

**KELER Depository Announcement - No.
9-06**
Handling of dematerialised securities

Effective from: 01 March 2022

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1. Introduction

This Depository Announcement provides information on the services related to the first issuance of dematerialised securities (hereinafter: **demat securities** or **demat securities series**) by KELER Central Depository Ltd. (hereinafter: **KELER**) and to changes in the data of the demat securities. It details the services related to demat securities, the options and conditions of executing Demat events and the related practices, the documents and formal requirements supporting the legal basis of issuances and data modifications, the form of submission of the Issuer order and the related documents, the deadlines and acceptance of the order and the Issuer order, the rules of invalidating the certificate issued on dematerialised securities (hereinafter: **Certificate**) and the terms and conditions of fee payment. It also collects the provisions of the legal regulations pertaining to dematerialised securities.

Pursuant to Regulation (EU) No 909/2014 of the European Parliament and of the Council on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (hereinafter: CSDR), KELER examines the following through an authentication service when dematerialised securities are issued or before changes are registered to dematerialised securities:

- the Issuer issuing the securities that undertakes to perform the issuer's obligations vested in the securities towards the holder of the securities,
- the legal basis of the issue of the securities and the compliance of the documents containing the securities information with the applicable legal regulations and
- the compliance of the submitted documents with the applicable laws and with the formal requirements regulated in this Announcement.

KELER conducts a separate examination for each DEMAT event. Concerning the a new DEMAT event, KELER is not bound by the findings made in connection with a former DEMAT event. If KELER identifies deficiencies concerning an earlier DEMAT event of the Issuer during the examination of a new DEMAT event, then Issuer shall remedy same and remove deficiencies, otherwise KELER cannot execute the current DEMAT event.

If Issuer requests KELER to handle the demat securities without the Issuer taking care of the non-compliance situation, then KELER rejects the service provision and may initiate the legality procedure of the competent court of registry against the Issuer and reports the event to the supervisory authority of the Issuer pursuant to Section 343(4) of the Tpt.

If the Issuer initiates the trading of the securities with the use of the auction module of the MMTS1 system of BSE, then it shall inform BSE and simultaneously specify the Due Date of the crediting related to the Demat event with T+2 due date after the auction at KELER. The Demat event master data entry date must be the same as the auction date and the Demat event value date must be the same as the auction clearing day. If the Issuer fails to ensure that the securities information are registered in the KELER system by the day of the auction, then KELER assumes no liability for the failure of the auction settlement.

Planned date to register master data and Account credit/partial cancellation data, i.e. the initial recording of securities in the central securities registry and to the central securities account.

2. Definitions used in this Depository Announcement

The terms used in this depository announcement with capital letters are the terms defined in the General Business Rules of KELER and in this announcement.

MMTS1 Trading System: A system operated by the Stock Exchange to which persons with access to the Auction Trading System are connected for the purpose of participating in an Auction.

Stock exchange trading day: A stock exchange trading day is any business day, unless the Stock Exchange declares it a stock exchange holiday in advance.

Auction Bidder: The person with access to the Auction Trading System acting on behalf of the issuer/holder of the security to be auctioned.

3. General information

As a central securities depository, KELER is obliged and entitled to produce all demat securities publicly or privately issued in Hungary in compliance with the applicable laws and regulations and to credit and manage them on central securities accounts (modification, cancellation). KELER produces, modifies and cancels dematerialised securities in compliance with the provisions of Government Decree 284/2001 (XII. 26.) on the method of production and forwarding of and security regulations for dematerialised securities and on the rules of opening and maintaining the securities account, the central securities account and client account (hereinafter: **Demat Decree**), in line with the agreement signed with the Issuer, which can be the agent, legal successor, liquidator, receiver or administrator of the Issuer, and the fund manager acting on behalf of the fund (hereinafter: Issuer) and the Issuer's order. As in the case of any securities issued in Hungary, the securities identification code (hereinafter: **ISIN code**) of demat securities is also requested from KELER by the Issuer. The data required for identification are defined in MNB Decree 20/2014 (VI.3.) on the ISIN code. The information related to the application of an ISIN code and the rules of application are contained in the KELER Depository Announcement valid from time to time ([ISIN Depository Announcement](#)).

This Depository Announcement shall be interpreted together with the currently effective General Business Rules of KELER (hereinafter: [GBR](#)) and the definitions contained thereof.

Where this regulation refers to electronic signatures, then it shall mean qualified e-signatures with time-stamps or advanced e-signatures based on qualified certificates that is created in line with Act No. CCXXII of 2015 on the general rules of electronic administration and trust services and Regulation (EU) No 910/2014 of the European Parliament and of the Council on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (23 July 2014).

4. General rules

The method of production of securities of the same securities series¹ cannot be different. Securities can be issued physically in a printing press authorised in line with Section 3 of Government decree 98/1995 (VIII.24.) on the security rules of the creation, handling and physical destruction of certain securities, in the form of dematerialised securities based on the Demat Decree, with the involvement of KELER, in line with the regulatory documents of KELER.

The Issuer may grant authorisation for the execution of an event related to demat securities on the [List of authorised agents](#) in the case of the users of the eDEMAT system (to be generated in the eDEMAT system), which authorisation does not grant a right to the authorised agent to sign the Certificate. The rules on signing the Certificate, as the instruction of the issuer, can be found in Point “[Signing the Certificate](#)” of this Depository Announcement.

The ISIN code identifies a securities series (not an issuance).

One securities series can only have one ISIN code.

Only one effective Certificate may be assigned to one demat securities series at a time.

KELER does not accept Certificates issued for securities to be deposited if the data of the Certificate related to the Issuer or the securities were corrected by the Issuer due to error or defect (in such case, the data of the Certificate may only be corrected and modified by submitting anew Certificate).

The number of securities in a demat securities series can only be a positive whole number.

KELER executes the service of first issuance, top up and conversion related to dematerialised securities for the issuer when the issuer has a non-expired LEI code. The Issuer is responsible for informing KELER on its non-expired LEI code when providing the master data of the security or at least 2 business days before the Demat event.

KELER publishes in KID for the KELER account holders (hereinafter: Account Holders) the Issuer contact person details that were provided upon ordering the Demat events related to dematerialised securities.

KELER does not execute Demat events for past dates and for expired securities.

Demat events for securities involved in T2S can be executed on KELER and T2S business days. KELER does not assume any liability for delayed processing in T2S related to the execution of Demat events (e.g. Saturday business days) where the event date is a KELER business day but is not a business day in T2S.

Simultaneously with the cancellation of the total quantity of demat securities on the central securities account, the ISIN code assigned to the securities series shall also be inactivated automatically.

Pursuant to Section 9(1) of Act CXX of 2001 on the Capital Market (hereinafter: **Tpt.**), the Issuer deposits the Certificate of the demat securities at KELER. This can take place either as a physical document signed personally by the authorized signatories, or as an .es3 format file with electronic signature that is stored by the eDEMAT system.

The holders of demat securities and the Account Holders may obtain information from the data related to the various demat securities, published on KELER's website in the list of ISIN identifiers (ISIN search) - including the fact of the transfer restriction referred to in Section 3:219 (1) of the Civil Code² - and may learn whether there is a transfer restriction for the given securities series. Furthermore, the Account Holders may obtain information on the contents of the Certificate of the demat securities series via the KID system. The demat securities holders may request learning the contents of the Certificate issued for the demat securities via their securities account managers, and may learn the existence and potential contents of the restriction indicated on the Certificate.

KELER publishes the data related to the securities in the list of ISIN identifiers (ISIN search) on the basis of the documents related to the securities series examined by the Issuers during the last Demat event within the frameworks of the authentication procedure, and the data indicated on the Certificate issued for the securities. KELER does not assume any obligation for the case if the transfer restriction indicated on the Certificate is not in accordance with the data indicated in the effective statutes, or in the effective issuer document related to the securities series. KELER draws the attention of the Issuer to the fact that pursuant to Section 8 (1) of the Tpt., and Section 7 (1) of the Demat Decree, it shall notify KELER without delay if the data related to the securities change in the corporate documents or in other documents related to the securities, and shall record these on the Certificate issued for the securities deposited with KELER.

The Issuer submits to KELER the [List of account credit data](#) (in Form 2) and the content of the Certificate (.doc or .docx) for remote issuance, top up, partial reduction in advance to the email address kelerdemat@keler.hu

If KELER learns that the issuer of the dematerialised securities is deleted from the company register without legal successor or if the fund is deleted from the register of the Supervision registering it by final decision, and the Issuer or the liquidator, or the fund manager has not taken any measures for deleting the securities, KELER shall take measures for deleting the invalidated dematerialised securities issued by the Issuer or Fund ceased to exist from the securities account or from the central securities account.

²Item 45 of Section 5(1) of Act CXX of 2001 (hereinafter: Tpt).

4.1. Dematerialised securities account of the Issuer

Simultaneously with the entry into force of the contract template “Issuer agreement” KELER opens the “Dematerialised securities account of the Issuer” where all the demat securities issued by the Issuer are registered broken down by ISIN identifier. For investment bonds the “Dematerialised securities account of the Issuer” is opened for the fund manager managing the fund that issued the investment bond. Issuer is not entitled to dispose over this securities account, the balance is either negative or nil. KELER cancels the Dematerialised securities account of the Issuer when the Issuer is terminate (e.g. deletion from the company registry).

4.2. Securities issuance account

Once the securities account management contract with the Account Holder is in place, KELER opens the technical account no. 676767 for the account holder for the issuance so that the demat securities owned by the Account holder are credited in this technical account based on the instruction of the Issuer upon the issue of the securities, furthermore opens the technical account no. 787878 so that the demat securities owned by the clients of the Account holder are credited in this technical account based on the instruction of the Issuer upon the issue of the securities.

Account holder shall transfer the securities credited to technical accounts no. 676767 and 787878 to the securities accounts kept for Account holder or their clients within the day.

If there are securities on the technical accounts no. 676767 or 787878 at the end of the day, then KELER automatically transfers same to central securities accounts no. 000000 or 777888 and charges the fees as detailed in the Fee schedule. If the Account holder does not have a 000000 central securities account, then KELER automatically opens it.

4.3. Issuer’s central securities account

When the contract template concluded with the Issuer enters into force, KELER opens the Type “C” central securities account, while the Type “D” central securities account is opened automatically in line with Section 18 without the inclusion of Issuer.

5. Services related to the generation of demat securities

5.1. First issuance

First issuance is the first display as electronic sign and first credit on the central securities account of a demat securities series, if the securities have no securities antecedents produced in any form in the central securities register. The Issuer of the demat securities issues a Certificate with the data of the demat securities series, containing the information specified in the legal regulation pertaining to the type of the particular securities, and deposits it with KELER.

5.2. Top up

Top up means an increase in the number of pieces of the demat securities series and in the aggregate series value of the series. The Issuer issues a new Certificate on the changed data of the demat securities series and deposits it at KELER.

In the case of any top up in a particular securities series, the ISIN code of the series shall remain unchanged.

In the case of top up, the Issuer specifies the number of pieces in the increase in the account credit data. Following the successful completion of the top up, KELER invalidates the Certificate issued earlier for the demat securities series and deposited with KELER based on the Issuer's order.

5.2.1. Top up in case of securities series traded on BSE

In case of the top up of securities conferring the same rights as the already listed securities, the issuer of securities listed on BSE Product List shall initiate the listing of the topped up securities quantity on BSE according to the relevant regulations of BSE. In order to do so, the Issuer shall provide KELER with the issuer instructions at least three business days prior to the first BSE trading day of the topped up securities (and in case of issuing by auction procedure, on the day of the auction at the latest). As the value date of the issuer instructions, the Issuer shall indicate the first BSE trading day or in case of issuing by auction procedure, the value day of settling the auction.

