



CHARTER

**APPROVED DURING 11TH ACG GENERAL MEETING
ON SEPTEMBER 4, 2007,
(LAST REVISED ON NOVEMBER 28, 2018)**

CHARTER

ASIA-PACIFIC CENTRAL SECURITIES DEPOSITORY GROUP

Article 1

Title and Structure:–

The Group shall adopt the name “Asia-Pacific Central Securities Depository Group” (ACG), hereinafter referred to as “the Group”, and the Group shall ~~be formed~~ follow based on an informal structure based on non-political and non-discriminatory principles.

Article 2

Purpose:–

- a. To facilitate exchange of information and promote mutual assistance among members of the Group (hereinafter referred to as “Members”) with a view to developing the securities markets in the Asia-Pacific Region. The functioning of the Group, however, is not binding on the activity of any Member
- b. To encourage the local markets to adopt best practices, with due consideration to the specific situation of each market
- c. To promote efficiency and cost effectiveness in the clearing, settlement and depository services, provided in the region’s securities markets
- d. To establish committees, whether permanent or temporary, to co-ordinate tasks and carry out activities of the Group in accordance with its purpose to promote clearing, settlement and securities depository services. Such committees are to be established by the General Meeting prescribed in Article 4.1 (hereinafter referred to as the “General Meeting”)
- e. To develop channels for dialogue with other international organizations

Article 3

Membership

3.1 Eligibility:–

3.1.1 Member:–

A member shall be an entity in the Asia-Pacific Region with one or two of the following roles:

- a. Central depository ~~services~~ for financial instruments
- b. Central clearinghouses for financial instruments

3.1.2 Associate Member:–

An associate member shall be an entity with any of the following roles:

- a. Industry participants such as Custodian Banks, Stock Exchange or an association of such entities
- b. Central depository or Central clearinghouses for financial instruments outside the Asia-Pacific region

3.2 Rights and Obligations

3.2.1 Member:—

Members shall have the following rights and obligations:

- a. To attend Annual General Meetings prescribed in Article 4.2 (hereinafter referred to as “Annual General Meetings”) and Extraordinary General Meetings prescribed in Article 4.3 (hereinafter referred to as “Extraordinary General Meetings”)
- b. To vote as and when required
- c. To run for a seat in the Executive Committee prescribed in Article 5.1 (hereinafter referred to as “Executive Committee”)
- d. Other rights prescribed in this Charter
- e. Pay the fees referred to in Article 8 of the ACG Charter

3.2.2 Associate Member:—

Associate Members shall have the following rights and obligations:

- a. To attend Annual General Meetings prescribed in Article 4.2 (hereinafter referred to as “Annual General Meetings”)
- b. To Attend Cross Training Seminar prescribed in Article 7 (hereinafter referred to as “Seminar”)
- c. To be a part of ~~be part of~~ any Task Force/ Working Group but cannot hold the position of convener.
- d. Associate members are only entitled to the rights stated in Article 3.2.2 of the ACG charter.
- e. Pay the fees referred to in Article 8 of the ACG Charter

3.3 Admission

3.3.1 Membership Application

Membership applications must be signed by the person authorized to represent the applicant entity and submitted in writing to the ACG Secretariat prescribed in Article 5.6 (hereinafter referred to as the “Secretariat”).

3.3.2 Approval

Applications for admission have to be approved by more than one-half (1/2) of

Members present at Annual General Meetings or more than one-half (1/2) of all Members at Extraordinary General Meetings.

3.4 Suspension and Loss of Membership

3.4.1 Suspension of Membership

3.4.1.1 Member:–

Member rights may be suspended in cases where the payment of fees prescribed in this Charter are not met. The rights shall be reinstated when the obligations are met.

3.4.1.2 Associate Member:–

Associate member rights may be suspended in cases where the payment of fees prescribed in this Charter are not met. The rights shall be reinstated when the obligations are met.

3.4.2 Loss of Membership

3.4.2.1 Member:–

A Member shall lose its membership due to any one of the following reasons:

- a. A Member commits acts that adversely affect or seriously compromise the interests of the Group, and the loss of membership is approved by at least two-thirds (2/3) of Members present at Annual General Meetings or at least two-thirds (2/3) of all Members at Extraordinary General Meetings.
- b. The member entity is dissolved or liquidated.
- c. The member entity ceases to operate as a central securities depository and/or a central clearinghouse, or such functions are transferred to another securities depository or clearinghouse.
- d. A Member voluntarily withdraws its membership by submitting a written notice to the Secretariat.

