



Central
Clearing House
and Depository
(Budapest) Ltd.

General Business Rules of KELER Ltd.

Adopted by the Board of Directors:

~~71/2012~~

~~on 29 November 2012~~

~~Order No. 02/2013~~

~~on 30 January 2013 and~~

~~Order No. 31/2013~~

Order No.

on ~~15 May~~ 2013

← **Formázott:** Behúzás: Bal: 0 cm, Első sor: 0 cm

Number and date of
Approval by the Supervisory Authority:

Orders No. H-EN-III-~~32~~/2013 and
No. H-EN-III-~~40~~/2013

on

~~14 June 2013 and~~

~~10 July~~ 2013

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I. List of expressions and abbreviations used in the Rules, their definition

Definitions

FE day:	Fund Event day, the maturity date of the investment fund and the venture capital fund.
Initial margin:	Any collateral specified by KELER CCP to the Clearing Member as collateral of one day risks for settlement of guaranteed regulated market and CEEGEX physical futures transactions by using the SPAN ® Initial margin Calculation Software.
Non-clearing Member:	Any Section member having trading right who concluded a contract with a general Clearing Member of KELER CCP to access KELER settlement services.
Allocation:	A procedure by which relation is established by a person authorized for this purpose under previously announced principles, algorithms, or in the case of a derivative transaction by KELER on the basis of orders received and position management accounts between the persons and the available quantities.
Conversion term:	The period available for submission of the securities according to Sections 10-12 of the Tpt.
Auction transaction:	Any transaction regulated as such in the Trading Code of the Budapest Stock Exchange.
Cash product:	Subject of the cash transaction.
Cash transaction:	A BSE agreement on the fulfillment of physical commodities or warehouse warrants at a previously fixed date.
Government securities:	Any debt securities issued by the Hungarian or a foreign state, the National Bank of Hungary, the European Central Bank or by central banks of any other member states of the European Union.
Commodities market service provider:	Enterprise defined in Sections 9-11 of the Bszt.
Bank guarantee:	A commitment by the bank in which it assumes the obligation to effect payment to the beneficiary up to a defined limit of amount under specified conditions,

	including in particular the occurrence or non-occurrence of certain events as well as submission of certain documents, and within a fixed deadline.
Bank information:	Written information other than the information requested in relation to the audited balance sheet on the bank and securities account of the client maintained by KELER.
Bank account:	The payment account defined in Section 2 (8) of Pft..
Investment enterprise:	Enterprise defined in Section 4 (2) 9. of Bszt.
Collateral value:	Value of an asset accepted by KELER and KELER CCP as collateral at which the relevant asset is taken into account for the purpose of the relevant collateral.
Place of collection:	A custodian designated and authorized in a notice by the issuer to receive the physical shares or the issuer itself.
Internal circle:	A payment operation affecting exclusively the bank accounts maintained by KELER.
BSE product:	The Stock Exchange product and the BSE MTF product.
BSE transaction:	The transaction defined in Section 319 of Tpt.
BÉTa market:	The name of the multilateral trading system for trading cross-border securities operated within the BSE MTF pursuant to the Bszt.
BÉTa product:	The security that is traded on the BÉTa market.
BÉTa transaction:	Transaction concluded on the BÉTa market.
BSE futures transaction:	Standardized sale of BSE product at a determined price for a future date, with KELER CCP involved in the performance.
BSE MTF:	The name of the multilateral trading platform(s) pursuant to Bszt. operated by the BSE.
BSE MTF transaction:	Transaction concluded at the BSE MTF market.
BSE MTF product:	Securities traded at the BSE MTF market.
Brokerage:	The operation defined in Sections 5 (1) a) and b) of the Bszt.
Collateral:	Any asset provided by the Clearing Member for fulfillment of a transaction or an obligation.
Collateral asset:	Aggregate name of the assets, collaterals available to the entitled party to cover different margin and collateral requirements stated by KELER and KELER CCP.

Requirement for collateral:	Different collateral requirements defined by KELER CCP for the purpose of reducing the risk and their aggregate value.
Free balance of the collateral:	Part of the collateral over the amount of the collateral that is obligatory to be provided.
CEEGEX transaction:	Transaction in products traded at CEEGEX. CEEGEX "Market Rules" define products traded at CEEGEX.
Company registration:	The procedure of the court of registration or other authority as a result of which the company is established under the Companies Act or pursuant to the governing law of the personal right of the legal entity, i.e. the company is registered with final effect.
Certificate:	Securities issued under the Issuer's own law, by which the Issuer shall be liable to settle a claim or payment in favor of the security holder depending on the value of the basic product determined at the maturity date fixed in the Final Terms of Certificate.
Final Terms of Certificate:	The document where the issuer of the certificate defines the basic features of the certificate such as method of fulfillment and cases of meeting the settlement obligation.
CO₂ emission unit:	A marketable asset of value that allows emission equivalent to one ton of carbon dioxide within a certain period and that can be used for meeting the obligations as provided for in the Üht.
D day:	Date of generation of a dematerialized share as well as the first settlement day after closing the conversion term.
Delivery:	Fulfillment of derivative transactions by physical delivery.
Demat event:	Summary term of services related to dematerialized securities, provided at the request of the issuer (origination, cancellation, conversion, over-issuance, partial cancellation, squeezing out, change of certificate) that in the context of these Rules may stand for the special service detailed herein or may refer in general to the services herein listed and related to dematerialized securities.
Dematerialized securities:	Collection of data generated, forwarded and recorded electronically as provided for in the Tpt. and in separate regulations that contain the content requisites of securities in an identifiable manner.
Data determining dematerialized securities:	Series of signs digitally recording all requisites of securities provided for in law, the total nominal value of the full series issued and number of the securities issued.
Dematerialized securities account manager:	According to Section 140 (1) of the Tpt. the investment enterprise, the credit institution and KELER.

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Certificate issued on dematerialized securities:	A document issued by the issuer in one copy and deposited at KELER in the form of a printed or electronic document, not qualified as securities according to Section 7 (2) of the Tpt.
Derivative transaction:	Futures and option transaction concluded on the BSE.
Foreign exchange account:	A payment account maintained in foreign exchange by KELER for the Client.
Bond transaction with DVP settlement:	Transaction regulated as such in the Regulations of the BSE on the Code of Trading.
DVD type securities account transfer:	(Delivery versus Delivery) a transaction during execution of which securities with one or more specific series are debited against crediting of securities with one or more series. Debit and credit items are completed simultaneously.
DVP type securities account transfer:	(Delivery versus Payment) transactions during execution of which securities with specific series are debited against crediting the cash counter value to the cash account kept with NBH or KELER. Debit and credit items are completed simultaneously.
E day:	Starting day of an event involving payment arising from securities and to be effected by the issuer and the day of a corporate event.
Individual securities custody account:	An account for recording physical securities by denomination and serial number.
Demat event executed electronically:	The demat event that is executed based on the issuer instruction submitted via the KID system or the online application provided by KELER.
Electronic signature:	Electronic signature as provided for in the Eat.
Primary data:	Range of information necessary for issuing an ISIN code.
Settlement:	Clearing provided by KELER CCP and fulfillment provided by KELER jointly, and for transactions not guaranteed by KELER CCP and cross-border transactions clearing and fulfillment provided by KELER.
Settlement cycle:	In case of a deal announced as security with physical settlement the last trading day of the month of expiry, in case of an option the period between the Settlement Day following exercise and the day of effective execution of the physical settlement (DVP transaction), according to the settlement cycle (T+3 or T+2) of the cash product.

