

13.1.5 CDS Reporting Obligations

APPENDIX "B"

REPORTING OBLIGATIONS

In addition to the notification, reporting and filing obligations set out in Schedule "A" to the Recognition and Designation Order, CDS shall also comply with the reporting obligations set out below.

1. Prior Notification

1.1 CDS shall provide to Commission staff prior notification of:

- (a) any proposed change to CDS' corporate governance structure other than significant changes to the governance structure or constating documents for which prior approval is required under item 4 of Schedule "A" to the Recognition and Designation Order;
- (b) a decision to enter into an agreement, memorandum of understanding or other similar arrangement with any governmental or regulatory body, self-regulatory organisation, clearing agency, stock exchange, other marketplace or market; or
- (c) a decision to, either directly or through an affiliate, engage in a new type of business activity or cease to engage in a business activity in which CDS is then engaged.

2. Immediate Notification

2.1 CDS shall provide to Commission staff immediate notice of:

- (a) the appointment of any new director or officer, including a description of the individual's employment history; and
- (b) the resignation or intended resignation of a director or officer or the auditors of CDS, including a statement of the reasons for the resignation or intended resignation.

2.2 CDS shall immediately notify Commission staff if it:

- (a) becomes the subject of any order, directive or other similar action of a governmental or regulatory authority;
- (b) becomes aware that it is the subject of a criminal or regulatory investigation; or
- (c) becomes, or is aware that it will become, the subject of a material lawsuit.

2.3 CDS shall immediately file with Commission staff copies of all notices, bulletins and similar forms of communication that CDS sends its participants.

2.4 CDS shall immediately file with the Commission any unanimous shareholder agreements to which it is a party.

3. Quarterly Reporting

3.1 CDS shall file quarterly with Commission staff a list of the internal audit reports and risk management reports issued in the previous quarter.

4. Annual Reporting

4.1 CDS shall provide to Commission staff annually:

- (a) a list of the directors and officers of CDS;
- (b) a list of the committees of the CDS board of directors, setting out the members, mandate and responsibilities of each of the committees; and
- (c) a list of all participants in each settlement service operated by CDS.

5. General

- 5.1 CDS shall continue to comply with the reporting obligations set out in its tailored Automation Review Program document.