In case of the top up of securities series listed on the BSE Product List, if the newly traded shares confer different rights than the shares listed on BSE, then the new shares shall be generated by the Issuer with ISIN identifiers differing from the previous series considering that the securities series conferring different rights shall be differentiated with individual ISIN identifiers.

The listing of a newly issued share conferring different rights on BSE may occur of the different rights terminate. In such case, the new series with different ISIN identifiers will be converted into the shares listed on BSE, representing the same rights, i.e. the two securities series will be merged. The value date of the conversion will be the same as the day of listing the newly issued shares on BSE (modification of the product list). Following the conversion of the share series with different rights, KELER will delete the ISIN identifier issued temporarily.

5.3. Partial reduction

Partial reduction means a reduction in the quantity of the demat securities series recorded on central securities accounts and a reduction in the aggregate face value of the series (withdrawal). The Issuer issues a new Certificate on the changed data of the demat securities series and deposits it at KELER.

With partial reduction the ISIN code of the securities series does not change.

Partial reduction can only be executed if

- the Issuer defines the quantity of securities to be withdrawn and specifies the technical

securities account of the Account holder to be used for the transaction (main account and technical account)

- the respective Account holder shall cooperate in the execution of partial reduction, by transferring the securities to the issuance securities account.

Following the successful execution of the partial reduction, KELER will invalidate the Certificate issued earlier for the demat securities series and deposited with KELER.

5.4. Full cancellation

Full cancellation means the cancellation of the demat securities series on the central securities account(s), i.e. the termination of the demat securities as an electronic instrument.

KELER performs the full cancellation of the demat securities series at the instruction of the Issuer or the legal successor of the issuer or based on Section 112 (6) of Act V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings.

Following the successful completion of the full cancellation, KELER invalidates the Certificate issued earlier about the demat securities series and deposited with KELER. The ISIN code assigned to the terminated series shall also be automatically inactivated.

5.5. Change of Certificate

The change of the Certificate is a Demat event with no change to the quantity of securities in the central securities accounts that may be the result of the change of the data of the demat securities series (e.g. term; security name; interest rate; yield payment; limitation on transfer), the changes in the data of the Issuer (e.g. name, registered office), or other reasons (e.g. in the case of Issuer with several series, reflection of the change of the share capital for series where only the share capital changed).

If the company information changes due to the change in the company form of a private limited company (Issuer), then the change of the documents can take place after the registration in the BSE product list and in the final registration of the change of the company form in the company registry with view to the applicable deadlines.

Beyond the compliance with the applicable deadlines, the following documents shall be attached to KELER regarding the Demat event if a certificate shall be replaced that contains securities information resulting from the change of the trading of securities privately issued and traded:

- Unless the Prospectus regulation³ regulates otherwise⁴, then in the case of a public offering

³Pursuant to Section 3:219 (1) of the Civil Code, if the company limited by shares restricts the transfer of shares in the statutes or if the shares may only be transferred with the company's consent, such restrictions are only effective vis á vis third parties if the restriction and its content can be learned from the share, or in case of dematerialised share, from the certificate deposited with the central depository.

⁴EU Regulation no. 2017/1129 of 14 June 2017 on the prospectus to be published

or of introduction to a regulated market of securities, the issuer shall publish an information sheet (hereinafter: Prospectus) in line with Prospectus Regulation. If the Issuer was obliged to prepare a Prospectus, then the version approved by the Supervisory authority shall be submitted.

- The Issuer⁵ shall prepare and publish⁶ an information sheet (hereinafter: INFODOC) with the content as required and approved by an investment enterprise or market operating company in the field of multilateral trading system as a precondition of the registration of the securities series.

The Issuer must issue and deposit with KELER a new Certificate on the demat securities series with the changed data of the demat securities series.

Following the successful completion of the change of the Certificate, KELER invalidates the Certificate issued earlier about the demat securities series and deposited with KELER based on the Issuer's order.

KELER performs the conversion of a closed-end investment unit into an open-end investment unit with no change of face value as a change of Certificate event.

5.6. Types of conversion

Conversion is the first issuance of a demat securities series (hereinafter: **legal successor series**) or top up in an existing demat securities series, which relates to the termination of a dematerialised securities series already registered in the central securities accounts (hereinafter: **legal predecessor series**), which includes the partial reduction or the full cancellation from the central securities accounts of the legal predecessor series.

In the case of securities series to be listed on the BSE during conversion or listed on the BSE, Issuer authorizes KELER to prepare and process the schedule related to the legal successor series and the account credit data forming part of the issuer order, and to invalidate the Certificate earlier deposited on the legal predecessor securities series.

The above service can also be ordered for securities series not to be listed / not listed on the BSE.

5.6.1. Conversion of series by KELER, authorized by the Issuer

In the case of conversion of demat securities series, the legal predecessor series with ISIN automatically transforms into the legal successor series with new ISIN.

when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (hereinafter: Prospectus regulation).

⁵Article 1(4) of the Prospectus regulation sets out the cases when there is no need for a prospectus; in such cases no prospectus has to be attached based on the statement of the issuer in accordance with the Prospectus regulation.

⁶And the person initiating the registration of the security into the multilateral trading system.

Once the conversion is successfully completed, the legal predecessor series is cancelled in both the securities and the central securities accounts, the legal successor series is created as a new series or as a top up of an existing securities series.

The condition of the conversion is that the total face value and the currency of the legal predecessor series are identical to the total face value and the currency of the legal successor securities series part. If the face values of the legal predecessor and the legal successor series are different, the conversion can be executed if the face value of the legal predecessor/successor series is the whole number multiple of the face value of the legal predecessor/successor series (e.g. split). As an additional condition, the Issuer is required to make available the Certificate to KELER three business days before the value date.

In the case of conversion, the legal successor securities are credited to the central securities accounts from which the legal predecessor securities were cancelled. During conversion, blockings on central securities accounts are recycled to the legal successor securities automatically, but it is the task of the Account holder to initiate the blocking on the securities account of the ultimate investor.

5.7. Series conversion (cancellation – first issuance or with top up)

In the case of demat securities series conversion, the legal predecessor series with ISIN transforms into a legal successor securities series with a new ISIN.

Following the successful completion of the conversion, the legal predecessor series is cancelled in the central securities accounts, the legal successor series is created as a new series or the top up of an existing securities series.

The condition of the conversion is that the total face value and the currency of the legal predecessor series are identical to the total face value and the currency of the legal successor securities series part. If the face values of the legal predecessor and the legal successor series are different, the conversion can be executed if the face value of the legal successor series is the whole number multiple of the face value of the legal predecessor series (e.g. split).

As an additional condition, the Issuer is required to define the value date of the conversion 2 business days in advance.

In this conversion KELER accepts the Issuer order only if it states that the legal successor securities are to be credited to the central securities account from where the legal predecessor securities were cancelled. KELER informs the Account holder on the conversion in email or in a KID announcement.

KELER unblocks the central account blockings on the legal predecessor series simultaneously with cancellation. The Account holder is responsible for requesting the blocking of the legal successor series on the central securities account and in the securities account of the ultimate investor.

5.7.1. Securities change (cancellation-with first issuance/top up) for all securities

In the case of securities change, where the total face value of the securities series changes due to an increase or decrease in the face value of each demat security without a change in the number of units, or due to the change of the currency, the above rules of conversion do not apply. In this case KELER performs the change with the cancellation and issuance or top up of securities.

As an additional condition, the Issuer is required to define the value date of the securities change 2 business days in advance.

In this conversion KELER accepts the Issuer order only if it states that the legal successor securities are to be credited to the central securities account from where the legal predecessor securities were cancelled. KELER informs the Account holder on the conversion in email or in a KID announcement.

KELER unblocks the central account blockings on the legal predecessor series simultaneously with cancellation. The Account holder is responsible for requesting the blocking of the legal successor series on the central securities account and in the securities account of the ultimate investor.

5.7.2. Conversion with the partial reduction of series (partial reduction – with first issuance/top up)

In the case of conversion with partial reduction of the securities series, the face values of all the securities series involved change. KELER performs such change with the partial reduction and first issuance or top up of securities.

In this conversion KELER accepts the Issuer order only if it states that the legal successor securities are to be credited to the central securities account from where the legal predecessor securities were cancelled. KELER informs the Account holder on the conversion in email or in a KID announcement.

5.7.3. Conversion of physical securities series to demat series

Conversion of the physical securities series (hereinafter: the physical securities series ceasing to exist) into dematerialised securities series (hereinafter: new demat securities), concerning which the Issuer initiates the issuance of a new demat securities series or the top up of an existing demat securities series.

During the course of the conversion, if the owner fails to submit their physical securities ceasing to exist within the submission period for the purposes of conversion, then Issuer⁷ shall open an account

⁷It is noted that no prospectus shall be published for the registration of a security in a multilateral trading system if the public offering of the concerned securities took place with a prospectus or a minimum information sheet. There is no need to publish prospectus for the registration of securities into a multilateral trading

of type “C” with KELER to register the dematerialised securities replacing the physical securities not submitted. The Issuer registers the demat securities on this central securities account in such way that the owner of the physical securities ceasing to exist shall be entitled to the ownership⁸.

KELER charges fees for the type “C” central securities account in line with the Fee schedule. If KELER is the custodian of the physical securities series ceasing to exist (legal predecessor) (in fungible safekeeping), the Issuer may request that KELER, based on an individual agreement concluded with Issuer, participates in the conversion.

For securities ceasing to exist (legal predecessor) registered in individual safekeeping account, the owner of the individual account is required to cooperate and give the necessary statement in order to execute the conversion.

5.7.4. Conversion of demat share series into physical share series

The conversion means the cancellation of an existing demat share series (hereinafter: demat share series ceasing to exist) in the central securities account whereby, instead of the demat share series ceasing to exist, the Issuer gives physical shares with equal rights (hereinafter: new physical share series) to those entitled. The Issuer initiates a cancellation event with KELER for the demat share series ceasing to exist. Before the cancellation from the central securities accounts of the demat series ceasing to exist, the Issuer is required to state that it ensures the new physical shares are given to the shareholders on the value date of cancellation instead of the demat shares ceasing to exist.

After cancellation from the central securities accounts, KELER invalidates the Certificate earlier issued and deposited with it for the demat series. The ISIN of the series ceasing to exist is automatically inactivated.

The Issuer can use the custody services of KELER related to physical shares.

5.8. Squeezing out

Squeeze out is a Demat event related to the share series if subject to the provisions of the Tpt. on the acquisition of controlling interest, and⁹ based on the rules of exercising the purchase rights of the state or majority owner as shareholder pursuant to § 7/A of Act XCCII of 2009 on the economic operation of publicly owned companies, a successful purchase offer is made for the publicly issued securities series. The procedure to be applied in the course of squeezing out and the related documents are defined in the individual procedure specified in the agreement between the Issuer

system in the cases regulated in Items a)-i) of Article 1(5) of the Prospectus regulation. There is no need to publish a prospectus for the registration of the securities in a multilateral trading system if the securities series to be registered is already listed in a regulated market or at a stock exchange of an OECD member state.

⁸Pursuant to Section 11(3) of Tpt.

⁹ Also with a view to Section 12(2).

and KELER. Based on the rules of procedure, KELER publishes an announcement in KID for the procedures expected from the Account Holders in relation to the squeeze out.

