

KELER's Announcement - No. 08/2019
Rules of Managing Corporate Events
Relating to Foreign Securities

Effective from: 1 October 2019

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1. General information

Data provided in this depository announcement are for information purposes only and are not comprehensive. The account holder is liable to comply with restrictions listed and to obtain information on the valid settlement rules of individual markets. KELER takes no liability for eventual damage, penalties for failing to meet this obligation. KELER also excludes its liability for the information included in the document, especially on the adequacy and adaptability of taxes and applicable tax rates. Nothing in this document constitutes tax advice. Should the account holder not know the tax rules of the particular market or the terms of the tax declaration and payment, the content of this depository announcement does not substitute the necessary tax advice.

During the communication between KELER and its custodian, in case an instruction, that has to be forwarded or received by any parties, does not reach the receiving party due to a technical problem on any parties' side, KELER limits its liability to the extent possible by law in terms of the occurred delays or failure in executions.

All bookings will be arranged the day what arrives till 4:30 pm.

Settlement rules of individual markets

Below markets are "actual markets" what means Payment upon receipt of funds only (it can differ from original payment date) for example:

Austria, Australia, Czech Republic, Greece, Poland, United Kingdom, USA, Switzerland, Belgium, Canada, Denmark, Finland, Franc, Hong Kong, Italy, Japan, Luxembourg, Netherlands, Norway, New Zealand, Sweden, Singapore, Ireland, Germany.

2. Tax services

2.1. United States of America

In line with the agreement to avoid double taxation in force between Hungary and the United States of America the preferential tax rate applicable to yield payments, subject to the availability of the required documents, for Hungarian tax resident private and legal persons is 15% for dividend income, 0% for interest income, besides in case of US Limited Partnership the rate is 37% instead of 39.6%.

In line with the requirements of its sub-custodian and American local market service provider, KELER offers securities yield payment covered by the US tax regulation at preferential tax rates to the account holder that make a statement on their tax residence and at the same time meet the requirement to register in dedicated KELER sub-accounts the US securities holdings subject to preferential tax treatment.

More information about the rules of opening a dedicated sub-account for preferential US tax rate and the conditions of the account operations are detailed in the Depository Announcement - No. 18/2018 Settlement of International Securities (cross-border).

The appropriate [W-8BEN form](#) (natural persons), or [W-8BEN-E form](#) (legal entities) is to be completed for each final beneficiary wishing to take advantage of the preferential tax rates. Additionally, account holders with intermediary status in the settlement chain, i.e. holding client securities in the dedicated sub-accounts, are required to complete the [W-8IMY form](#) also. The account holder is responsible to make sure that the dedicated account related documents comply with the content of the forms at all times and on an ongoing basis, otherwise the account will be automatically closed. W8-IMY has no expiration date (refilling is necessary only in case of changing version). W8-BEN and W8-BEN-E are valid for 3 years (till the last day of ending year)

KELER's Fee Schedule contains the fee of dedicated accounts.

KELER's service doesn't cover the Relief of Source.

2.2. Poland

From 1 January 2019 the service of Quick Refund is not available on markets, in case of Standard Refund, beneficiary owners can turn to Polish Tax Office directly.

KELER undertakes to collect the necessary tax documentation (ZPP-1) for application and KELER is willing to help its Clients.

For undisclosed Taxpayers, the standard tax rate of 19% is applied for both CIT Taxpayers (legal entities) and PIT Taxpayers (natural persons).

The applicable DTT tax rate is 10% for Hungarian residents.

For undisclosed Taxpayers, the standard tax rate of 19% is applied for PIT Taxpayers and 20% for CIT Taxpayers. The applicable DTT tax rate is 10% for Hungarian residents.

The investors responsibility to calculate and pay the tax directly to the tax authorities.

From 1 January 2016, non-Polish residents - both CIT Taxpayers (legal entities) and PIT Taxpayers (natural persons) are exempt from taxation at source providing that the below tax documentations are available:

- Beneficial Owner (BO) Disclosure (in an electronic way)
- Certificate of Tax Residence (CoTR)

3. Proxy voting

3.1. SIX SIS

For forthcoming general meetings KELER offers efficient solutions whereby voting instruction can be entered via SIS SIX.

In addition annual reports and agendas of general meeting can be reached by KELER.

The account holder is liable to comply with restrictions listed and to obtain information on the valid settlement rules of individual markets.

3.2. SGSS Poland

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Should you need any further information, please do not hesitate to contact KELER Corporate Actions and Issuance Department at corpaction@keler.hu.

KELER Ltd.