Participant to settlement: The participant establishing the net payment obligations of the institutions, the eventual central counterparty and the eventual performing party.

Settlement day: The calendar day on which KELER provides clearing house and central depository services.

Structured product: The security issued under the Issuer's own law, based on which the Issuer shall be liable to settle a claim or payment in favor of the security holder depending on the value of the Underlying determined in the Final Terms of the Structured Product at the maturity date therein fixed. (In line with these Rules certificates and warrants are structured products.)

Final Terms of Structured Product: The document where the Issuer of the structured product defines the basic features of the structured product, such as e.g. the method of fulfillment and the cases of meeting the settlement obligation.

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Settlement agent: The person having bank account with KELER and the NBH and maintaining a securities account with KELER that keeps the accounts necessary for the Multinet settlement for the Clearing Member and the Non-clearing Member and provides services in the interest of settlement in accordance with the agreement concluded.

Settlement system: Mutual agreement concluded by the members of the system on the processing of cash and securities transfers and on position management according to uniform rules.

Clearing House Announcement: A document containing further detailed, additional requirements, obligations, and procedural orders by KELER for KELER's services under authorization of these Rules.

***Energy market:** The markets guaranteed and settled by ECC, related to which KELER CCP provides energy market non-clearing member services: HUPX, EPEX SPOT, EEX, CEGH, PXE.

Energy market non-clearing member: Person with energy market trading right that concluded energy market non-clearing membership agreement with KELER CCP.

Securities: An instrument under the scope of the Tpt. or any data defined in regulations, recorded, registered in any other way that possess all requisites stipulated by law and the issuance or appearance of which in this form, by evidence of a certificate or in dematerialized form is allowed by law. Furthermore, securities mean any deed or investment instrument that is classified as securities in the jurisdiction of the place of issuance, irrespective of the form of appearance.

Change of securities: The change of securities without a change to the ISIN, initiated by the issuer pursuant to which the total nominal value of securities no longer distributed equals the total nominal value of securities that will be distributed.

Depository:	A place designed to safe keep physical securities.
Securities account:	Record on dematerialized securities and related rights maintained on behalf of the holder of the securities.
Denomination unit of securities:	The smallest unit specified by the issuer for physical securities that on its own represents the rights and obligations included in the securities.
Conversion of securities:	Change of method of generation (physical or dematerialized form) of securities.
Issuance of securities:	A successful procedure for the first sale of securities issued by the issuer.
Securities code:	An international code that is a combination of alphabetical characters and numbers, such as the ISIN code, for the identification of securities and other BSE products representing the same rights.
Securities settlement system:	definition pursuant to Section 2 a) of NBH Order 10/2009. (II. 27.).
Securities lending:	A transaction defined in Section 5 (1) 44 of the Tpt.
Custody of securities:	The service specified in Section 4 (2) 44. of the Bszt.
Securities safekeeping:	The service specified in Section 4 (2) 43. of the Bszt.
Securities custody account:	Registration of physical securities.
Securities default:	Failure to meet the fulfillment obligation of securities generated by BSE transactions.
Securities series:	Unless otherwise provided for by the Tpt. it means the total quantity offered at a certain date of securities produced similarly and representing the same rights or the total quantity of securities with the same rights issued at various points in time.
Securities secret:	confidential information as provided for in Section 369 (1) of Tpt.
Securities account manager:	The obligor of the securities account contract as provided for in Section 140 (2) of the Tpt.
Securities account:	Securities registration maintained by KELER for showing physical securities and dematerialized securities available to the Client.
Account segregation for securities:	Differentiation between securities available to the Client based on whether the owner of the securities is the Client or its Clients.

Annulment:	A procedure as provided for in Section 7 of Government Decree 98/1995 (VIII. 24.) on the Security Rules Related to the Production, Handling and Physical Destruction of Certain Securities.
Covered position:	The position with regard to which the Clearing Member makes the required quantity of securities available to the Clearing House prior to the obligation of fulfillment.
Supervisory Authority (PSZÁF):	The organization as provided for in Act CLVIII of 2010 on the Hungarian Financial Supervisory Authority (PSZÁF).
FIFO:	First In First Out, a processing principle for items submitted for settlement according to which the sequence of processing is determined by the time of submission, i.e. processing of items submitted earlier shall precede processing of those submitted later.
Proceeding to restrict payment:	The bankruptcy proceedings and liquidation proceedings as provided for in the Cstv. and the appointment of a temporary receiver, as well as the supervisory measures laid down in Section 153 (2) c) 6., Section 176/B (5), Section 181 (2) of the Hpt., the supervisory measures stated in Section 128 (1), Sections 164 (1) h) and n) of the Bszt, the prohibition of payment laid down in Section 135 (1) of the Bszt., additionally the supervisory measures stated in Sections 400 (1) h) and j) and (4) of the Tpt. if the authority entitled to take measures designates them as proceedings to restrict payment defined in Section 5 (1) of the Tpt.. Measures by the court without express reference are considered proceedings to restrict payment. Based on the advice by the authority entitled to take measures the proceedings to restrict payment can be temporary or final as stated expressly in the advice of the authority entitled to take measures.
Fix transaction:	Any transaction defined in the Trading Code of the Budapest Stock Exchange as such.
Consumer:	Natural person defined in Section III. of Appendix 2. of Hpt.