In case of share series listed on BSE, the value date of partial reduction shall be the last Settlement day calculated by considering the last trading day of the given share and its settlement cycle.

After submitting the necessary documents, KELER will first delete the invalidated dematerialised securities from the securities accounts according to the rules of partial reduction and the invalidation of certificates with the value date indicated by the Issuer, and then the new securities will be generated according to the rules of top up.

6. Execution of Demat events

If the Issuer does not wish to use the eDEMAT system, then the mode of execution of the Demat events is defined on the [Order form for Demat events for securities series](#) (Form 3).

6.1. Demat event executed with the use of the KID system

It is an event executed without the personal presence of the Issuer, based on previously provided printed or electronically produced documents, available for issuers with KID system access. The Issuer can request the Demat event in a manner specified by law, with a printed Issuer order signed by the Issuer in line with Point Signing the Certificate of this depository announcement, and a transaction submitted on the KID system.

6.2. Demat event executed with the use of the eDEMAT system

The eDEMAT system is an online application available on the website of KELER. A Demat event executed with the use of this system is a Demat event executed without the personal presence of the Issuer, based on electronic documents uploaded into the eDEMAT system for the order, and based on the data of the Issuer order, and the (printed or electronic) documents produced from the data thereof and signed by the Issuer in line with Point Signing the Certificate of this depository announcement. The events to be ordered on eDEMAT will be performed by KELER primarily via this application.

6.3. Remotely managed Demat event

The remotely managed Demat event is a Demat event executed without the personal presence of the Issuer, based on previously provided printed or electronically produced documents, in a manner specified by law, based on the printed Issuer order signed in line with Point Signing the Certificate of this depository announcement.

7. Summary table of the execution methods of Demat events

| Demat event | KID | eDEMAT | Remotely managed |
|--|-----------------|-----------------|------------------|
| First issuance | X | X ¹⁰ | X |
| Top up ¹¹ | X | X | X |
| Partial reduction ¹² | | | X |
| Full cancellation | X ¹³ | X ¹⁴ | X |
| Change of Certificate <ul style="list-style-type: none"> • changes of securities information • changes in the information of the issuer or fund • other causes¹⁵ | | X | X |
| Change of certificate - Due to the changes in the payment ratio of temporary investment bonds | | | X |
| Change of Certificate - Conversion of closed-end investment unit into open-end investment unit, no change in face value | | | X |
| Change of Certificate - Due to the change in fund manager | | | X |
| Conversion of securities series, authorized by the Issuer | | | X |
| Conversion of securities series ¹⁶ Shall be arranged in the same channel, on the same Due date | X | X | X |
| Securities change ¹⁰ (cancellation and first issuance or top up ⁶) | X | X | X |
| Conversion ¹⁰ with the partial reduction of securities series (partial reduction and first issuance or top up) | | | X |
| Conversion of physical share series to demat share series ¹⁷ | X | X | X |
| Conversion of demat share series into physical share series | X | X | X |
| Squeezing out | | | X |

¹⁰First issuance of temporary investment fund units can be arranged only remotely.

¹¹Top up of open-end investment fund units can be arranged only on WARP.

¹²Partial reduction of open-end investment fund units can be arranged only on WARP.

¹³ Cancellation due to maturity can be performed on the maturity date only or if the maturity date falls on a non-business day, on the first KELER banking day following the maturity date. Thereafter cancellation due to maturity can be performed in the other execution methods.

¹⁴Except for a request for services initiated by a legal successor company.

¹⁶(cancellation and first issuance or top up⁶)

¹⁷ If KELER does not process the physical securities in the Depository; if KELER does process them, then the conversion can be arranged only remotely.

| Demat event | KID | eDEMAT | Remotely managed |
|--|-----|--------|------------------|
| Events relating to “B” and “C” category securities series: ¹⁸ <ul style="list-style-type: none"> • first issuance • top up • partial reduction | | | X |
| Events relating to “B” and “C” category securities series: <ul style="list-style-type: none"> • full cancellation of entire series • change of certificate | | | X |

8. Process of executing Demat events

| Task executed | Task |
|-------------------|---|
| Issuer | Application for an ISIN code for the demat securities series based on the ISIN Depository Announcement (only when a new series is issued). |
| Securities holder | Those securities holders may dispose of demat securities that have a securities account opened at an investment firm or a credit institution. One of the prerequisites of any Demat event that involves a securities credit is that all future securities holders must have a securities account. If the securities holder has a securities account with a foreign Account manager, the foreign Account manager is required to have a connection with KELER through the Central Securities Depository of Poland (KDPW) or through SIX Securities Services AG. |
| Issuer | <p>Order for the execution of a Demat event (service) which may be requested through the</p> <ul style="list-style-type: none"> • eDEMAT system and • by submitting the Order form for Demat events for securities series (Form 3). <p>In both cases KELER considers the date of receipt of the order by KELER as the date of the order, in the case of eDEMAT it means the status “being processed by KELER”.</p> <p>Simultaneously with the order, the documents to be submitted in advance shall also be submitted to KELER in the required form. The List and format of documents to be submitted in advance are detailed in point 8 of this Depository Announcement. On the basis of the data of the order initiated in the eDEMAT system, the system automatically generated a List of Documents, into which the “Minimum required” documents must be uploaded before the order can be forwarded for processing to KELER.</p> <p>The rules of Demat event ordering instruction cut-off rules relating to the submission of an order are detailed in this Depository announcement.</p> |

| Task executed | Task |
|----------------|--|
| KELER | <p>KELER designates an officer for each ordered Demat event, with whom daily contact may be maintained in the case of orders initiated on eDEMAT, through the message board designed for such purposes, or by email.</p> <p>In order to execute the Demat event, the officer checks the Issuer and the securities series to be issued/issued based on the documents, and in accordance with the type of the ordered Demat event;</p> <p>If any document relating to the execution of the Demat event is not provided by Issuer in the required format, or with the required content, or is missing, then the officer instructs the Issuer to submit the missing or unacceptable document.</p> <p>If all data and documents required for the execution of the Demat event are found to be adequate, the officer defines the maximum value date (30th day from the positive conclusion of the checks) by which date the Issuer must execute the ordered Demat event</p> <ul style="list-style-type: none"> - in the case of remotely managed event, initiates the agreement on the value date with the Issuer, and, when requested, consults with the Issuer on the contents of the documents to be submitted to KELER in relation to the Issuer order, and in case of partial deletion demat event, notifies the concerned Account Holders on the value date agreed with the issuer, or - in the case of orders initiated in eDEMAT, the officer enters the key data of the Demat event into the system, sets the maximum value date and changes the status of the order process to “Waiting for Issuer order to be submitted”. |
| Issuer | <p>Giving the Issuer order to KELER relating to the Demat event</p> <p>The data, documents of the Issuer order and the Demat event ordering instruction cut-off rules are detailed in this Depository Announcement.</p> <p>In the case of order initiated in eDEMAT, the data of the Issuer order must be recorded in the system and generate the pdf document(s) on the basis of the data specified therein, as detailed in this Depository Announcement.</p> <p>The templates of the Issuer order documents relating to Demat events not initiated in eDEMAT are available on KELER’s website.</p> <p>Fee payment is made in accordance with KELER’s effective Fee Schedule.</p> <p>The rules of fee payment of Demat events are described this Depository Announcement.</p> |
| Account holder | <p>In case of the partial reduction of the securities series, KELER will transfer the securities quantity of the investor concerned in the event at the value date indicated in the notice from the securities holder’s securities account as a bookkeeping item, to the issuance securities account. After executing the demat event, such transferred securities will be deleted by KELER.</p> |

| Task executed | Task |
|----------------|---|
| KELER | <p>In case of executing the Demat event, i.e.</p> <ul style="list-style-type: none"> • in case of a demat event resulting in issuance, the crediting of the securities to the issuance securities account as a bookkeeping item is performed, and the Certificate of the securities is deposited with KELER, • in case of a partial reduction demat event, the debiting of the securities to the issuance securities account as a bookkeeping item is performed, and the Certificate of the securities is deposited with KELER, • in case of full cancellation demat event, the securities are debited to the central securities account as a bookkeeping event. <p><u>The Certificate</u> deposited with KELER previously is invalidated in the case of successfully completed top up, partial reduction, change of Certificate and full cancellation.</p> <p>Issuance and sending of an invoice for the service fee to the Issuer.</p> |
| Account holder | <p>The account holder, once the securities are credited to the issuance securities account, transfers the securities to the segregated central securities account. The account holder contacts the contact person of the Issuer based on the “Issuer contact persons details” published by KELER, at the instruction of whom the demat securities are credited to the securities account of the securities holder.</p> <p>When a securities series is cancelled in full, the total amount of the particular series is deleted from the securities account of the securities holder.</p> |
| Issuer | <p>In the case of first issuance and top up, the Issuer arranges the crediting of the securities to the ultimate investor account of the Account holder.</p> |

9. List and format of documents to be submitted in advance

Prior to the execution of a Demat event, KELER always checks the Issuer and the legal basis of the ordered Demat event based on the documents submitted by the Issuer and the publicly available corporate data. KELER distinguishes between the documents to be submitted by Demat event, and within that, also by securities type. Documents relating to earlier events of the securities series can be used and referenced for the identification of the Issuer and the current Demat event, provided that they are still in force at the time of the repeated use or referencing, however, KELER rules out any reference to its previous practice concerning any Demat event.

Apart from the documents to be submitted and listed below, KELER reserves the right to request the supply of further documents in order to conclude the legal compliance of the event ordered.

The legal representative (in-house counsel) acting on behalf of the Issuer or the representative entitled to represent the company make a declaration on a form in place for the specific type of demat event on the compliance of the submitted documents with the applicable laws and that only valid information is contained therein (hereinafter: Statement). The representative shall be fully responsible for the content of the Statement. The acting representative is not entitled to submit to KELER a demat deed concerning the Securities in connection with the Demat event that departs from the Statement.

9.1. Acceptance and management of documents

The Issuer makes available “printed” documents to KELER by

- sending them by post to KELER’s registered office or postal address,
- personally delivering the documents to the Reception in opening hours between 9:00 and 15:00 hours.

The takeover of documents arriving after opening hours require pre-arrangement and only possible before 16:30, especially concerning Certificates on Demat securities concerning an event with a Due date on the specific day or concerning a document concerning the invalidation of the Certificate. In other cases it is not possible to file documents outside of opening hours.

KELER retains and archives the received hard copy documents after the execution of the successfully completed Demat event. Documents related to the failed or rejected Demat event could be returned by mail to the contact person of the Issuer initiating the Demat event or could be archived. When requested by the Issuer, KELER issues a copy of the documents related to the successful Demat events, identical to the original document, in exchange for a fee. KELER accepts “electronic” documents

- via e-mail sent to iktato@keler.hu and
- in the eDEMAT system related to a Demat event.

9.2. Document types

9.2.1. Corporate document

An **original**, hard copy, **printed** document signed by the signatory of the Issuer registered in the company register in line with the signatory rights (individual, joint).

9.2.2. Authenticated document

A hard copy **printed** document prepared from the original hard copy document, **identical with the original**, prepared and **authenticated** by the issuer of the document or notary public.

Authenticated, original hard copy **printed** document (e.g. sample signature, deed of foundation) drafted by an attorney-at-law or by the in-house counsel of the Issuer, **countersigned** in line with Act LXXVIII of 2017 on Legal Practice¹⁹ (countersignature consists of the signature of the attorney-

¹⁹ The attorney-at-law and the in-house counsel may countersign the document drafted by him/her, by his/her law firm, deputy or another attorney employed by him/her, furthermore in the case of in-house counsels documents that were drafted by an employee of the employer fulfilling the requirements of the attorney’s bar and that was approved by an attorney-at-law.

at-law and the embossed stamp and wet stamp, as well).