3.4.2.2 Associate Member:–

An Associate member shall lose its membership due to any one of the following reasons:

- a. An Associate Member commits acts that adversely affect or seriously compromise the interests of the Group.
- b. The Associate Member entity is dissolved or liquidated.
- c. The Associate Member entity ceases to be eligible as per Article 3.1.2
- d. An Associate Member voluntarily withdraws its membership by submitting a written notice to the Secretariat.

Article 4

General Meeting:–

4.1 General Meeting

The General Meeting is a supreme decision making body of the Group, which is made-up of all Members.

The General Meeting has powers and responsibilities to resolve all issues related to administration and management of the Group such as:

- a. Select three institutions by vote as the Executive Committee Members prescribed in Article 5.2 (hereinafter referred to as “Executive Committee Members”)
- b. Endorse conveners of the Task Forces prescribed in Article 6.1 (hereinafter referred to as “Task Forces”) as Executive Committee Members
- c. Endorse the ACG Chairman prescribed in Article 5.4 (hereinafter referred to as “Chairman”), and the ACG Vice-Chairman prescribed in Article 5.5 (hereinafter referred to as “Vice-Chairman”), who are selected by the Executive Committee
- d. Approve the medium-term activity plan and policies drafted and proposed by the Executive Committee
- e. Approve proposals submitted by Members
- f. Permit admission of new Members or termination of membership
- g. Approve establishment of Task Forces and Working Groups prescribed in Article 6.2 (hereinafter referred to as “Working Groups”)
- h. Approve amendments to the Charter of the Group
- i. Approve annual budget plan and financial statements of the ACG
- j. Appoint or dismiss Treasurer prescribed in Article 8.1 (hereinafter referred to as Treasurer)
- k. Appoint or dismiss Auditor prescribed in Article 8.2 (hereinafter referred to as Auditor)
- l. Dissolve the Group
- m. Dismiss Executive Committee Members, the Chairman, the Vice-Chairman, or the Secretariat

The General Meeting can delegate part of its powers to the Executive Committee as necessary.

4.2 Annual General Meetings

Annual General Meetings shall be held once a year (from January 1 to December

31 of each year).

4.2.1 Decision of the host

The host of Annual General Meetings shall be chosen as prescribed below.

4.2.1.1 Calling for the host

The notice to call for the host shall be sent by the Secretariat to all Members by March 31 of one year in advance.

4.2.1.2 Application for the host

Host applications must be signed by the person authorized to represent the applicant entity and submitted in writing to the Secretariat during the period of April 1 to April 30 of one year in advance. In cases of no application during the period, the Executive Committee can extend the period to apply for the host.

4.2.1.3 Decision of the host

In cases where only one Member applies for the host, the Member is chosen as the host.

In cases where multiple Members apply for the host, the Executive Committee decides the host, based on the conditions such as:

- a. The Member whose experience of the host of Annual General Meetings is less than the others is prioritized.
- b. In cases where the number is the same in a., the Member whose latest experience of the host of Annual General Meetings is prior to the others is prioritized. In cases all Members have no experience of the host of Annual General Meetings, the Member which joined ACG in first is prioritized.

In cases where no Member applies for the host, the Executive Committee implements the activity to promote the candidacy and decide the host, based on the conditions as prescribed above a. and b. The Executive Committee may consider the possibility of appointing the host among Executive Committee Members.

4.2.1.4 Notification of the host

The host shall be notified immediately to all Members by the Secretariat.

4.2.2 Summon

The Chairman will summon Members to Annual General Meetings.

4.2.3 Quorum

More than one half (1/2) of all Members need to be present at Annual General Meetings in order to satisfy the quorum.

4.2.4 Resolution

Resolution put to the vote shall be passed if approved by more than one-half (1/2) of the votes of Members present at Annual General Meetings, unless specified otherwise in the Charter of the Group.

4.2.5 Voting Rights

Each Member participating at Annual General Meetings is entitled to one vote.

4.2.6 Minutes

All matters taken up during Annual General Meetings shall be recorded in the minutes. The minutes shall be prepared by the Member who hosts the Annual General Meeting and circulated to Members.

4.2.7 Annual General Meeting Management Team

The Annual General Meeting Management Team is a coordinating body of Annual General Meetings and formed from two institutions, comprising a Member from the host of the previous Annual General Meeting and a Member from the host of the upcoming Annual General Meeting.