Continuous issuance:	Issuance of debt securities as well as investment units of an open-ended investment fund where the sale is effected in a period exceeding sixty days so that tenor of the securities begins from the date of their sale.
Record day:	The settlement day for which the rights of the owners related to securities are defined based on the closing account balances of the same day.
FoP type securities account transfer:	A (free of payment) transaction during execution of which a series of specific securities is debited and credited on the securities accounts.
Distributor:	Investment enterprise, credit institution defined in Section 5 (1) 51 of the Tpt.
Guaranteed regulated market transaction:	Transactions with multinet settlement and derivative transactions.
*Gas market:	NFKP and CEEGEX.
*Gas market clearing member:	NFKP and CEEGEX clearing member.
*Gas market transaction:	Transaction traded at NFKP and CEEGEX.
GIRO:	Interbank Clearing System (BKR).
GIRO clearing cycle:	The period during which InterGIRO platforms - IG1 nighttime, IG2 daytime - clear transactions with cover accepted for clearing.
GIRO daytime clearing '4 hours rule':	The maximum period of time within which the electronically initiated and accepted domestic HUF transfer order submitted prior to the same day execution cut-off time of the payment service provider of the remitting party gets to the payment service provider of the beneficiary customer.
GIRO IG1:	GIRO nighttime clearing method.
GIRO IG2:	GIRO daytime clearing method.
Fungible custody account:	Consolidated recording of physical securities where the account receivables of the Client are only valid for pieces specified by denomination units.
Credit institution:	Any financial institution defined in Section 5 (3) of the Hpt.
Debt securities:	Its definition is the same as that of securities representing

	debt stipulated in Section 5 (1) 57 of the Tpt.
Official publishing site:	An electronic system operated by the Supervisory Authority (www.kozzetetelek.hu) or a public electronic system acknowledged as such.
IBAN identifier:	International cash management identification number defined in NBH Order 18/2009. (VIII.6.) on the operation of cash management.
Temporary blocking:	The process of KELER blocking securities subject to the transaction at the seller, until performance, in the course of securities cover verification related to the execution of transfer transactions.
Immobilized securities:	Any physical securities for which the total issued quantity was deposited at KELER and physical delivery cannot be requested therefrom.
Instrument:	In case of BSE futures transaction it is one expiry of a product included in the List of Contracts. In case of an option transaction, it is an option series. For gas market transaction an individual product traded in the daily market with all features of the product allowing the matching of buy and sell offers defined.
ISIN identifier:	An international code being the combination of alphabetical characters and numbers for the identification of securities and other stock exchange products representing identical rights.
Subscription allocation:	In case of oversubscription a procedure after closing the subscription where the issuer or the distributor decides on the extent of acceptance of each subscription according to previously announced principles.
Affiliated enterprise:	An enterprise defined in Section 5 (1) 65 of the Tpt.
Account kept by KELER:	Register maintained by KELER on financial assets, securities and derivative positions.
KELER web site:	The site available at www.keler.hu .
Compulsory buying-in:	A compulsory provision in case of default by the Clearing Member by which KELER CCP attempts to acquire the missing securities.
Compulsory sale:	The compulsory provision in case of default by which in case of default on regulated market, gas market and energy market transactions KELER CCP, in case of default on non-guaranteed transactions KELER attempts to sell the available securities.
Compulsory provision:	Legal consequence applied in case of failure to meet an obligation towards KELER or KELER CCP or an obligation arising from a regulated market, gas market and energy market settlement, which is specified as compulsory provision by the General Business Rules of KELER and KELER CCP.

Trading right:	Authorization in possession of which a person is entitled to participate in BSE, MSE MTF market, MTS market, gas market and energy market trading.
Rate of default interest:	Interest rate provided for in the prevailing Fee Schedule of KELER.
KHR:	Központi Hitelinformációs Rendszer, Central Credit Information System
Issuer:	The legal entity who undertakes to meet the obligation included in the securities in its own name.
Emission unit turnover schedule:	An authentic and public system to record distribution, turnover, return and cancellation of CO ₂ emission units.
KID system:	A system established by KELER that ensures electronic communication between KELER and its Clients.
Clearing:	An activity defined in Section 5 (1) 70 of the Tpt.
Clearing bank:	In respect of transactions made in the XETRA system the local credit institution with whom KELER made an agreement for fulfilling the functions of a settlement bank.
Clearing Member:	The person that concluded a clearing membership agreement with KELER CCP and a service agreement with KELER for the settlement and fulfillment of guaranteed regulated market or gas market transactions.
Clearing Membership System:	The system operated by KELER CCP in the interest of guarantee undertaking.
Adjusted settlement price: (Ex settlement price)	Recalculated value of the settlement price of a certain share due to a corporate event, at which the relevant derivative open positions are reopened by KELER.
Batch processing:	Simultaneous collective processing of items received at different points in time that are put in the same group if specifies features are identical.
Central register of securities:	A registration system where the data necessary for allocation of ISIN code are processed and recorded.
Central securities account type „A”:	An aggregate registration by securities series, maintained by KELER on dematerialized securities owned by the clearing member and in relation to regulated market transactions by the clearing member being a commodities exchange service provider.
Central securities account type „B”:	An aggregate registration by securities series and by securities account managers, maintained by KELER on dematerialized securities owned by investment enterprise

	and credit institution Clients, where the securities account manager of the securities registered is the investment enterprise and credit institution itself.
Central securities account type „C”:	Registration of dematerialized securities maintained by KELER for the issuer, where dematerialized securities replacing physical securities not submitted for conversion (i.e. the owner of the securities is not known) are registered by series.
Total central securities accounts:	Aggregate volume of central securities accounts relating to a given series of dematerialized securities representing the total quantity issued.
Central counterparty:	Pursuant to Tvt. the organization acting as an exclusive counterparty in respect of transfer orders of the institutions of the system by entering the legal relationship.
Central counterparty:	A legal person that replaces one or more counterparties to contracts concluded in the money market and thus acts as buyer with respect to all sellers and as seller with respect to all buyers.
Warehouse warrant:	Securities as defined in Section 24 of Krt.
Indirect participant:	The person defined in section 2 (1) h) of the Ttv.
Foreign securities:	Any non-HUF denominated securities included in the register of the outsourced account manager accepted by KELER as well as the instruments, qualified as securities, issued thereon.
External circle:	Recording through GIRO (BKR) or VIBER system any payment transfer involving the payment account managed by KELER or any bank account managed by a third party bank.
Outsourced account manager:	Any institution (bank, national or international clearing house, depository) selected by KELER for managing securities accounts and/or foreign exchange accounts on behalf of KELER.
Announcement:	A document containing detailed, supplementary rules, obligations, procedures based on authorization by the General Business Rules of KELER CCP for the services provided by KELER CCP.
Custodian:	An organization providing securities custody services for its clients on a contractual basis, in possession of a relevant license.
Stopped securities:	Securities subject to the procedure defined in Sections 28-36 of the Act XLV of 2008 on Certain Non-litigious Proceedings.