9.2.3. Copy

A photocopy of a corporate or Authenticated document, or a photocopy signed by the investment service provider involved in the offering, or document **printed** from a file attached to an email message.

9.2.4. Corporate e-folder

A file with .es3 or x132 extension **signed electronically** (XAdES-T, XAdES-EPES, XAdES-BES, XAdES-X-L XAdES-A types) **by the Issuer's signatory** (signatories) registered in the company register **in line with their signatory right** (individual, joint) and equipped with a time stamp (e.g. Issuer agreement, list of authorised agents, certificate, issuer declaration, etc.) or a document signed on the basis of a power of attorney granted by the Issuer.

9.2.5. Qualified e-folder

- a.) A file with '.es3' or 'x132' extension, **carrying the qualified electronic signature** of the attorney at law, or notary public preparing or countersigning the original document, or of the legal counsel of one of the founding members or of the court of registration and a time stamp (e.g., charter document, signature sample, specimen signature; etc.) (of XAdES-T, XAdES-EPES, XAdES-BES, XAdES-X-L XAdES-A types). The e-folder has to include the ruling of the court of registry.
- b.) A .pdf file prepared from a printed original document file with '.es3' or 'x132' extension, signed by the Issuer's signatory (signatories) exercising the signatory rights (individual; joint) registered in the Company Register, carrying the authenticating electronic signature of the attorney at law (countersigning the deed of foundation) authorised by the Issuer (stated on the signature registration form, or on the list of authorised agents²⁰) or of the legal counsel of a founding member and a time stamp (of XAdES-T, XAdES-EPES, XAdES-BES, XAdES-X-L XAdES-A types). By signing a corporate, qualified e-folder by an attorney at law or legal counsel, the proceeding attorney at law undertakes that the documents contained in the e-folder signed by it are copies of the original duly signed documents and to retain the original copies thereof and to present them to KELER when requested.

9.2.6. PDF with certificate based signature

A pdf format document furnished with the digital signature of the signatory/signatories of the **Issuer** registered in the company registry (**as they are registered therein**, i.e. either with individual or joint signing rights) recorded in the Acrobat or Adobe Reader programme (personal key or

²⁰ the proper content of the authorisation is checked by KELER in each case as a Demat event in relation to the given Demat event.

certificate) (e.g. issuer's statement, decision of a regulated market, issuer's legal statement, etc.). The signature of the signatory is embedded by Acrobat into the encrypted extract of the pdf and when opening the pdf, it contains the information of the certificate, the version number of the document at the time of signing in the signing panel.

9.2.7. Electronic document

A file created from an original signed document, without electronic signature, or an electronically signed email.

9.3. Formal requirements of documents

| Document type | <u>Corporate document</u> | <u>Authenticated document</u> | <u>Copy</u> | <u>Corporate e-folder</u> | <u>Qualified e-folder</u> | <u>PDF with certificate based signature</u> | <u>Electronic document</u> |
|---|---------------------------|-------------------------------|-------------|---------------------------|---------------------------|---|----------------------------|
| Effective charter document | | X | | | X | | |
| Court of Justice order | | X | | | X | | |
| Document stating that the Issuer is included in the respective records. | | X | | | X | | |
| Certificate of the right of representation | | X | | | X | | |
| Specimen signature/signature sample | | X | | | X | | |
| Letter of authorization/appointment | | | X | | | | X |
| <u>List of authorised agents</u> | X | | | X | | | |
| Issuers' decision | | | X | | | | X |
| Final Terms and Conditions | X | | | X | | X | |
| Offering Circular, information sheet | X | | | X | | X | |
| Description of the rights and obligations associated with the securities series in a consolidated structure | X | | | X | | X | |
| Information in a consolidated structure prepared for public issuance | X | | | X | | X | |
| Program Information | | | X | | | | X |
| Management Regulation ²¹ (approved by the MNB-PST for publicly issued investment fund units) | X | X | | X | | X | |
| Confirmation by the distributor: ²² <ul style="list-style-type: none"> • On the subscription result/liability undertaking in the case of debt securities, • Notification of the subscription result of investment units, • Confirmation of payment in the case of temporary investment units, • Subscription result for shares | | | X | | | X | X |
| Bank's confirmation on the contribution of the share capital/share capital increase in the cases of shares | | | X | | | X | X |

²² If the fund manager is unable to provide to KELER the Management Regulation as a corporate document or corporate e-file, KELER accepts the Management Regulation available on the official website of the fund manager as submitted document by downloading it from the website and attaching it to the ordered Demat event. In this case KELER provides the service by charging the execution fee of Demat event with printed documents.

| Document type | <u>Corporate document</u> | <u>Authenticated document</u> | <u>Copy</u> | <u>Corporate e-folder</u> | <u>Qualified e-folder</u> | <u>PDF with certificate based signature</u> | <u>Electronic document</u> |
|--|---------------------------|-------------------------------|-------------|---------------------------|---------------------------|---|----------------------------|
| MNB-PST decision ²³ | | X | | | X | | |
| BSE CEO decision - on the approval of an Information sheet prepared for the registration in a multilateral trading system | | | | | | X | |
| Summary of the rights and obligations attached to the securities series in a consolidated structure for "B" and "C" category securities. | X | | X | | | | |
| Documents available on the website of KELER: | | | | | | | |
| <u>Certificate on securities</u> (with the conditions as detailed in Section <u>12.2 Signing the certificate</u>) | X | | | X ²⁴ | | | |
| <u>List of account credit data</u> (Form 2) | X | | | | | | |
| <u>Issuer's statement on the fulfilment of obligation in the case of cancellation of dematerialised securities</u> (Form 10) | X | | | X | | X | |
| <u>Order form for Demat events for securities series</u> (Form 3) | X | | | X | X | X | |
| <u>Account Holder's statement for partial cancellation</u> (Form 6) | | | X | | | X | X |
| <u>Account Holders's statement and request for back transfer</u> (Form 4) | | | X | | | X | X |
| <u>Issuer's agreement for the registration of securities managed by KELER</u> (Form contract No. 27) | X | | | X | | X | |
| <u>Supplement to issuer agreement for open-end investment units</u> To be signed on behalf of the account manager, by duly authorized signatories (Form contracts No. 28 and No. 29) | X | | | X | | X | |
| <u>Issuer's statement in case of conversion of a dematerialised share series into a physical share series</u> (Form 5) | X | X | | X | X | X | |
| <u>Issuer's statement on publicly issued securities</u> (Form 7) | X | X | | X | X | X | |

²³ Legal entity defined in the documents related to the securities series, in line with Section 5 (1) 51. of the Tpt.

²⁴ Required for investment fund units of public investment funds if the Fund has remaining live investment fund unit series.

| Document type | <u>Corporate document</u> | <u>Authenticated document</u> | <u>Copy</u> | <u>Corporate e-folder</u> | <u>Qualified e-folder</u> | <u>PDF with certificate based signature</u> | <u>Electronic document</u> |
|--|---------------------------|-------------------------------|-------------|---------------------------|---------------------------|---|----------------------------|
| Issuer's statement in the case of shares, on the availability of the share capital in the value as of the date of issuance (Form 8) In case of share capital increase from capital contribution, the bank payment certificate In case of share capital increase from non-monetary capital contribution, the report prepared by the auditor in accordance with Section 3:251 (1) of the Civil Code | X | X | | X | X | X | |
| Issuer's statement - Conversion rate in the case of conversion (Form 9) | X | X | | X | X | X | |
| Reallocation (Form 11) | X | X | | X | X | X | |
| Issuer instruction for Demat events (Form 12) | X | X | | X | X | X | |
| Statement for shares (Form 13) | X | X | | X | X | X | X |
| Statement for investment bonds (Form 14) | X | X | | X | X | X | X |
| Statement for debt securities (Form 15) | X | X | | X | X | X | X |

10. Documents relating to the Issuer

10.1. List of authorised agents - for the use of eDEMAT

The List of authorised agents is the document authorizing the “**Authorised agents**” using the eDEMAT system in the name of the Issuer. The user must edit the List of authorised agents in the eDEMAT system, where the user may name itself as well as other administrators (physical person, private person).

The List of authorised agents is to be signed in line with the details stated in the point on the Depository Announcement - Handling of dematerialised securities

[Formal requirements of documents.](#)

Following personal signature by the authorized signatories or electronic signature, the process is to be handed over in eDEMAT and the list of authorised agents personally signed is to be sent to KELER.

The Issuer may update the List of authorised agents at any time. By acceptance of the new List of authorised agents, the earlier List becomes ineffective automatically.

10.2. Issuer agreement on the registration of securities managed by KELER

When ordering the first Demat event (regardless of the type of the securities and the method of execution), in order to establish a legal relationship between KELER and the Issuer, the “[Issuer’s agreement for the registration of securities managed by KELER](#)” form contract is to be concluded (Form contract No. 27).

The Issuer agreement can be downloaded from the website of KELER, or, following the acceptance of the [List of authorised agents](#), it can be generated in the eDEMAT system.

The Issuer agreement is to be signed, in line with the details stated in the point on the [Formal requirements of documents](#), and sent to KELER.

10.3. Supplement to issuer agreement for open-end investment units

Supplementary agreement ([Form contracts No. 28 and No. 29](#)) is required to be signed in the case of open-end investment units, in which the Fund Manager shall declare which KELER participant is entitled to execute the settlement orders related to top up and partial cancellation of the given investment unit on behalf of the investment fund. Such participant is called the Settlement Agent.

The supplementary agreement can be signed if the Settlement Agent has a securities account managed by KELER.

The Settlement Agent is stated in this supplementary agreement in KELER's settlement system and in WARP system.

11. Documents supporting the legal basis of Demat events

In the eDEMAT system, in the document list of the ordered event, the document type marked with YES in the "Minimum required" column is the minimum document required for the Demat event order, without providing these documents no order can be started with KELER. The "Minimum required" document marked "No" is to be made available based on the tables by securities types in this point, to certify the legal basis of the Demat event concerned.

For Demat events ordered with other execution methods, documents are to be made available based on the tables by securities types in this point, to certify the legal basis of the Demat event concerned.

The documents that have been submitted and accepted by KELER can also be used for other Demat events if their content remain unchanged in comparison to the previous event. If KELER finds a formal error while processing the documents, it requests the correction of the error. If the documents do not certify the feasibility of the ordered Demat event or the legal compliance, KELER consults with the Issuer via email or, in the case of events ordered in the eDEMAT system, through the Message Board, specifying the further document(s) which should be submitted or making a proposal to order a different Demat event. KELER can waive the required documents or their formal requirements only if it has an individual agreement with the Issuer in that regard. The precondition of performing the services related to Demat securities is compliance with the relevant legal regulations and the fulfilment of the obligations of the Issuer specified in KELER's regulations. Documents not compliant with the obligatory formal or content-related requirements will be rejected by KELER and the Issuer will be called upon to remedy the shortcomings or to modify the documents.

