Holders of FDIs or any person claiming an interest in the Participating International Eligible Assets or FDIs, with respect to any conduct or omission of the Depository Nominee at or connected with a meeting of holders of Participating International Eligible Assets, unless the Depository Nominee:

- (a) acts contrary to a report given under Rule 25.10;
- (b) acts negligently or in breach of these Rules; or
- (c) negligently fails to vote or lodge forms of proxy before the close of the period within which proxies for the meeting may be lodged.

## **26. DEPOSITORY NOMINEE DEALING IN PARTICIPATING INTERNATIONAL ELIGIBLE ASSETS**

### **26.1. Right of Depository Nominee to deal in Participating International Eligible Assets**

The Depository Nominee must ensure that it does not deal in the Participating International Eligible Assets except in accordance with these Rules 16 to 31.

### **26.2. Depository Nominee to acquire Participating International Eligible Assets**

If, as a result of a Depository Nominee dealing in Participating International Eligible Assets in accordance with these Rules, the number of Participating International Eligible Assets vested in the Depository Nominee is less than the total number of corresponding FDIs on the FDI Register, then the Depository Nominee must immediately make arrangements to acquire more Participating International Eligible Assets and ensure that Title to those Participating International Eligible Assets is vested in the Depository Nominee in order that the requirements of Rule 21.5 are satisfied.

### **26.3. Depository Nominee not to hold Participating International Eligible Assets beneficially**

A Depository Nominee must not hold any Participating International Eligible Assets beneficially and any Participating International Eligible Assets in respect of which Title is vested in the Depository Nominee must be held for the benefit of either:

- (a) a Holder of FDIs in accordance with these Rules; or
- (b) another person.

## **27. SUSPENSION OF TRANSMUTATION AND RECORDING OF FDIs**

### **27.1. Depository Nominee may give a suspension notice**

A Depository Nominee may in accordance with arrangements between the Depository Nominee and Holders of FDIs, from time to time notify such Holders that it will for the period of time specified in the notice:

- (a) not affect a Transmutation of Participating International Eligible Assets to FDIs; and/or



(b) not record FDIs on the FDI Register in respect of Participating International Eligible Assets in respect of which Title is vested in the Depository Nominee.

This is a Suspension Notice.

### **27.2. Certain obligations of Depository Nominee cease to apply**

The obligation of a Depository Nominee to record FDIs on the FDI Register in accordance with Rule 18.2 and/or to affect a Transmutation of Participating International Eligible Assets to FDIs in accordance with Rule 19 ceases to apply for the period stated in the Suspension Notice. A Suspension Notice cannot state any continuous period of greater than one month and/or in any calendar year cannot operate for a period of greater than four months.

### **27.3. Dealing with Participating International Eligible Assets during a suspension period**

During any period in which Rule 27.2 operates as a result of giving of a Suspension Notice, if any Participating International Eligible Assets are vested in the Depository Nominee during the suspension period it must deal with those Eligible Assets, in accordance with Rule 18.4, as if they were not Participating International Eligible Assets and FDIs corresponding to those Participating International Eligible Assets will be considered to be not approved during the suspension period.

## **28. TAX LAWS**

### **28.1. Depository Nominee to comply with Tax laws**

The Depository Nominee:

- (a) must use its best endeavours to comply with all applicable Tax laws; and
- (b) may, and if obliged by law must, deduct or withhold from any cash dividend or distribution payment otherwise owing to a Holder of FDIs such amount of Tax as required or permitted by law.

The obligations of the Depository Nominee are subject to all relevant Tax laws.

## **29. NOTICE**

### **29.1. Notice to Holders of FDI's**

Any obligation to give a Notice to Holders of FDIs under Rules 16 to 31 is discharged upon the Depository Nominee giving Notice to the Holder of FDIs at the address of the Holder of FDIs noted on the FDI Register or the email address linked to the account of the Holder of FDIs linked with a MERJ group entity (e.g. MERJ Exchange).

## **30. GENERAL INDEMNITY**

### **30.1. Holder of FDI to indemnify Depository Nominee**

A Holder of FDIs indemnifies the Depository Nominee against all expenses, losses, damages and costs that the Depository Nominee may sustain or incur in connection with:

- (a) the recording of that Holder's interest in FDIs;
- (b) its capacity as holder of Participating International Eligible Assets for that Holder; and
- (c) any act done or required to be done by the Depository Nominee under Rules 16 to 31 for that Holder,

provided in each case the Depository Nominee has acted in accordance with the Rules and the arrangements between the Holder and the Depository Nominee.

### **30.2. Set-off, deduction or withholding of moneys by Depository Nominee**

A Depository Nominee may set-off, deduct or withhold any moneys which it may be or become liable to pay to the Holder under these Rules or otherwise in relation to FDIs or Participating International Eligible Assets, against any moneys which the Holder may be or become liable to pay to the Depository Nominee under these Rules (including, without limitation, this indemnity) or otherwise in relation to FDIs or Participating International Eligible Assets.

## **31. MERJ DEP APPROVAL REQUIRED FOR RTGS SETTLEMENT**

### **31.1. FDI's not eligible for RTGS**

Neither Participating International Eligible Assets nor corresponding FDIs are eligible to be settled in RTGS except with approval of MERJ DEP.