Secondary data:	Data in addition to the data registered in the central register of securities, required to issue the ISIN.
Client:	All persons using the services of KELER and KELER CCP through a Clearing Member (Non-clearing Member).
Micro enterprise:	Enterprise defined in Section 2. 17. of Pft.
Qualified electronic signature:	The qualified electronic signature in line with the Eat.
MTS market:	The name of the multilateral trading facility (MTF) pursuant to Bszt., operated by EuroMTS
MTS transaction:	Transaction concluded on the MTS market.
*NFKP transaction:	Transaction in products (MGP, HEG, KAP) traded at the NFKP and imbalance transactions established by KELER CCP. Products traded at the NFKP are defined in the Rules of Operation of the Daily Natural Gas and Capacity Trading Market operated by FGSZ.
Public offer:	An event defined in Section 5 (1) 94 of the Tpt.
Publicly issued securities:	Securities issued by public offer.
Public offer:	The procedure specified in Section 5. (1) 95. of the Tpt. .
Physical securities:	Securities produced according to Government Decree 98/1995 (VIII. 24.), on the Security Rules Related to the Production, Handling and Physical Destruction of Certain Securities as well as the foreign securities that were physically produced according to the prevailing laws of the place of issue.
OTC transaction:	Securities transactions other than regulated market transactions.
Recycling:	A mode of fulfillment whereby KELER tries to fulfill the orders given to KELER not only on the requested settlement day but repeatedly thereafter up to a specified date.
Consolidated securities account:	Register of securities maintained by KELER for recording physical securities and dematerialized securities in fungible custody available to the Client.
Cash account:	A cash account defined in Section 2 (20) Pft.
Market:	Trading in specific products with a specific settlement method and with specific guarantees.

Instruction letter:	The advice sent by the System Participant upon the start of the proceedings to restrict payment in which it states that the indirect participant is impacted.
Extraordinary situation:	All situations requiring special treatment where the operation of services provided by KELER deviates from business as usual described herein (not including default and all extraordinary arrangements that are not regulated in the Procedure on Extraordinary Situations).
System:	A form of cooperation defined in Point (1) i) of Section 2 of the Tvt.
System relationship:	The form of co-operation defined in Point (1) p) of Section 2 of the Tvt.
System Operator:	The person defined in Point (1) q) of section 2 of Tvt.
Repo extension:	A repo transaction where the parties agree on extending a transaction made earlier, settled but not yet expired, under the original conditions.
Repo transaction:	A transaction provided for in Section 5 (1) 110 of the Tpt.
Share class:	A set of securities representing identical additional rights for the shareholder within one particular share type and form.
Share series:	The total quantity offered at a certain date of shares generated in the same way and representing the same rights, or the total quantity of shares issued at various points in time and representing the same rights at a later date.
Participant:	A person provided for in Point (1) j) of Section 2 of the Tvt.
Settlement date:	Date of settlement for regulated market transactions with T+2, T+3 settlement. The day of settlement of the transaction when accounts (cash and securities) are debited and credited.
SWIFT:	Society for Worldwide Interbank Financial Telecommunication –transfer system of international payments.
Regulated market:	Markets stipulated in Section 5 (1) 114 of the Tpt.
Regulated market transaction:	The BSE transaction, the BSE MTF transaction and the MTS transaction.
Regulatory document:	A document containing regulations defined by KELER as a self-regulatory organization that represent rights, obligations or information for the Client and are available for the Client on the web site of KELER or are sent directly to the Client (e.g. public procedures, Clearing House Announcements, lists of conditions, form agreements).

Specialized credit institution:	An organization specified in Section 5 (5) of the Hpt.
Personally / directly managed demat event:	Demat event executed at the seat of KELER with the personal presence of the representatives of the issuer and KELER.
Section:	Part of the BSE trading separately regulated by subject or product of the trade, the persons entitled to trade and the method of settlement.
Service agreement:	The form contract concluded between KELER and the clearing member, clearing members entitled to settle gas market and energy market transactions, energy market non-clearing members for the provision of bank account and securities account management services.
T day:	The stock exchange trading day when a deal is made or the derivative settlement price is changed, and the event related to which rights and obligations are generated.
Corporate event:	In case of securities managed by KELER the event when the owner of the securities is entitled to exercise the rights related to the securities against the issuer (e.g. dividend payment, general meeting, interest payment, etc.).
Permanent data carrier:	An instrument allowing data to be saved permanently for the period required and displaying data saved in unchanged format and with unchanged content.
Remotely managed demat event:	The demat event that is not executed electronically when the demat event is executed without the personal presence of the issuer.
Technical maturity:	The setting applied by KELER in the case of securities with maturity to ensure that account operations can be executed, it is not the modification of the original maturity date of the security.
Fulfillment:	The activity specified in Point 120. of Section 5 (1) of the Tpt.
Performing party:	An organization maintaining the fulfillment accounts of the entities participating in the system and that of the central counterparty and guarantees execution of transfer orders and, if necessary, grants loan to an entity and/or the central counterparty for the purpose of facilitating fulfillment.
Product list:	All the conditions defining the trading and settlement basic data of BSE products established and published by the BSE.
Tolerance level:	A ceiling agreed by the parties when making a securities lending transaction that is the maximum extent of decrease of the collateral value provided by the borrower

	below the required level of collateral without the generation of obligation to provide additional collateral.
Stock exchange:	An organization provided for in Section 5 (1) 122. of the Tpt.
Stock exchange settlement securities sub-account type „M”:	A stock exchange settlement securities sub-account opened for the Client on which the regulated market transaction is settled and which is exclusively for settlement of a transaction relating to securities owned by the Clients of the Client.
Stock exchange settlement securities sub-account type „S”:	A stock exchange settlement securities sub-account opened for the Client on which the regulated market transaction is settled and which is exclusively for settlement of a transaction relating to securities owned by the Client.
Stock exchange product:	A derivative or cash product included in the list of stock exchange products.
Transfer order:	The term defined in Section 2 (1) k) of the Tvt.
Shareholders registration:	Establishment of the right of disposition over certain securities, identification of shareholders according to the data registered by KELER as well as those provided by the Clients.
Client:	A legal entity being in contractual or indirect legal relationship with KELER for using the services specified in these Rules.
Business day:	The period defined in Point (1) o) of Section 2 of the Tvt.
Business secret:	Data specified in Section 368 of the Tpt.
Real time processing period:	A period defined in the Clearing House Announcement of KELER when KELER processes the transactions according to the provisions of these Rules.
Main distributor:	The fund manager undertaking the activity stated in Section 4 (2) bg) of the Batv.
VIBER:	A gross value based real-time settlement system for the execution of high value domestic HUF payment orders performed by the National Bank of Hungary.
Withdrawal:	Withdrawal request at the IG2 platform to transfer back the amount paid.
Redemption:	Repurchasing of the investment fund units by the issuer during the continuous distribution of open-ended investment fund units.