The Annual General Meeting Management Team has powers and responsibilities to:

- a. Take over and continue preparation items and sequences for management of Annual General Meetings and
- b. Handle resolutions to be considered at Annual General Meetings
- c. Prepare and distribute the minutes to Members
- d. Upload presentation materials, minutes and other applicable items to the website of the Group

The Annual General Meeting Management Team may contact and coordinate with the Executive Committee as necessary.

4.3 Extraordinary General Meetings

Extraordinary General Meetings shall be held in cases where the need arises to make a decision by vote of Members outside of Annual General Meetings.

Members requesting Extraordinary General Meetings shall submit their request to the Executive Committee, and if the necessity of the meeting is duly recognized by Executive Committee, physical or non-physical Extraordinary General Meetings shall be held to vote on the matter.

4.3.1 Non-physical Extraordinary General Meeting

4.3.1.1 Summon

The Chairman will summon Members to non- physical Extraordinary General Meetings.

4.3.1.2 Quorum

The quorum for non-physical Extraordinary General Meetings shall be satisfied when more than one-half (1/2) of all Members have submitted their valid votes under a name of their representatives or secondary representatives, whose names are reported to Secretariat in advance.

4.3.1.3 Resolutions

Resolutions put to the vote at non-physical Extraordinary General Meetings shall be passed if approved by more than one-half (1/2) of the valid votes of Members, unless specified otherwise in the Charter of the Group.

4.3.1.4 Voting Rights

Each Member participating at non-physical Extraordinary General Meetings is entitled to one vote.

Permissible voting methods in non-physical Extraordinary General Meetings shall be by email, telephone conference, post and facsimile.

4.3.2 Physical Extraordinary General Meeting

Physical Extraordinary General Meetings can be held in cases where the Executive Committee recognizes that a matter is important and therefore required to be discussed at a physical meeting.

4.3.2.1 Summons

The Chairman will summon Members to physical Extraordinary General Meetings.

4.3.2.2 Quorum

The quorum for physical Extraordinary General Meetings shall be satisfied if attended by more than one-half (1/2) of all Members.

4.3.2.3 Resolutions

Resolutions put to the vote at physical Extraordinary General Meetings shall be passed if approved by the majority of Members attending physical Extraordinary General Meetings, unless specified otherwise in the Charter of the Group.

4.3.2.4 Voting Rights

Each Member attending physical Extraordinary General Meetings is entitled to one vote.

4.3.3 Minutes

All matters taken up during physical or non-physical Extraordinary General Meetings shall be recorded in the minutes. The minutes shall be prepared by the Secretariat and circulated to Members.

Article 5

Executive Committee:–

5.1 Executive Committee

The Executive Committee is the principal body responsible for managing activities of the Group from a long-term perspective and is comprised of all institutions acting as convener in each Task Force along with three (3) other institutions to be voted on by Members. No Member shall concurrently hold more than one seat on the Executive Committee.

All Members shall enjoy the right to run for a seat on the Executive Committee.

The Executive Committee has powers and responsibilities to:

- a. Nominate the Chairman and the Vice-Chairman and propose to the General Meeting for endorsement
- b. Formulate, oversee and review the medium-term activity plan
- c. Draft amendments to the Charter of the Group
- d. Consider proposals submitted by Members and select proposals to be discussed by Members

- e. Communicate and cooperate with the Annual General Meeting Management Team prescribed in Article 4.2.7 on matters relating to Annual General Meetings
- f. Coordinate Extraordinary General Meetings
- g. Examine activities that the Group should participate in, and select representatives in charge from among Members
- h. Receive applications to join or withdraw from the Group and submit them to General Meetings for approval
- i. Manage ACG Fund Administration and propose annual budget plan and financial statements to the Annual General Meeting for approval
- j. Discuss and provide suggestion for agenda of major ACG events, including but not limited to Annual General Meeting and Cross Training Seminar
- k. Oversee maintenance and operation of the ACG website

5.2 Executive Committee Members

~~Executive Committee Members shall be selected~~

Executive Committee Members shall be selected by Members at a non-physical Extraordinary General Meeting held before every third Annual General Meeting. The new Executive Committee shall then be endorsed at every third Annual General Meeting. Or endorsed by Members at every third Annual General Meeting.

In cases where an Executive Committee Member becomes unable to perform the necessary duties during the Member's period of duty, the General Meeting will select or endorse a new Executive Committee Member to fill the vacancy. The new Executive Committee Member will serve for the time remaining until the next Executive Committee Members' selection at the Annual General Meeting.

Executive Committee Members shall be institutions and each institution on the committee shall appoint a representative and a secondary representative, both natural persons. Executive Committee Members need to report a newly appointed person to the Executive Committee in cases where there is a replacement of representative or a secondary representative.

