

SECTION 2

PARTICIPANTS

All transactions pertaining to an Account Holder in the CDS shall be carried out only through a CDS Participant.

2.1 Eligibility for appointment as a Participant

The following persons are eligible for appointment as a Participant:

- (i) Stockbroker,
- (ii) Stock dealer,
- (iii) Custodian Bank
- (iv) Such other category of persons/institutions as may be determined by the Board of Directors at its sole discretion.

2.2 Application to be appointed as a Participant

An application to be appointed as a Participant shall be submitted by the applicant to the CDS in the form prescribed by CDS from time to time.

2.3 Grant of Participant Status

Grant of Participant status shall be subject to such terms and conditions as may be determined by the CDS from time to time and communicated to such Participant in writing, at the time of granting the Participant Status.

2.4 Operational guidelines and procedures

For administrative purposes, CDS may issue, from time to time, operational guidelines and procedures in the form of letters or circulars to Participants.

2.5 Participant code

For ease of identification, each Participant shall be assigned a Participant code by the CDS, which shall be used when making reference to such Participant.

2.6 Persons authorized to act on behalf of a Participant

Each Participant shall nominate to CDS, under the hand of the Chief Executive Officer, persons who are authorised to act on behalf of such Participant. Such nominees shall be the contact persons and shall have the authority to instruct CDS in respect of matters concerning such Participant. Participants shall ensure that any change pertaining to such authorised persons shall be communicated in writing to CDS immediately upon a decision being made in that respect.

2.7 Participant fees

Upon being formally admitted as a Participant, such Participant shall pay fees, charges and reimbursement of expenses in respect of the services and facilities offered by the CDS as may be specified from time to time by the CDS.

2.8 Bank Guarantee

- a) Each Participant may be required by the Board of Directors to furnish a Bank guarantee in a format acceptable to CDS, and such bank guarantee to be held by CDS to be applied as provided in this rule. The amount of the bank guarantee required by each Participant shall be fixed by CDS in a manner as may be determined by the Board of Directors of CDS from time to time. This bank guarantee shall be obtained from any institution duly licensed under the provisions of the Banking Act No.30 of 1988 as amended.
- b) The use of a bank guarantee furnished by a participant shall be limited to the following situations:
 - I. For the satisfaction of losses or liabilities of CDS.
 - II. For the satisfaction of losses or liabilities of CDS incident to the operation of the business of the CDS.