WARP:	The electronic order routing system operated by KELER that supports the distribution and settlement of open-ended investment fund units.
Warrant (Option warrant):	Marketable securities listed on the BSE that enables to exercise the right for the asset indicated in the securities as determined in the warrant itself, until expiry.
XETRA settlement sub-account:	A dedicated sub-account opened within the consolidated securities account for the settlement of transactions made in the XETRA System.
XETRA collateral account:	An account of technical character opened in KELER's FX Account Management System when settling the XETRA transactions.
XETRA transaction:	A securities transaction made in the XETRA System of Deutsche Börse.
Closing price:	A value defined by the BSE, EuroMTS or CEEGEX as such.
Blocking:	An account operation in line with the General Business Rules of KELER by which KELER suspends the authority of the Client to dispose independently over an account.
Private offering:	Offering of securities as provided for in Section 14 of the Tpt.

Abbreviations

ÁKK:	Államadósság Kezelő Központ (State Debt Management Authority - SDMA)
BSE:	Budapesti Értéktőzsde Zártkörűen Működő Részvénytársaság, Budapest Stock Exchange Incorporated Company.
CEEGEX:	Central Eastern European Gas Exchange
*CEGH:	Central European Gas Hub
ECC:	European Commodity Clearing AG
*EEX:	European Energy Exchange
EGT:	European Economic Area
EPEX SPOT:	European Power Exchange
EuroMTS:	EuroMTS Limited
FGSZ:	FGSZ Natural Gas Transmission Company Limited By Shares
HUPX:	HUPX Hungarian Power Exchange
IG1:	InterGIRO1
IG2:	InterGIRO2
KELER:	Központi Elszámolóház és Értéktár (Budapest) Zrt., Central Clearing House and Depository (Budapest) Private Company Limited by Shares.
KELER CCP:	KELER CCP Központi Szerződő Fél Zártkörűen Működő Részvénytársaság, KELER CCP Central Counter Party Privately Held Share Company
MEH:	Magyar Energia Hivatal (Hungarian Energy Office)
NBH:	Magyar Nemzeti Bank, National Bank of Hungary
NFKP:	Daily Natural Gas and Capacity Trading Market
PSZÁF:	Pénzügyi Szervezetek Állami Felügyelete, Hungarian Financial Supervisory Authority
*PXE:	Power Exchange Central Europe
WARP:	Wide Application Routing Platform

Regulatory environment

In the course of operation KELER complies, among others, with the requirements of the below listed regulations and the requirements of regulations taking effect after the last modification of the present Rules are enacted and with the agreements concluded.

Avtv.:	Act LXIII of 1992 on the protection of personal data and the disclosure of data of public interest
Batv:	Act CXCI of 2011 on investment fund managers and collective investment forms
Bszt.:	Act CXXXVIII of 2007 on investment enterprises and commodities exchange service providers and the rules relating to activities that can be undertaken by them.
Cstv:	Act XLIX of 1991 on bankruptcy proceedings, liquidation proceedings and voluntary dissolution
Eat.:	Act XXXV of 2001 on electronic signature
Fgytv.:	Act CLV of 1997 on consumer protection
Fttv.:	Act XLVII of 2008 on the prohibition of commercial practices that are unfair to consumers
Gt.:	Act IV of 2006 on business associations
Hpt:	Act CXII of 1996 on credit institutions and financial enterprises
Compensation Act:	Act XXV of 1991 on partial compensation for damages unlawfully caused by the state to properties owned by citizens in the interest of settling ownership relations
Krt.:	Act XLVIII of 1996 on warehousing
MNB tv.:	Act LVIII of 2001 on the National Bank of Hungary
PSZÁF tv.:	Act CLVIII of 2010 on the Financial Supervisory Authority
Pmt:	Act CXXXVI of 2007 on the prevention and combating of money laundering
Pft:	Act LXXXV of 2009 on the provision of cash management services
Ptk:	Act IV of 1959 on the Civil Code
Tpt:	Act CXX of 2001 on the capital market
Tvt.:	Act XXIII of 2003 on Finality in payment and securities settlement systems
Üht.	Act XV of 2005 on trading emission units of gases with

greenhouse effect

**Government Decree 284/2001.
(XII.26.):**

on the security rules and method of producing and forwarding dematerialized securities and on the rules of opening and maintaining securities account, central securities account and client account.

NBH Order 9/2009. (II.27.):

on the requirements on the general business rules and procedures of the organization providing clearing house services pursuant to the definition of the Tpt.

NBH Order 10/2009. (II.27.):

on the requirements of the procedures of the central depository.

NBH Order 18/2009. (VIII.6.):

on the operation of cash management

PSZÁF Order 24/2011 (XI.10.):

on ISIN.

**BSE – KELER
cooperation agreement:**

an agreement concluded between KELER and the BSE regulating the cooperation of the two organizations.

**KELER – KELER CCP
cooperation agreement:**

an agreement concluded between KELER and KELER CCP regulating the cooperation of the two organizations

NBH-KELER cooperation agreement: an agreement concluded between KELER and the NBH regulating the cooperation of the two organizations.

**Unicredit Bank
special bank
account agreement:**

Bank account agreement related to the operation of teller services outside KELER.

**Agreement between KELER and
Erste Bank on outsourcing certain
depository services:**

The agreement governing the depository services outsourced by KELER.

I. Introductory provisions

The Central Clearing House and Depository (Budapest) Private Company Limited by Shares (hereinafter: KELER) is a clearing house and central depository operating in the form as provided for in Tpt., Hpt. and Bszt.. The purpose of KELER is to operate the securities settlement system and to act as an efficient background institution of the Hungarian capital market when providing other services allowed by regulations. In the course of operation KELER fully complies with the principles of integrity and equal treatment and the basic principles defined in the European Code of Conduct for Clearing and Settlement by the association of the infrastructural institutions of the European capital markets.

According to Resolution No. 33.001-1/1994 of the Supervisory Authority KELER is the organization appointed to perform central depository operation in Hungary.

In line with the Tpt., the Ministry of Finance Decree 1/2010 (I. 8.) and Resolution 33.001-1/1994 of the Supervisory Authority KELER as central depository issues ISINs and is in charge of the central registration of securities.

As a depository, KELER's Depository (hereinafter: Depository) provides physical safekeeping, custody of the securities in the Depository as well as services in respect of physical and dematerialized securities.

KELER outsourced the safekeeping and custody of physical securities. These Rules contain the terms of using this service.

As of 1 January, 2004 KELER is a clearing house operating as a specialized credit institution pursuant to Resolution I-1676/2003 of the Supervisory Authority.

Pursuant to the Tpt. and Government Decree 284/2001 (XII. 26.) on the method of production and forwarding of and safety regulations for dematerialized securities and on the rules of opening and maintaining the securities account, the central securities account and client account, KELER provides comprehensive services relating to dematerialized securities. In respect of dematerialized securities KELER maintains the central securities accounts and pursuant to the provisions of the Tpt. KELER maintains securities accounts.

In case of physical securities KELER acts as a sub custodian in respect of any person using the services provided by any of its Clients.