11.1. Documents to be submitted in relation to shares

| Document type | First issuance/ Conversion/Change | | Top up/Partial reduction/Squeeze out | | Change of Certificate | | Cancell ation |
|---|--------------------------------------|--------------------|--|--------------------|--------------------------|------------------------|------------------|
| | private issuance ²⁵ | public issuance | private issuance | public issuance | private issuanc e | public issuanc e | |
| Order form for Demat events for securities series²⁶ (Form 3) | X | X | X | X | X | X | X |
| Effective charter document ²⁷ | X | X | X | X | X | X | X |
| Bank's confirmation on the contribution of the share capital/share capital increase in the case of a share capital increase ²⁸ | X | X | X | X | | | |
| Account Holder's statement for partial cancellation (Form 6) | | | X | X | | | |
| Issuer's decision ²⁹ | X | X | X | X | X | X | X |
| Issuer's statement in case of conversion of a dematerialised share series into a physical share series (Form 5) | | | | | | | X |
| Issuer's statement on the fulfilment of obligation in the case of cancellation of dematerialised securities (Form 4) | | | | | | | X ³⁰ |
| MNB-PST order | | X | | X | | X | |
| Court of Justice order ³¹ | | | | | | | X |

²⁵In electronic form only through the eDEMAT system.

²⁶ **The form is not required for Demat events launched on eDEMAT.**

²⁷ For debt securities shown in company register.

²⁸ Only bank certificates are acceptable for confirming the payment of share capital/capital increase in case of first issuance and top up demat events, which clearly demonstrate the name of the payer, the legal title and amount of the payment. Form 8 must be completed to certify the provision of a non-monetary capital contribution in the case of a share capital/capital increase and when raising share capital from the profit and loss reserve.

³⁰ Not necessary for the conversion of demat securities to physical securities.

| Document type | First issuance/ Conversion/Change | | Top up/Partial reduction/Squeeze out | | Change of Certificate | | Cancell ation |
|--|--------------------------------------|--------------------|--|--------------------|--------------------------|------------------------|------------------|
| | private issuance ²⁵ | public issuance | private issuance | public issuance | private issuanc e | public issuanc e | |
| Issuer's statement in the case of shares, on the availability of the share capital in the value as of the date of issuance in case of share capital increase from the profit reserve ³² (Form 8) | X | X | X | X | | | |
| Issuer's statement - Conversion rate in the case of conversion (Form 9) | | X | | X | | X | |
| Issuer's statement on publicly issued securities (Form 7) | | X | | X | | | |
| Issuer instruction for Demat events (Form 12) ³³ | X | X | X | X | X | X | X |
| Statement for shares (Form 13) | X | X | X | X | X | X | |

³² It can only be applied if the payment of the share capital/capital increase is (also) performed from non-monetary capital contribution. In such case, the expert report specified in Section 3:251 of the Civil Code shall also be attached to the document.

³³ Required for remotely controlled and KID demat events.

11.2. Documents to be submitted in relation to investment units

| Document type | First issuance/ Top up ³⁴ | | Top up/ Partial reduction | Change of Certificate | | | | | | Cancellation | |
|---|---|----------|------------------------------|-----------------------|---|---|---|---|----------------------------|-----------------|---------------|
| | closed-end | open-end | | closed-end | Due to the change of the securities | Change of the payment level of a temporary investment bond | closed-end to open-end conversion ³⁵ | due to changes in the data of fund/sub-fund | in the data of the fund | due to maturity | other reasons |
| Order form for Demat events for securities series ³⁶ (Form 3) | X | X | X | X | X | X | X | X | X | X | |
| Issuers' decision | X | X | X | X | | X | X | X | | X ³⁷ | |
| Supplement to issuer agreement for open-end investment units To be signed on behalf of the account manager, by duly authorized signatories (Form contracts No. 28 and No. 29) ³⁸ | | X | | | | X ³⁹ | | X ⁴⁰ | | | |
| Management Regulation (approved by the MNB-PST for publicly issued investment fund units) | X | X | X | X | X | X | X | X | | X | |
| Program Information ⁴¹ | X | X | X | X | X | X | X | | | | |

³⁴ For the change of face value and/or currency.

³⁵ when the original face value and currency do not change.

³⁶ Form not required for Demat event requested on eDEMAT.

³⁸The new supplement agreement can be put into force without Demat event execution also (e.g. change of distributor).

³⁹ For conversion, it is to be put into force for the investment fund units being converted.

⁴⁰ Required if the fund manager changes.

⁴¹ If the investment unit is issued within a programme.

| Document type | First issuance/ Top up ³⁴ | | Top up/ Partial reduction | Change of Certificate | | | | | | Cancell ation | |
|---|---|----------|------------------------------|---|--|---|----------------------------|-----------------|---------------|------------------|--|
| | closed-end | open-end | closed-end | Due to the change of the securities | Change of the payment level of a temporary investment bond closed-end to open-end conversion ³⁵ | due to changes in the data of fund/sub-fund | in the data of the fund | due to maturity | other reasons | | |
| Issuer's statement - Conversion rate in the case of conversion (Form 9) or Issuer's statement - Availability of the issuance value (Form 8/c) or Confirmation by the Distributor: <ul style="list-style-type: none"> on the subscription results for temporary investment unit on payment | X | X | X ⁴² | | X | | | | | | |
| | | | | | | | | | | | |
| MNB-PST order on registration/termination of fund sub-fund ^{43, 44} | X | X | | | | | | | X | X | |
| MNB-PST order on the Management Regulation and the publication of the Announcement ⁴⁵ | X | X | X | X | | X | X | X | | X ⁴⁶ | |
| MNB-PST order on the acceptance of the Program Information | X | X | X | X | | X | X | X | | | |
| <u>Account Holder's statement for partial cancellation</u> (Form 6) | | | X | | | | | | | | |

⁴² Except for partial reduction.

⁴³ MNB-PST order not required if the fund (or sub-fund) is terminated with conversion or merger.

⁴⁴ If the issuer is a sub-fund, the MNB-PST order on the sub-fund is required.

⁴⁵ Not required for investment fund units of private investment funds.

| Document type | First issuance/ Top up ³⁴ | | Top up/ Partial reduction | Change of Certificate | | | | | | Cancell ation | |
|--|---|----------|------------------------------|---|--|---|-----------------|---------------|---|------------------|--|
| | closed-end | open-end | closed-end | Due to the change of the securities | Change of the payment level of a temporary investment bond closed-end to open-end conversion ³⁵ | due to changes in the data of fund/sub-fund in the data of the fund | due to maturity | other reasons | | | |
| Issuer's statement on the fulfilment of obligation in the case of cancellation of dematerialised securities (Form 10) ⁴⁷ | | | | | | | | | X | X | |
| Issuer instruction for Demat events (Form 12) ⁴⁸ | X | X | X | X | X | X | X | X | X | X | |
| Statement for investment bonds (Form 14) | X | X | X | X | X | X | X | | | | |

⁴⁷ If the Fund is terminated with conversion and the fund ceasing to exist (legal predecessor fund) is not empty.

⁴⁸ Required for remotely controlled and KID demat events.

11.3. Documents to be submitted for debt securities

| Document type | First issuance/ Conversion | | Top up/ Partial reduction | | Change of Certificate | | Cancellation |
|--|-------------------------------|--------------------|---------------------------------|--------------------|---|---|-----------------|
| | private issuance | public issuance | private issuance | public issuance | due to change in securities data | due to changes of the data of the Issuer | |
| Order form for Demat events for securities series ⁴⁹ (Form 3) | X | X | X | X | X | X | X |
| Issuers' decision ⁵⁰ | X | X | X | X | X | X | X |
| MNB-PST order on the acceptance of the Program Information | | X | | X | | | |
| Issuer announcement on public offer/conversion | | X | | X | | | |
| Offering Circular/Final Terms and Conditions | X | X | X | X | X | | X ⁵¹ |
| Program Information | | X | | X | | | |
| Issuer's statement - Conversion rate in the case of conversion (Form 9) Issuer' statement - Availability of financial cover (Form 8.b) or Confirmation by the Distributor: <ul style="list-style-type: none"> on subscription/auction result/liability undertaking | X | X | X | X | | | |
| Account Holder's statement for partial cancellation (Form 6) | | | X | X | | | |

⁴⁹ Form not needed for Demat event initiated on eDEMAT.

⁵⁰ Not required for cancellation due to maturity.

| Document type | First issuance/ Conversion | | Top up/ Partial reduction | | Change of Certificate | | Cancellation |
|---|-------------------------------|--------------------|---------------------------------|--------------------|---|---|--------------|
| | private issuance | public issuance | private issuance | public issuance | due to change in securities data | due to changes of the data of the Issuer | |
| Issuer's statement - Issuer's statement on the fulfilment of obligation in the case of cancellation of dematerialised securities (Form 10) | | | | | | | X |
| Effective charter document ⁵² | X | X | X | X | X | X | X |
| Issuer's statement - Publicly issued securities (Form 7) | | X | | X | | | |
| Issuer instruction for Demat events (Form 12) ⁵³ | X | X | X | X | X | X | X |
| Statement for debt securities (Form 15) | X | X | X | X | X | | |

⁵³ Required for remotely controlled and KID demat events, not required for events executed in eDEMAT

11.4. Documents to be submitted in relation to securities in categories “B” and “C”

| Document type | First issuance | | Top up/ Partial reduction | | Change of Certificate | | Cancellation |
|---|------------------|-----------------|---------------------------|-----------------|----------------------------------|--|--------------|
| | private issuance | public issuance | private issuance | public issuance | due to change in securities data | due to changes of the data of the Issuer | |
| <u>Order form for Demat events for securities series (Form 3)</u> | X | X | X | X | X | X | X |
| Confirmation that the Issuer is included in the respective register | X | X | X | X | X | X | X |
| Issuers' decision | X | X | X | X | X | X | X |
| Certificate of the right of representation | X | X | X | X | X | X | X |
| Description of the rights and obligations associated with the securities series in a consolidated structure | X | X | X | X | X | X | |
| Information in a consolidated structure prepared for public issuance | | X | | X | X | | |
| MNB-PST order | | X | | X | X | | |
| <u>Account Holder's statement for partial cancellation (Form 6)</u> | | | X | X | | | |

12. Issuer Order, and applicable formal requirements

On the basis of the Demat Decree the Issuer provides an Issuer order to KELER for the first issuance, cancellation and modification of data of demat securities.

12.1. Certificate:

The data provided during the identification of the securities series, and data related to the issue of the series (e.g. nature and time of the decision on the issuance, series details and indications), data of the series part (e.g. number of issued securities, aggregate face value of the series, value date, etc.), and the specific data of the securities type required by law (e.g. method of issuance/offering, maturity, interest, transfer restrictions, related rights, etc.) These data are included in the Certificate issued on the securities series that is considered a security.

KELER has prepared Certificate templates for all types of securities, taking into account the requirements of the special legal regulation pertaining to them. All templates are available on KELER's website (here).

When the Demat event is executed in KID or the eDEMAT system, the securities master data stated on the Certificate have to be recorded in the system also.

12.2. Account credit/partial reduction data:

These data must be specified by the Issuer during the first issuance, top up, partial reduction, and conversion, based on which KELER credits or deletes the quantity of securities included in the Demat event on the Account holder's [issuance account](#). The name of the securities account manager of the securities holder, and the issuance account number kept at KELER and the type of segregation must be stated in the account credit data. Summary data are to be provided for Account holders and segregation type.

If BSE fixed price auction procedure is applied for the securities issuance (origination or top up) then the Issuer shall initiate the crediting of the securities to the account of the Distributor specified in the document supporting the issue of the securities series (Information document, Information summary, Final conditions, Notification) for the purposes of a successful auction settlement.