5.3 Executive Committee Meetings

Executive Committee Meetings shall be held in cases where the need arises to make a decision by discussion or vote of Executive Committee Members.

5.3.1 Non-physical Executive Committee Meetings

5.3.1.1 Summons

The Chairman will summon Executive Committee Members to non-physical Executive Committee Meetings.

5.3.1.2 Quorum

The quorum for non-physical Executive Committee Meetings shall be satisfied when all Executive Committee Members have submitted their valid votes under the name of their representatives or secondary representatives.

5.3.1.3 Resolutions

Resolutions put to the vote at non-physical Executive Committee Meetings shall be passed if approved by more than one-half (1/2) of the valid vote of all Executive Committee Members, unless specified otherwise in the Charter of the Group.

In cases of tied votes, the Chairman shall have a casting vote. In cases where there are an odd number of institutions on the Executive Committee, the Chairman will not be allowed to have a casting vote.

5.3.1.4 Voting Rights

Each member of the Executive Committee is entitled to one vote.

Permissible voting methods in non-physical Executive Committee Meetings shall be by email, telephone conference, post and facsimile.

5.3.2 Physical Executive Committee Meetings

5.3.2.1 Summons

The Chairman will summon Executive Committee Members to physical Executive Committee Meetings.

5.3.2.2 Quorum

The quorum for physical Executive Committee Meetings shall be satisfied when more than one-half (1/2) of Executive Committee Members have attended and the rest of the Executive Committee Members have submitted their valid votes under the name of their representatives or secondary representatives.

5.3.2.3 Resolutions

Resolutions put to the vote at physical Executive Committee Meetings shall be

passed if approved by more than one-half (1/2) of the valid votes of all Executive Committee Members, unless specified otherwise in the Charter of the Group.

In cases of tied votes, the Chairman shall have a casting vote. In cases where there are an odd number of institutions on the committee, the Chairman will not be allowed to have a casting vote.

5.3.2.4 Voting Rights

Each member of the Executive Committee is entitled to one vote.

Permissible voting methods for Executive Committee Members not attending physical Executive Committee Meetings shall be by email, telephone conference, post and facsimile.

5.3.3 Minutes

All matters taken up during Executive Committee Meetings shall be recorded in the minutes. The minutes shall be prepared by the Secretariat and circulated to Members.

5.4 Chairman

The Chairman shall be a natural person selected by and from among the new Executive Committee Members and endorsed by Members at every third Annual General Meeting.

In cases where the Chairman becomes unable to perform the necessary duties during his or her period of duty, the Executive Committee will nominate a new Chairman and propose the nominee to the General Meeting for endorsement. The new Chairman will serve for the time remaining until the next Executive Committee Members' selection at the Annual General Meeting.

The Chairman has powers and responsibilities to:

- a. Appoint the Secretariat in consultation with other Executive Committee Members
- b. Lead and organize the overall activities of the Executive Committee
- c. Call and moderate Executive Committee Meetings prescribed in Article 5.3 (hereinafter referred to as "Executive Committee Meetings")
- d. Call and moderate General Meetings
- e. Have the casting vote in tied outcomes as prescribed in Article 5.3.1.3. and 5.3.2.3.

- f. Represent the Group for external activities
- g. Sign a credential letter for a Member to represent the Group to attend external meetings

5.5 Vice-Chairman

The Vice-Chairman shall be a natural person, selected by and from among the new Executive Committee ~~Members~~ and endorsed by Members at every third Annual General Meeting. In cases where the Vice-Chairman becomes unable to perform the necessary duties during his or her period of duty, the Executive Committee will nominate a new Vice-Chairman and propose the nominee to the General Meeting for endorsement. The new Vice-Chairman will serve for the time remaining until the next Executive Committee Members' selection at the Annual General Meeting.

The Vice-Chairman has powers and responsibilities to:

- a. Support the Chairman
- b. Act as Chairman in the event of absence or vacancy of the position

5.6 Secretariat

Secretariat shall be an Executive Committee Member appointed by Chairman following discussions with other Executive Committee Members. Chairman may appoint its own institution as Secretariat.

The Secretariat shall be appointed by the Chairman at every third Annual General Meetings. In cases where the Secretariat becomes unable to perform his or her necessary duties during the period of duty, the Chairman will nominate a new Secretariat. The new Secretariat will serve for the time remaining until the next Executive Committee Members' selection at the Annual General Meeting.