With respect to the settlement of stock exchange trades, BSE MTF market trades and transactions concluded in the MTS market KELER fulfills the transaction cleared by KELER CCP.


As a specialized credit institution KELER is entitled to grant credits and loans, to provide cash management services in line with the provision of the Tpt. and the Hpt.

On the basis of instructions by its Clients KELER executes OTC and international settlements, manages collaterals, keeps register of shareholders, performs settlements for CO₂ emission unit transactions, operates a securities lending system and a system supporting the distribution and settlement of investment fund units. Furthermore, it is entitled to conclude securities lending transactions.

KELER charges fees for services provided according to the prevailing Fee Schedule.

KELER pays interest on the cash accounts maintained by KELER in accordance with the Terms and Conditions on Interest Payment.

KELER handles all business and securities secrets as well as any personal data becoming known to it according to the provisions of the Avtv. and other applicable regulations.



For proof of identity KELER shall accept a valid identity card or passport, for proof of power of representation a certificate of incorporation in case of a business association or cooperative, for other organizations the authentic document defined in the regulation relating to the organization concerned.

II. General Provisions

The requirements of the prevailing regulations of Hungary and the European Union relating to the operation of KELER apply for the operation of KELER. The governing law of the relationship between KELER and its Clients is the Hungarian law.

These Rules contain detailed rules for services provided by KELER, the rights and obligations of KELER and the persons using its services (hereinafter: Clients) when providing/using the services. Furthermore, the Rules contain provisions on cooperation between KELER and its Clients, on provision of information and on data management.

The procedural matters related to the provisions of these Rules as well as any further detailed provisions by authorization of these Rules are specified in the Clearing House Announcements, Lists of Conditions, Fee Schedule and other information materials.

The rules applicable for extraordinary situations shall be defined in the relevant procedure that KELER makes available to its Clients.

KELER's General Business Rules and its amendments will be accepted by the Board of Directors. The Rules will enter into force when the Supervisory Authority approves them, approval by the Supervisory Authority in line with the provisions of the Tpt. is provided with the consent of the NBH as competent authority.

In case of changes to these Rules and to parts of other procedures and public regulatory documents governing issues as stipulated in NBH Orders 9/2009 (II.27.) and 10/2009. (II.27.) KELER ensures that its Clients become familiar with the modifications and can make comments in the manner and until the deadline stated on the website. Accordingly KELER publishes on the website the planned modifications at least 6 business days prior to the meeting of the body making decision thereto. If the planned modification is of a comprehensive nature or of large volume, changes are made public at least 11 business days prior to the decision. The text of the modification can be reviewed with changes highlighted (track changes) in the prevailing version of the regulatory document.

KELER is not obliged to make public the planned modification of regulatory documents in the following cases:

- in case of modification to regulations on fees, commissions and costs;
- in case of changes to the type and extent of risk management tools defined in procedures;
- if providing the opportunity of giving prior opinion prevents safe and efficient operation.

Clients can send eventual comments on modifications to the e-mail address keler@keler.hu.

Should these Rules or any other regulatory document contain modifications that are disadvantageous from a cash management aspect for the Client considered Micro enterprise or Consumer, KELER shall send to such Client the modification in printed form or on permanent data carrier as defined in Pft. two months prior to the effective date of the modification.

If the Client considered Micro enterprise or Consumer does not inform KELER until the effective date of the modification on non-acceptance of the modification, KELER shall consider the Client consented to the modification. In this case the bank account agreement legally concluded earlier shall remain valid with modified content. Until the effective date of the modification the Client considered Micro enterprise or Consumer shall be entitled to terminate the bank account agreement without the payment of any fees, costs or other payment obligation. The condition of such unilateral termination of the bank account agreement is that the Client meets all cash management obligations and obligations involving cash management also towards KELER and KELER CCP.

In the case of Clients not considered Micro enterprises or Consumers KELER meets the regulatory requirements on the amendment of these Rules by taking the opportunity to apply the

diverging provisions stated in Section 3 (2) of the Pft.

In case of any other amendment to these Rules all the Clients are entitled to terminate the form contract concluded with KELER within 30 days from the effective date of the amended Rules provided any other condition herein stated are complied with. Should the Client not exercise its right of termination within the said deadline, KELER will consider that the Client accepted the amendment of the Rules and recognized them as binding for itself. The effective form contract established earlier will remain in force with the content being in accordance with the amendment.

For the purpose of implementation of the content of these Rules the Client shall undertake to create internal regulations and cooperation with KELER and KELER CCP that are in compliance with the provisions of the regulations of these organizations and provide for compliance therewith.

In accordance with the provisions of these Rules KELER has the right to enforce its collateral right and to make compulsory provisions. The bail stipulated in KELER's settlement system will not be cancelled if liquidation notice of the Client is published.

2.1. The Clients of KELER

KELER provides services to persons that are entitled to make use of the service concerned in accordance with the provisions of regulations, comply with the requirements of the procedures of KELER, undertake to comply with reporting obligations defined by KELER, meet the material and technical conditions for the use of services stipulated by KELER and accept the procedures of KELER as obligatory for themselves.

The persons below listed are entitled to use the services of KELER as clearing house, except for the supplementary activity assisting clearing house operation:

- investment enterprise, foreign investment enterprise,
- credit institution, foreign credit institution,
- commodities exchange service provider, foreign commodities exchange service provider,
- investment fund manager,
- issuer, foreign issuer (exclusively in respect of securities owned by them),
- stock exchange, foreign stock exchange,
- organization performing clearing house activity, foreign organization performing clearing house activity,
- participant of an organized market as provided for in law,
- organization performing central depository activity, foreign organization performing central depository activity,
- central counterparty, foreign organization undertaking central counterparty operation,
- the Hungarian State,
- the institution managing the estate of the Hungarian State,
- the National Bank of Hungary.

2.2. Services of KELER

2.2.1. List of Services

KELER as a central depository and clearing house provides the following services specified in these Rules to its Clients:

- issuance of securities code,
- central register of securities also containing the central register of securities stopped and cancelled that are delivered to KELER and are in the scope of the Tpt.,
- issuance, registration and cancellation of dematerialized securities,
- issuance of an instrument on securities issued in Hungary for the purpose of distribution abroad,

- issuance of an instrument on securities issued abroad for the purpose of distribution in Hungary,
- clearing DVP transactions concluded outside the regulated market,
- financial settlement of transactions cleared,
- non-cash (by product) fulfillment of a transaction cleared,
- securities fulfillment of cleared transaction,
- provision of cash management services, including management of bank accounts and foreign exchange accounts,
- lending money,
- safekeeping and registration of financial instruments and related Client account maintenance, custody and related securities account maintenance, for physical securities registration of such securities and maintenance of Client account,
- operation of a securities lending system,
- lending securities,
- settlement of CO₂ emission unit transactions.