Segregation:

- Client: The owner of the securities to be credited/debited is not the securities account holder, but its client (can be natural or legal person also), in this case "Segregation" "Client".
- Own: The owner of the securities to be credited/debited is the securities account holder, "Segregation" "Own".

Account crediting information taking place in own and client segregation shall be

- provided to KELER in the case of Demat events controlled remotely, on Form 2 ([List of account credit data](#)), duly signed by Issuer, in original copy,
- when the Demat event is executed on KID or in the eDEMAT system, the account credit data must be provided in the system.

KELER is entitled to reject the execution of the Demat event, if during the processing:

- detects a contradiction concerning the provided issuance securities accounts
- detects that the provided issuance securities account number was not determined properly.

KELER informs the client on the reasons of rejection in writing. If it is not possible to arrange the event, then the client shall be called upon deleting the order and filing a new one.

12.3. Issuer's statement on the fulfilment of obligations

Declaration submitted by the Issuer for the full cancellation of the securities series ([Form 10 - Issuer's statement on the fulfilment of obligation in the case of cancellation of dematerialised securities](#)) that shall be provided to KELER in a form duly signed by issuer.

12.4. Signing the Certificate

The Certificate generated by the eDEMAT system may be signed on behalf of the Issuer only by those who can be selected at the information of the signatories at the menu item “Editing Issuer’s order”.

KELER accepts with content generated by the eDEMAT system the following:

- Certificate with electronic signature if uploaded to the system and furnished with authentic qualified electronic signature,
- hard copy Certificates only in original, with the wet ink signature of the signatories in line with their Sample signature authenticated by a notary public or by an attorney-at-law.

In the case of a Certificate not generated by the eDEMAT system, KELER accepts the original copy of the Certificate with their Sample signature authenticated by a notary public or by an attorney-at-law.

12.4.1. Signing a Certificate of a share

In compliance with the provisions of Section 7(2) e) of the Tpt. the Certificate for **shares** is signed by two members of the Board of Directors of the Issuer (even if they each have individual signatory rights).

If any member of the Board of Directors of the Issuer is not entitled to sign on behalf of the company, then the Certificate shall be signed by the members of the Board of Directors in line with Item e) of Section 7(2) of the Tpt. and not as the usual signing procedure. In the absence of a specimen signature/Sample signature, the signatures of the members of the Board of Directors signing the Certificate must be authenticated on the Certificate. This authentication constitutes an inseparable part of the document. The authentication of a notary public is also necessary if there is a member of the Board of Directors who has independent signing rights.

If the director of Issuer is a legal person (in line with Section 3:22 of the Civil Code), then the director shall be taken care of by the physical person appointed by the signatory of the legal person⁵⁴. If the Charter document of the Issuer states that the responsibilities of the Board of Directors are performed by the Chief Executive Officer of the company due to lack of a Board of Directors, the Document is to be duly signed by the Chief Executive Officer. If the Chief Executive Officer performing the functions of the Board of Directors does not have an independent signatory right, it is necessary for another person with representative authority to sign the Certificate alongside the Chief Executive Officer. In the case of an event executed on eDEMAT, it is necessary

⁵⁴ According to the Fee schedule: Fees available by title for requests for a shorter procedural period than specified in the policy

to display the name and the representative authority of the other signatory signing alongside the Chief Executive Officer in the "Additional information" section of the "Edit Issuer Instruction".

12.4.2. Signing of the Certificate of an investment unit

The Certificate for **investment units** is signed by the authorized signatories of the Fund Manager managing the fund.

12.4.3. Signing of the Certificate of debt securities

In the case of Issuers falling within the scope of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises ("Hpt."), the Certificate for demat debt securities are signed by two authorized signatories or two signatories authorized for this purpose, as specified in the law. In other cases, the Certificate for **debt securities** is signed by the authorized signatories of the Issuer.

In the case of bonds, if a third party vouches for the Issuer, then the Certificate shall contain the declaration of the third person and the name of person providing surety and the name of the representative(s) off the company in line with Item h) Section 12/B of the Tpt.

In the case of a Certificate not generated by the eDEMAT system, KELER accepts the original copy of the Certificate with their Sample signature authenticated by a notary public or by an attorney-at-law.

In the case of a Mortgage document, the Certificate requires the confirmation of the administrator on the existence of the coverage in line with Section 11(3) of Act XXX of 1997 on mortgage institutes and mortgage documents and about the fact that the coverage was registered duly in the registry. It is not necessary to indicate the name of the administrator but the administrator shall sign in it the same way as the Issuer, i.e. with wet ink signature in the case of hard copies while with electronic signature on e-Certificates.

In the case of securities issued by **municipalities**, the Certificate may be signed in compliance with the council decision adopted pursuant to Act CLXXXIX of 2011 on the Local Governments of Hungary, by the mayor in office at the time of the particular Demat event or by the mayor and the notary to this effect.

12.4.4. Signing of the Certificate of other securities

For "B" and "C" category securities, the Certificate is signed by the authorised representative of the Issuer. The authorised representative is the individual who is defined as such in the documents submitted in advance in relation to the demat securities series and the specimen signature of whom is available to KELER.

13. Demat event ordering instruction cut-off rules

KELER distinguishes cut-offs for the submission of documents to be provided in advance by securities type and Demat event and the cut-off to receive the Issuer order by the manner of execution of the Demat event.

If Issuer sets out a due date that does not comply with the below rules or agrees on same with the investors or with BSE regarding the due date of the Demat event, then KELER excludes any liability for any transaction that did not take place or took place with delay.

| | |
|-------------------------|--|
| T day: | Current day. |
| M day: | The date of receipt of the order at KELER, the day when KELER receives the order. |
| TR day: | Planned date to register master data and Account credit/partial cancellation data in KELER's systems, i.e. the initial recording of securities in the central securities registry and to the central securities account. |
| TD day: | Planned date of the Demat event, defined by the Issuer upon ordering the Demat event. |
| D day: | Actual date of the execution of the Demat event (value date of account credit, cancellation, change of Certificate). |
| Max. value date: | The thirtieth (30) day from KELER's processing, by which time the Issuer must execute the Demat event. (TD <= Max value date). |
| A day: | The Stock exchange trading day on which the issuer conducts the auction associated with the issue on BSE's MMT1 system. |
| SD: | Settlement Day, the day the Auction is settled, which coincides with D day. |
| M+x day: | business day X th after the submission of the order. |
| D-x day: | business day X th prior to the value date of the actual Demat event. |

- For orders started in the eDEMAT system, it is the day of receipt of the order by KELER, when the order is put into the 'to be processed by KELER' status.
- A Demat event order initiated outside the eDEMAT system is considered "accepted" if the Issuer has submitted all mandatory documents, and then KELER starts the processing of the event thereafter.
- The planned date of the Demat event (TD) MAY NOT BE SOONER (past dated) than the date of submission of the order. (M<TD). The actual execution day of the Demat event can be a different day than the planned day.
- Orders (M) may be submitted only for a Demat event associated with cancellation due to maturity on T day so that its day is identical to D day. (M=T=D)
- The Demat event „cancellation due to expiry" can be ordered through eDEMAT (together with the connected documentation) before 14:00 on T day (the system does not automatically reject the submission of the order).
- The issuer may also define the value date (D) of the Demat event as a date other than the date of entry of the transaction data and the account credit data into the computer system (TR) but

the date defined cannot be sooner than the date of the entry of the data ($TR \leq D$). At the latest on this day (D), by the deadline stated in Point 14.5 of this Regulation, the Issuer makes available the Issuer order for KELER on that day. The data of the instruction are displayed in the systems for D day after processing.

- In the case of a securities series or partial series issued in through the auction module of the BSE MMTS1 system, the day of the auction (A day) is identical with the planned day of the recordal of the Master data and Account crediting information (TR).
- In the case of a series or partial series of securities issued in through the auction module of the BSE MMTS1 system, the deadline for receipt of the documentation supporting the event is at least TR-3 days in the case of a normal procedure, and at least TR-2 days, at the latest by 10:00, in the case of an urgent order. Orders received after this time will be considered as next business day orders by KELER.
- The Issuer may also define and announce the date (D) of the Demat event in advance, even without any consultation with KELER. Even in this case KELER requires that all necessary documents are submitted.
- The number of business days between the date of submission of the order (M) and the planned date of master data entry (TR) determines whether ordinary or urgent processing is requested on the basis of the order submitted by the Issuer.
- In the case of a remotely controlled certificate change if the Certificate was filed simultaneously with the ordering of the Demat event, then the number of days between the date of the filing of the order (M) and the date of the certificate change (D) determines the way of proceeding based on the deadlines (ordinary / urgent).
- It is not possible to arrange simultaneously more Demat events requested for the same Due date for one ISIN identifier provided through the KID system.
- No new Demat event orders can be placed on an ISIN identifier that is subject to a Demat event pending on the eDEMAT system, before the completion of the event.
- In case of private companies limited by shares, the processing period of Demat events related to shares submitted between 15 December and 31 December is extended by 15 calendar days compared to the deadlines specified in Section 13.2. In this period, Demat events with urgent procedure cannot be ordered.

13.1. Ways of proceeding and their rules

13.1.1. Rules for the payment of the expedited procedural fee

Issuer shall pay a fee ⁵⁵ for expedited proceeding in the following cases:

- When ordering a Demat Event, the Issuer determines
 - the planned day of the Demat event (TD) or
 - the planned day of the recordal of the crediting / partial erasure of Basic information or of

⁵⁵ The events are executed according to a schedule, the processing period is minimum 8 business days following the receipt of all documentation

Account information (TR),

indicating that it wishes to have the procedure conducted in a shorter period of time than as set out in the [Policy for the takeover rules concerning shares and investment units](#) and [Policy for the takeover rules concerning debt securities](#).

- KELER requires that all the necessary documents in the specified format/with the specified contents are submitted even for urgent processing, and therefore it may happen that the Issuer cannot execute the Demat event ordered with urgent processing on the originally planned date despite payment of the increased fee.
- The higher fee of the Demat event ordered as urgent must be paid even if the Issuer cannot execute the Demat event on the planned date.
- KELER does not accept orders for Demat events scheduled for M and M+1 business day (except for cancellation due to maturity) even if the higher fee is paid.
- In the case of cancellation due to maturity, the Demat event order date (M) may be the same as the expiry date (LT) and value date of the cancellation (D). If the maturity date is not a business day, then the business day rule related to the series must be applied.

13.1.2. Rules for the payment of the fee of the ordinary proceeding

- If the Issuer did NOT order a Demat event as urgent but fulfilled all the requirements prior to the planned date stated upon ordering the event, the Issuer may pay the ordinary fee and execute the Demat event and within the period that applies to urgent orders.
- KELER may modify a Demat event ordered as “Ordinary” to a Demat event with “Urgent” processing if the Issuer submits [requested additional information](#) in accordance with the rules stated below.