The Secretariat has powers and responsibilities to:

- a. Draft the medium-term activity plan
- b. Receive proposals from Members
- c. Prepare agendas and materials for and set up Executive Committee Meetings
- d. Prepare minutes of Executive Committee Meetings
- e. Prepare agendas and materials for and set up Extraordinary General Meetings
- f. Prepare minutes of Extraordinary General Meetings
- g. Prepare annual budget plan

Article 6

Committees:-

6.1 Task Forces

A Task Force is a researching body conducting studies and researching institutions both internal and external to the Group with respect to clearing and settlement systems and related services.

All Members may join Task Forces at their discretion and participate in activities.

A Task Force has powers and responsibilities to:

- a. Appoint a convener
- b. Determine objectives of study and research and formulate implementation plans
- c. Conduct studies in line with implementation plans
- d. Report on the progress of study activities to the Executive Committee
- e. A Task Force may decide on and implement studies and research based on discussions with the Executive Committee as necessary.

6.1.1 Establishment

A Task Force shall be established if approved by at least two-thirds (2/3) of Members at Annual or Extraordinary General Meetings.

6.1.2 Reform and Dissolution

Reform to or dissolution of Task Forces shall be decided by Members at every third Annual General Meeting. Task Forces also can dissolve themselves as necessary before their terms are completed.

6.1.3 Task Force Convener

A Task Force Convener shall be an institution, selected by and from among Task Force Members at every third Annual General Meeting.

Task Force Conveners shall join the Executive Committee as members and be endorsed by Members at every third Annual General Meeting.

In cases where a Task Force Convener becomes unable to perform the necessary duties during the appointed period of duty, the Task Force appoints a new Task Force Convener and proposes this to the General Meeting for endorsement. The new Task Force Convener serves for the time remaining until the next Executive

Committee Members' selection at the Annual General Meeting.

Task Force Conveners have powers and responsibilities to:

- a. Lead and organize the overall activities of Task Forces
- b. Call and moderate Task Force meetings

6.2 Working Groups

A Working Group may be formed by Members as an ad-hoc group, focusing on specific issues that are within the scope of the Group's purpose but are not delegated to Task Forces.

A Working Group shall be established if approved by at least two-thirds (2/3) of Members at Annual or Extraordinary General Meetings.

Article 7

Cross Training Seminar:–

Cross Training Seminar (hereinafter referred to as "Seminar") is a conference which is hosted by an ACG Member and planned and managed by the host Member and Task Forces for the purpose stated in Article 2.

Seminar shall be held once a year (from January 1 to December 31 of each year).

The host of Seminar shall be chosen through the same process described in 4.2.1 except:

- a. The notice to call for the host shall be sent by April 30 of one year in advance.
- b. Host applications must be submitted during the period of May 1 to May 31 of one year in advance.

Article 8

ACG Fund Administration

The Group may raise fund to carry out the Purpose outlined in Article 2.

The source of fund may derive from the following:

- a. Annual membership fees paid by its Members and Associate Members
- b. Other income earned or received by the Group

The annual budget plan shall be prepared by the Secretariat, reviewed and proposed by the Executive Committee to be approved by the Annual General

Meeting. Membership fees as part of the annual budget plan may be collected from all members. The Treasurer shall send invoices to all members in January. All members shall pay the fees within 30 March. The financial statements shall be prepared by the Treasurer, reviewed by the Executive Committee, and audited by Auditor to be approved by the Annual General Meeting.

Treasurer

The Treasurer shall be a Member appointed or dismissed by Members at the Annual General Meeting.

The Treasurer has powers and responsibilities to:

- a. Manage the accounts and balances of ACG Fund Administration
- b. Prepare financial statements for review by the Executive Committee to be approved by the Annual General Meeting
- c. Collect Membership Fees and other income
- d. Execute expenditures approved by the Executive Committee

Auditor

The Auditor, a Member independent from the Executive Committee Members, shall be appointed or dismissed by Members at the Annual General Meeting.

The Auditor has powers and responsibilities to:

- a. Audit ACG Fund Administration in general
- b. Audit financial statements of ACG
- c. Present audit report at the Annual General Meeting

Article 9

Amendments to the Charter

Any amendments to this Charter shall be valid if approved by at least two-thirds (2/3) of Members present at Annual General Meetings or by at least two-thirds (2/3) of all Members at Extraordinary General Meeting.

Article 10

Dissolution:–

The Group shall not be dissolved unless approved by at least two-thirds (2/3) of Members present at Annual General Meetings or by at least two-thirds (2/3) of all Members at Extraordinary General Meeting.