Furthermore, KELER is entitled to perform supplementary activities specified in the Tpt.

2.2.2. Restrictions relating to individual activities (services)

KELER is entitled to require a collateral from Clients using its services.

The collateral serves as bail for fulfillment of the transaction in compliance with the terms of the relevant agreement and can be used by KELER in case of default by the Client without limitation. The Client must guarantee that the collateral can be used at all times.

KELER as a central depository keeps a central securities account for the securities account manager. KELER maintains the central securities account on the securities submitted for conversion but not accepted for the issuer.

KELER is entitled to maintain a cash account and other bank accounts in Hungarian Forint and foreign currencies for all its Clients..

KELER maintains bank accounts for its Clients and the Clients thereof in order to handle their funds and collateral in a segregated manner.

KELER provides cash management services linked to the operations defined in Section 335/A (3) of the Tpt., in accordance with the form contract concluded with the Client.

KELER keeps cash accounts and bank accounts (hereinafter: bank accounts) in accordance with the form contract concluded with the Client.

Due to clearing house operation KELER as a third party settles DVP and other capital market transactions for domestic credit institutions with the involvement of the cash account of the credit institution kept in HUF at the NBH.

KELER provides services of securities code issuance, central securities registration and keeping the register of shareholders for issuers in respect of securities issued by them and organizations undertaking stock exchange operation according to the Tpt. and other applicable regulations.

2.2.3. Establishing settlement days and period of operation

When defining settlement days and periods of operation within settlement days KELER allows for the start and the end of operation periods and legal holidays to be in harmony primarily with the working hours of KELER CCP and the NBH and the operation of BSE and Clients. Accordingly, following the announcement of the regulation on the order of working days around legal holidays in the year concerned KELER initiates a consultation with KELER CCP, NBH and BSE to establish the legal holidays of the year concerned.

KELER provides services related to BSE in operation periods harmonized with the working hours of the BSE.

Also with regard to the above settlement days may be different for individual ranges of transactions.

KELER makes an advance public notice on its operation schedule of the year that is continuously available on the website of KELER.

2.3. Account contracts

Account maintenance services provided by KELER are available upon completing the applicable and public form contracts and forms.

KELER provides the service after the contract entered into force and the form is signed by both parties.

KELER provides services available for clearing members only to persons in a clearing member legal relationship with KELER CCP. KELER CCP continuously sends to KELER the prevailing list of clearing members, thus the applicant is not required to provide proof of being a clearing member.

KELER provides services that are available to energy market Non-clearing Members to persons exclusively that have an energy market non-clearing member legal relationship with KELER CCP.

KELER shall be entitled to refuse concluding a contract with the applicant if the applicant cannot prove without any doubt compliance with the requirements of the present Rules. If this is the case within 30 days of receipt of the application by KELER the applicant will receive a written notice on refusing contract conclusion and the reason thereof. If the applicant sends written comments on the reason of refusal to KELER within 30 days of receipt of refusal, KELER will respond to such comments within 15 days. Without deadline the applicant shall be entitled to repeatedly make an application if the requirements of the present Rules and the content of the refusal of the previous application are fully taken into view.

The Client is entitled to open several consolidated securities accounts which, however, are linked in respect of the relevant clearing member in terms of risk management by KELER and the guarantee provided by KELER CCP.

The electronic customer relationship system related to the account maintenance services of KELER can be used following completing the applicable form contract and the necessary forms.

2.3.1. Conditions of account opening

2.3.1.1. Bank and securities account opening

2.3.1.1.1. General regulations

The Client has to submit an application for opening a bank and/or securities account to KELER in writing, in the Hungarian language. The Client shall attach the following documents to the application in original, attested by a public notary or in an electronic document with qualified electronic signature (in case of a foreign Client the documents and the application must be submitted in English or with an authentic Hungarian translation):

- articles of incorporation,
- original signature specimen, or original signature sample or other document evidencing authorization of the representative to sign on behalf of the organization represented,
- signature card,
- an account or service agreement signed by authorized signatories,
- a document not older than 30 days evidencing that the Client is included in the applicable registration or if the organization is established by regulation certification thereof,
- document evidencing right of representation of the representative of the Client if the right of representation cannot be established based on the document regarding registration by authorities,

- for Clients that KELER keeps bank accounts the document evidencing tax number and statistical number of the Client if such cannot be established based on the document regarding registration by authorities,
- in case of a foreign Client a document certifying authority registration under the personal jurisdiction of the Client,
- license by the supervisory authority if the Client performs an activity subject to a license,
- for participants of the system authorization and form regarding the finality of payment,
- in case of foreign participants of the system a written legal declaration prepared by the lawyers of the foreign participant regarding full compliance with the requirements of Sections 10 ea) eb) and ec) of the Ttv..
On a case by case basis and exclusively if a foreign Client outside the EEA is concerned, regarding the method and extent of certifying compliance with the condition defined in Section 10 ed) of the Ttv. KELER decides in accordance with the purpose of the regulation and requests a country opinion issued by an external legal advisor.
- Forms on compliance with the provisions of the Pmt. in case of Clients that are subject to due diligence in line with the Pmt.

The branch office in Hungary of a foreign enterprise registered within the EGT shall conclude the account agreement in the name and on behalf of the enterprise with foreign seat.

KELER is entitled to modify the securities account number, the bank account number and the IBAN identifier related to the opened securities if it notifies Clients thereof 30 days prior to the modification.

Clients considered Consumers using gas market services are to provide the following documents for account opening in original or as notarized documents, or as electronic documents with certified electronic signature:

- form on compliance with the provisions of Pmt. to be submitted by Clients that are subject to due diligence,
- service agreement executed by the Client.

The Client considered Consumer is required to present the original of documents proving personal identity (personal identity card or passport and address card).

Prior to concluding the agreement KELER completes customer rating in line with Bszt. and provides related information. Prior to concluding the agreement KELER requests Clients to state whether they are Micro enterprises or Consumers pursuant to Pft. In case of a Client considered Micro enterprise or Consumer, prior to concluding the agreement KELER provides prior information to the Client in line with Pft.

The form contracts included in the service agreement are governed by the applicable provisions of these Rules.

2.3.1.1.2. Securities sub-account opening

There is no limit on the number of sub-accounts can be opened under a consolidated securities account. The condition of opening a sub-account is that the Client provides at least the code (number of the sub-account) and other identifier of the beneficiary of the sub-account and consents to provision of the data.

If consent is provided by the beneficiary the account holder is responsible for making sure that the securities in the sub-account are in fact owned by the party for whom the sub-account is kept. In case of share registry completed with shareholder registration no automatic registration

is made, unregistered data will be shown in aggregate as a separate line in the share registry managed by KELER.