13.2. Rules on the acceptance of Demat event orders relating to shares and investment units

| | TR day may be planned by accepting the payment of urgency fee | | | | | | Ordinary fee |
|---|---|-----|-----|-----|-----|-----|------------------------|
| | M+2 | M+3 | M+4 | M+5 | M+6 | M+7 | |
| Date of order/supply of requested additional information eDEMAT | - | - | - | ✓ | ✓ | ✓ | From M+8 ⁵⁶ |
| Remotely controlled and through KID | - | - | - | ✓ | ✓ | ✓ | ✓ |

13.3. Rules on the acceptance of debt securities

| | TR day may be planned by accepting the payment of urgency fee | Ordinary fee |
|--|---|--------------|
| | | |

⁵⁶ The events are executed according to a schedule, the processing period is minimum 4 business days following the receipt of all documentation

| | TR day may be planned by accepting the payment of urgency fee | | Ordinary fee |
|--|---|-----|------------------------|
| | M+2 | M+3 | |
| Date of order/supply of requested additional information | M+2 | M+3 | From M+4 ⁵⁷ |
| eDEMAT | - | ✓ | ✓ |
| Remotely controlled and through KID | - | ✓ | ✓ |

13.4. Supply of requested additional information

KELER checks the documents submitted to it. If the submitted documents

- are not complete,
- or are not in line with the required format in accordance with Point 9. and 10. of this Regulation,
- or do not contain the required information, or their content differs significantly from the data recorded in the public register of companies,
- or, in the case of events ordered in eDEMAT, the documents were not uploaded for the correct document type,

KELER requests the Issuer to supply additional information. If the order was initiated on a Order form for Demat events for securities series, KELER notifies the contact person indicated therein via email, while in the case of orders placed in eDEMAT, KELER returns the process to the Issuer with the status of “Addition information to be supplied” or with a remark made on the Message Board.

- The Issuer must provide the required documents within 30 days.
- KELER accepts the documents supporting the below events in compliance with the below T day deadlines on the day of the recordal of the Basic information and of the Account crediting information:
 - in the case of a securities series issued with a BSE auction proceeding, the auction results before 15:00 on the day of the auction,
 - in the case of an event depending on the existence of an MNB-PST resolution, before 12:00 on the day when the resolution was made available
 - in the case of securities issued with initial offering, before 15:00 on the day when the result is made available,
 - In the case of a complete cancellation of securities, before 14:00 on the day when the issuer’s statement on the fulfilment of obligations (Annex 10) is made available.
- Once the above documents are available, KELER processes them on T day. In case of eDEMAT event, enables the Issuer to arrange an intra-day Demat event before 16:30.

If the Issuer does not file the documents in the right format or with delay, then KELER is entitled to process the documents the next day, whether Issuer ordered the event with urgency or not.

⁵⁷ MMTS1 Trading System, Rules for Auction Trading on the Auction-Securities Market

If the Issuer fails to complete the documentation within 30 days, then KELER informs the person who filed the order form to provide the documents. If it is still not completed KELER calls upon Issuer in an official letter to issue, modify or delete the securities series to be issued as demat securities within the set deadline. If the Issuer fails to realize the Demat event within the deadline, then KELER informs the Supervisory Authority in line with Section 343(4) of the Tpt. and deletes the ordered Demat event and archives the documents submitted. KELER informs the Supervisory Authority in line with Section 343(4) of the Tpt. also if a breach of the Tpt. or any related laws is detected.

14. Rules for accepting Issuer's orders

KELER arranges a limited number of Demat events for an issuer on a T day. If the Issuer wishes to order a large number of events, then it shall be pre-arranged with KELER and schedule the events on a given day depending on the number of events.

14.1. Cut-off to receive Issuer order

14.1.1. In the case of Demat events executed through KID

For Demat event to be executed intraday (T=TR=D) through the KID system, the Issuer shall submit to KELER the documents of the Issuer order required in a printed format by no later than 16:30. The Issuer must enter the securities master data, the account credit or cancellation data into the KID system by 17:00. If the Issuer does not supply the printed documents by 16:30 and does not send the securities master data, the account credit or cancellation data in the KID system by 17:00, KELER does not guarantee the execution of the Demat event during the day.

KELER accepts the Issuer order for the actual execution date of the future Demat event (TR<D) between 8:00 and 15:00 on business days, any submission in other time shall be pre-arranged.

14.1.2. Remotely controlled Demat events

For the remotely controlled Demat event the Issuer makes available the documents of the Issuer order to KELER on the Demat event execution date (D day) as follows.

- The documents of the Issuer order for issuance/top up/partial reduction/change of Certificate by 15:00. Documents received by KELER later are rejected and KELER requests the Issuer to resubmit the Certificate containing a new Value date.
- The documents of the Issuer order for cancellation shall be received by KELER by 16:30. Documents of Demat events received later shall be executed on the subsequent day (T+1 day).

Submissions outside of the above periods shall be pre-arranged with KELER.

This rule applies to the actual day of execution of both intraday (T=TR=D) and future Demat events (TR<D).

14.1.3. Demat events executed on eDEMAT

The eDEMAT system is available on business days between 8:00 and 20:00.

The administrators involved in the processing of Demat events maintain contact with the Issuer through the Message Board associated with the Demat event on business days between 8:00 and 16:30.

For Demat events to be executed intraday (T=TR=D) on the eDEMAT system, the Issuer makes available to KELER the documents of the Issuer order until 16:30 at the latest. The Issuer is required to enter the securities master data, the account credit or cancellation data in the eDEMAT system until 16:00. If the Issuer does not supply the documents by 16:30 and does not pay the fees in the eDEMAT system, and does not hand over the process to KELER, KELER does not guarantee the execution of the Demat event during the day.

KELER accepts the Issuer order for the actual execution date of the future Demat event (TR<D) between 8:00 and 20:00 on business days.

Within the Max. due date determined by KELER the Issuer has the opportunity to initiate the extension of the Max. Due date once. If KELER establishes based on the previously filed and accepted documents that the period for the Demat event can be extended, then the Max. Due date will be modified. The Demat event not arranged by the Max. Due date, is deleted by KELER ex officio from the eDEMAT system. If the Issuer already paid the procedural fee of the Demat event, then KELER wires it back to the bank account detailed in the order.

15. Invalidation of the Certificate

If there is any change in the data of the demat securities series (top up, partial reduction, change of certificate, conversion), KELER invalidates the Certificate issued earlier for the demat securities series and deposited with KELER, which will be replaced by a new Certificate deposited by the Issuer for the full securities series. When a demat securities series ceases to exist, KELER also invalidates the Certificate related to the series.

The Issuer may request a copy of the invalidated Certificate that was previously deposited with KELER, the applicable fee for which is stated in the effective [Fee Schedule](#).

In the case of Demat events executed in eDEMAT, the person authorized by the Issuer may view the invalidated Certificate during the previous Demat event executed on eDEMAT.

16. Rules for issuing securities by auction

16.1. KELER certificate to BSE before auction bid

If the Issuer initiates the issue of securities using the auction module of the BSE MMTS1 system, the BSE will, in accordance with the BSE's regulations⁵⁸, await formal notification from KELER prior to the day on which the auction is to be conducted that KELER will undertake to issue the new securities resulting from the auction and to settle the auction transactions. The issuance of this KELER certificate is conditional upon the Issuer providing to KELER, no later than the auction date, and in accordance with the provisions set out in Section 13 Depository Announcement (Rules for ordering a Demat Event),

- a freely worded request from the Issuer or the Auction Bidder (via the eDEMAT message board in the case of an event ordered on eDEMAT) specifying the Stock exchange trading day indicated in the Auction Bid as the date for the auction and the
- the documents required for the issuance of the securities (for the execution of the Demat Event), as detailed in [Chapter 11](#) of this Announcement, in the format required.

If a fixed- or variable-rate debt security is issued by auction and the security is not yet listed/registered on a BSE market, the accrued interest data must be available to KELER from the intended settlement date of the auction. According to the BSE regulations, KELER must also provide a declaration on this accrued interest data. If KELER does not have the accrued interest data, KELER will not issue a declaration.

Based on the availability of the provided documents and accrued interest data, KELER sends its confirmation to both the BSE and the applicant's e-mail address by means of an electronically signed e-mail.

If the Issuer fails to provide the documents relating to the Demat Event or the accrued interest data to the KELER, or fails to provide them in due time, KELER will not be able to issue its confirmation to the BSE in due time, even if the auction day (A day) or settlement day (SD) is specified in the document (e.g. Final Conditions, Information Summary, Information Document, Bid) relating to the bond series. KELER shall not be liable for any damages resulting from the non-issuance or late issuance of a KELER certificate.

16.2. Priority day of auction Demat event

In the case of an auction involving the issuance of securities, when ordering a Demat event, the

planned Due Date (TD day) of the event should be the auction day (A day), because KELER must ensure that the security is entered in the central securities register (or, in the case of a top up, the amended details of the security are entered in the register) on the auction day. If, due to the Issuer's fault, KELER does not ensure the reception of the auction data on the day of the auction, KELER shall not be liable for any damages resulting therefrom.

16.3. Account crediting of auction Demat event

In the event of a Demat event involving the issuance of securities, i.e. an account crediting event, only one technical account of the Participant, i.e. the account of the Participant that will settle the auction, shall be specified in the account crediting instructions (Schedule), which form part of the Issuer's instructions. If the Issuer gives a different account crediting instruction and this results in no or delayed settlement on the Due Date, KELER shall not be liable for any resulting damages.

17. KELER declaration for listing/registration on any BSE market

If the Issuer initiates the listing/registration of a domestic security on one of the BSE markets, in accordance with the relevant BSE regulations, a confirmation must be issued by KELER stating that the central securities account of the given series is available on the day of listing/registration and that, in the case of fixed or variable rate securities, the accrued interest data are available to KELER. The issuance of this KELER declaration must be initiated by the Issuer by means of the [“Request for confirmation of dematerialised securities series and central securities register data”](#) form sent to the e-mail address specified on the form.

In case the reference date indicated in the form (“KELER business day to which the information should relate”) is a future date, KELER will issue the confirmation on the following business day and send it to the Issuer in electronic format.

The rules for the mandatory reporting of accrued interest data are set out in the [KELER - Depository Announcement No. 9-26](#) (Detailed rules for the transmission of accrued interest data).

18. Minimum settlement quantity and Settlement multiplier

When accepting settlement transactions, KELER also checks the minimum settlement quantity specified by the Issuer and the settlement multiplier. In case of debt securities series, the face value, while in case of equity securities, one piece is specified automatically by default.

The Issuer can give its instructions concerning the modification of the default data on Form 1, which will be registered by KELER on the 2nd business day following the receipt of the Form. In case of equity securities, the whole multiplier of one, while in case of debt securities, the whole multiplier of the face value shall be indicated. This value cannot be zero or a negative number.

19. Fee payment

The fees of KELER's services related to demat securities are included in the effective Fee Schedule.

The cost of execution of the Demat event can be paid by the Issuer or its authorized agent also (hereinafter: Fee Payer).

KELER issues the invoice on the services in printed form or as e-invoice at the instruction of the Fee Payer.

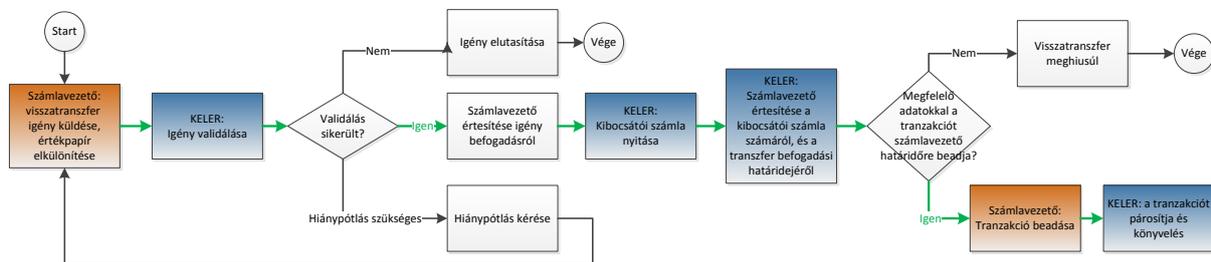
- For Demat event controlled remotely, simultaneously with the submission of the documents to be made available for the order in advance, the Issuer certifies the fee payment with a copy of the bank transfer order. The fees detailed in III/17-24 of the [Fee Schedule](#) are applicable for each specific event and for each way of proceeding. KELER issues an advance invoice for the pre-paid fee and settles it with a final invoice simultaneously with the performance of the service. Payment by transfer must be made into the following business bank account of KELER: **14400018-09600102**. KELER does not execute the Demat event when fee payment fails or is not certified.
- The fees of the Demat events of the current month started through the KID system are included in the settlement invoice of KELER issued in the subsequent month and the fees in III/14-16 of the [Fee Schedule](#) are applicable.
- In the case of Demat events started in the eDEMAT system, payment is made by credit card only,
 - when the Issuer uploads all documents to be made available in advance in eDEMAT
 - and submits the Issuer order in an electronic form, the fees and charges stated in Section III/8-10 of the [Fee Schedule](#) apply,
 - if the documents were made available in a printed format, the fees and charges stated in Section III/11-13 of the [Fee Schedule](#) apply.
 - If the Issuer is unable to upload all required documents in eDEMAT (when even one document must be provided by KELER) and completes the execution with an electronic or a printed certificate, then
 - For First issuance and Top up, the fees stated in Section III/17-18 of the [Fee Schedule](#) apply.
 - for change of Certificate and Cancellation, the fees stated in Section III/19-20 of the [Fee Schedule](#) apply.

The fee of the service initiated in eDEMAT is indicated on the basis of the data of the order in accordance with the effective [Fee Schedule](#) and cannot be changed in the interfaces of external contracted service providing banks.

In the case of complex events controlled remotely, if the Issuer indicates several previous issuances for a series in the same Certificate and separate account crediting instructions are given for the same Due date in relation to them, then KELER charges procedural fee for each Demat event in line with the Fee Schedule (e.g. 2 issuances with 2 different issue dates and also a partial cancellation are registered to the same Due date, then a first issuance, a top up and a partial cancellation will be charged).

20. Handling of securities with unknown owner

In the case of origination or top up the Account holder shall be entitled⁵⁹ to transfer back the securities with unknown owners to the central securities account type “D” opened for Issuer if the owner of the security could not be identified in any way.



20.1. Handling of securities with unknown owner by the Account holder

The Account holder can file a request for retransfer on KELER’s form [Account Holder’s statement and request for back transfer](#) (Form 4) filed at iktato@keler.hu with a duly signed copy.

The condition for filing the request is that the Account holder shall separate the unidentified securities subject to the retransfer on a central securities account no. 898989 opened under their main account.

KELER undertakes the following control concerning the form:

- whether the due date of the issuance / top up is after 30.09.2019 - retransfer requests for securities events conducted before this date are rejected.
- The signature of the Account holder whether it complies with banking or corporate law rules in the case of inadequacy a request for correction will be issued.
- control of the content of the securities (ISIN, number of pieces) - in the case of inadequacy a request for correction will be issued.

The separation on the dedicated account and the full-scope adequacy of the form are necessary for KELER to accept the request.

KELER confirms the results of the validation on the form. After accepting the request, KELER opens

⁵⁹ Pursuant to Section 9(4) of the Tpt.

the “D” type central securities account for the concerned Issuer within 3 business days.

After opening the „D” type central securities account, KELER informs the Account holder in writing about the transfer data necessary for the retransfer. The Account holder is obliged to initiate the retransfer from the account no. 898989 in line with KELER’s information.

20.2. Handling of securities with unidentified owners by Issuer

KELER informs the Issuer in writing about the automatic opening of the „D” type central securities account in line with the [GBR](#) (without a request of Issuer) and about the unidentified securities transferred by Account holder and about the reason for the retransfer. After the notification the Issuer shall immediately review the unsuccessful securities issuance and take measures for the distribution to the type “D” central securities account on Form 11 of KELER [Reallocation](#).

KELER sends [Form 11 - Reallocation](#) to the concerned Account holder including the information provided by Issuer for validation.

If the Account holder

- accepts the retransferred securities, then KELER initiates the redistribution from the type “D” central securities account of the Issuer through a FOP transfer and informs Issuer whether it was successful.
- does not accept the retransferred securities, then KELER informs Issuer about the rejection and Issuer shall correct the unsuccessful securities issuance.

KELER charges a fee regarding the type “D” central securities account in line with the Fee schedule as amended from time to time.

Once the securities are credited to the type “D” central securities account, they can be held there for 6 months and within this period the Issuer shall give instructions to KELER to either redistribute or cancel them.

KELER may cancel the Issuer’s type “D” central securities account, if the balance is zero and there is no pending Demat event-, based on the [GBR](#) and informs Issuer about same.

21. Handing of securities with unknown owners

Pursuant to Section 12 of the Tpt. when physical securities are converted and some physical securities with unknown owners are not submitted for conversion, then the demat securities replacing the physical securities are credited to a type “C” central securities account that is opened for Issuer by KELER.

Within six months from the conversion the Issuer transfers from its type “C” central securities account

- to the last owner of the physical securities or
- to the new owner in case of a sale and purchase

by submitting the transfer form Securities account transfer certificate (transfer certificate form) in line with KELER’s Depository Announcement No. 01/2020 (On the filing, performance and revocation deadlines of order).

IF the Issuer is unable to hand over the demat securities to the entitled person or to sell them within 6 months from the conversion, then Issuer shall render a resolution on the decrease of the share capital at the volume of the securities with unknown owners at the first general assembly after the expiry of the deadline for sale.

Once the decrease of the share capital is registered by the court of registry, the Issuer shall immediately take steps to cancel the void securities on the type “C” central securities account through a partial cancellation Demat event.

22. Change of settlement agent for open-end investment units

In the case of the change of the settlement agent of investment units recorded on a Central securities account i.e. in the case of the change of the Clearing party in the WARP system, for the purposes of the continuous transferability of the open-end investment units the Fund Manager shall inform KELER in writing 10 business days prior to the change about the day of the change. Together with the information the Fund Manager shall also send to KELER a contract template “Supplementary agreement for open-end investment units” duly signed by the Fund Manager and by the new settlement agent regarding the concerned investment units. In the case of a change of settlement agents, the Fund Manager shall ensure to indicate such a clearing party in the contract template whose central securities account is kept by KELER and who has the necessary securities accounts (XXXX787878, and XXXX606060) for the intra-day top up and partial cancellation and who has an access to the WARP system.

Together with the entry into force of the contract template, KELER shall inform both the prior and the new settlement agents about the last business day when the previous settlement agent can effect top up and partial cancellation and about the first day when the new settlement agent can effect top up and partial cancellation of open-end investment units.

The Fund Manager shall be liable for late notifications and for the consequences of the delayed change of settlement agents.

23. Ensuring securities account transactions with expired securities

KELER does not automatically enable securities account transactions for securities kept on central securities accounts that are active but having a past expiry date.

The Account holder who has expired securities on their central securities account, is entitled to request in writing regarding these securities that an account transfer should be effected on a defined day in the future. KELER shall receive the request with 4 business days prior to the planned due date including the information of the receiving Account holder at iktato@keler.hu.

Based on the request KELER performs the account transaction, if the receiving Account holder indicated in the request confirms in writing that they accept the expired securities. In the master data, KELER modifies the “Transferable after maturity” field to “Yes”, thus ensuring that the account transactions with the expired security are executed according to its general rules.

After the transaction has been completed, KELER resets the “Transferable at maturity” data in the securities master data to “No”, so that no securities account transaction can be automatically executed for the security.

KELER charges fees for these services in line with the Fee schedule as amended from time to time.

24. KELER’s reporting obligation

The Issuer shall arrange the creation of the shares in line with Section 3:216(2) of the Civil Code. If the demat securities are not available on the securities account of the investor, then, then the investor will not be able to exercise rights, enforce claims in the securities or to prove rights or claims of the securities, nor transferring the securities.

If KELER detects during their actions that the Issuer fails to comply with their mandatory obligations,, then KELER calls upon the Issuer to cease the unlawful activities. If Issuer fails to cease the unlawful conduct within the deadline set by KELER, then KELER informs the Supervisory Authority in line with Section 343(4) of the Tpt. and the Supervisory authority may initiate a supervisory procedure based on KELER’s notification in line with Section 74(1) of the Ctv.

Highlighted cases:

- Demat events are not initiated concerning a corporate or securities information change reported by Issuer to KELER or at a notification of KELER concerning an identified Demat event.
- A Demat event ordered by Issuer is not performed within 90 days in lack of proper cooperation by Issuer (or by the securities owner due to the lack of inadequate statement on initial offering or commitment).
- In lack of the conversion of a temporary securities series (partially paid or performed) into a final securities series (paid 100%).

- Fails to take steps within 6 months from the original due date of the issuance about the redistribution of securities not identified by the Account holder and fails to arrange the cancellation of the securities from the type „D” central securities account.
- Fails to arrange the cancellation of the securities from the type „C” central securities account of securities with unknown owners due to conversion within a 6-month period from the conversion.

25. References

[Depository Announcement](#) No. 9-19 On ISIN identifier issuance

Depository Announcement No. 9-09 LEI services for organisations registered in Hungary

[Depository Announcement No. 9-11 On the cut-off times to receive, execute and cancel orders](#)

Depository Announcement No. 9-26 Detailed rules for the transmission of accrued interest data

[GBR](#)

[Fee Schedule](#)

[Member’s of the securities settlement system](#)

[Issuer’s agreement for the registration of securities managed by KELER](#) (Form contract No. 27)

[Supplement to issuer agreement for open-end investment units](#)

(Form contracts No. 28 and No. 29)

[Contract on securities account maintenance and registration](#) (Form contract No. 1)

Securities settlement order

26. Business Forms

- | | |
|----------|---|
| Form 1 | Minimum settlement quantity and settlement multipliers |
| Form 2 | List of account credit data |
| Form 3 | Order form for Demat events for securities series |
| Form 4 | Account Holder’s statement and request for back transfer |
| Form 5 | Issuer’s statement in case of conversion of a dematerialised share series into a physical share series |
| Form 6 | Account Holders’s statement for partial cancellation |
| Form 7 | Issuer’s statement: On publicly issued securities |
| Form 8/a | Issuer’s / Auditor’s / Expert’s statement in the case of shares, on the availability of the share capital in the value as of the date of issuance |
| Form 8/b | Issuer’s statement on subscription results for bonds |
| Form 8/c | Issuer’s statement on payment of share capital for investment bonds |

- Form 9 Issuer's statement - Conversion rate in the case of conversion
- Form 10 Issuer's statement on the fulfilment of obligation in the case of cancellation of dematerialised securities
- Form 11 Reallocation
- Form 12 Issuer instruction for Demat events
- Form 13 Statement for shares
- Form 14 Statement for investment bonds
- Form 15 Statement for debt securities

27. Templates

Document template - for shares

Document template - for temporary shares

Document template - share certificate change

Document template - for mortgage documents

Document template - for bonds

Document template - for the issuance or topping up of closed-end investment units

Document template - for the issuance or topping up of temporary closed-end investment units

Document template - closed-end investment unit for certificate change

Document template - temporary closed-end investment unit for certificate change

Document template - for the issuance of open-end investment units

Document template - for the certificate change of open-end investment units

Document template - for certificate change due to the conversion of closed-end investment units into open-end investment units

Should you need any further general information on the above, please contact us at e-mail address KELERDEMAT@KELER.HU.

Budapest, 01 March 2022

KELER Ltd.
Corporate Actions and Issuer Services Department