In the event that the beneficiary of the consolidated securities account opens a named sub-account within the consolidated securities account maintained with KELER, based on the declaration by the Client information must be indicated whether the Client consented to automatically showing its data in the register of shareholders of the issuing company managed by KELER.

2.3.1.1.3. Bank account opening

KELER automatically opens additional bank accounts necessary for using the services provided - Client and Non-clearing Member bank account, collateral bank accounts (S/M and Non-Clearing Member) necessary for the fulfillment of guaranteed regulated market trading, purchase price collateral bank accounts (S/M) as well as other collateral bank account or custody bank account.

2.3.1.1.4. Involvement of settlement agent

KELER provides for the fulfillment of transactions cleared by KELER CCP for Clearing Members with no account required for fulfillment with the involvement of the settlement agent they mandated. The Clearing Member advises KELER and KELER CCP on using the service. In this case the settlement agent, except for credit institutions, must have the necessary bank and securities accounts at KELER.

2.3.1.2. Foreign exchange account opening

For making use of foreign exchange based settlements KELER opens a foreign exchange account and foreign exchange sub-accounts segregated by currencies thereunder. When opening the foreign exchange account KELER opens automatically the sub-accounts in the currency necessary for the fulfillment of regulated market transactions, energy market transactions. Identification of each sub-account is by providing the IBAN identifier and the currency.

Within the range of the registered currencies KELER shall be entitled to determine so-called settlement currencies (both for international settlement and settlement within KELER) and to accept settlement transactions and currency conversion transactions only for the currencies defined.

2.4. Account segregation

KELER guarantees segregation at own and Client level on the accounts managed.

2.5. Disposal over the account

Unless law or an authority expressly provides otherwise KELER shall accept any instruction to an account exclusively from the Client.

The Client shall notify in writing the names of the persons having the right of representation and the authentic signature specimen of the person authorized to sign on a form standardized for this purpose (signature card, registration form).

If a Client considered Consumer wishes to authorize other persons to dispose over the account, the Client is to inform KELER in writing on the signature card.

KELER will accept any order from the Client only if signed by a person registered on the signature card as referred to above.

KELER shall not accept any restriction as to the amount concerned in terms of right of representation.

Clients can send orders to KELER as follows:

- via the electronic customer relationship system,
 - o via the KELER web site (only for ISIN issuance and for demat events)
 - o via KID or
 - o in a SWFIT message sent in compliance with the KELER SWIFT Rule Book,
- with postal or personal delivery on a form used for this purpose, or
- in encrypted fax message.

KELER will check the right of signature and accept only instructions for transactions with the pre-notified, authentic signature, or in case of orders sent in the electronic customer relationship system only instructions with electronic signature.

In case of any change to the rights of representation advised KELER considers the representative and its signature registered effective as long as the new signature card being in compliance with the change is put into effect.

If an instruction by the Client is signed by a person not authorized to sign or the signature deviates from the specimen registered, KELER rejects the instruction and provides the reason of rejection, with simultaneous advice to the submitting party thereof.

KELER considers that instructions submitted electronically are given by persons with right to dispose over the account. The Client is responsible to ensure that only persons authorized by the Client for this purpose can access instruments for providing electronic instructions.

Additionally KELER shall be entitled to accept instructions received in non-encrypted fax:

- if the Client concludes an individual agreement with KELER thereon,
- on a case by case basis, when following signature verification KELER requests telephone confirmation by the Client regarding the details of the instruction. The Client submitting the instruction is responsible for the authenticity of instructions and damage resulting therefrom.


KELER executes debit transactions exclusively up to the amount of available balances (over and above the blocked amounts) on the account of the Client.

Unless these Rules or regulations provide otherwise KELER does not make partial fulfillment.

KELER accepts instructions from the securities account manager in respect of dematerialized securities only electronically.

Without separate instruction by the Client but with notification thereto, based on authorization provided by the Client in accordance with these Rules KELER is entitled to debit the account of the Client with the amount of interests, commissions, fees, additional fees and costs related to account maintenance in case of failure to meet an obligation towards KELER with the amount of costs arising and in cases defined in regulations in accordance with the provisions herein stated. If a foreign intermediary (e.g. custodian) is involved in the course of providing service by KELER to the Client (e.g. fulfillment of BÉTa market settlement), KELER automatically passes to the Client additional extra costs (e.g. registration cost, stamp duty, foreign tax, etc.) invoiced to KELER by the foreign intermediary in addition to the costs of the transaction.

Under these Rules the Client authorizes KELER to collect the payables of the Client towards KELER CCP in accordance with the agreement concluded with KELER CCP. The Client authorizes KELER to make available the balances of accounts kept by KELER for the Client to KELER CCP to the extent necessary for the settlement of guaranteed transactions.



In case of a credit institution in the VIBER system KELER is entitled to submit cash management orders in Hungarian Forint to the NBH on behalf of the credit institution in order to meet payment obligations arising from these Rules and the General Business Rules of KELER CCP. The Client authorizes KELER to make available the balances of accounts kept by KELER for the Client to KELER CCP to the extent necessary for the settlement of guaranteed transactions.

Without separate instruction by the Client but with notification sent to the Client, based on authorization provided under these Rules, KELER corrects credit and debit items that arise due to error by KELER.

Without separate instruction by the Client, based on authorization provided by the Client under these Rules, KELER is entitled to pass debit and credit entries related to settlement to the bank accounts and sub-accounts of the Client in the course of settlement.

KELER shall publish the order of submitting and fulfilling individual instruction types in Clearing House Announcements.

2.6. Suspension of the right of disposal over the account

In case of provision by the Supervisory Authority, a liquidator or any other authority KELER will suspend the right of disposal of the Client for the period provided for by the organ having the right to do so. In this case the suspension does not affect the settlement of any transaction that is yet to be settled and were made before the provision taking effect and the enforcement of the bail. The person appointed by the authority initiating the arrangement shall be entitled to exercise the right of disposal.

Based on the decree of the authority KELER is entitled to block the accounts of the Client. Debits to a blocked account (sub-account) can be completed exclusively in line with the provisions of the decree of the authority initiating the blocking.

In case of provisions by regulations and violation of the requirements stated in these Rules and in the General Business Rules of KELER CCP and in case of default and in all other justified cases KELER shall be entitled to restrict account turnover that is in fact the temporary suspension of debit items on the account.

2.7. Termination of accounts maintained by KELER

2.7.1. Cases of account termination

Accounts maintained by KELER can be terminated in the following cases:

- a) termination of the Client without any legal successor,
- b) withdrawal of the license of the Client by the
Supervisory Authority,
- c) termination of the contractual relationship for the
account,
- d) in the cases defined in the point on handling
outstanding receivables of KELER,
- e) application for termination.

2.7.2. Precondition for termination of an account

At the initiative of the Client or in case of withdrawal of the license by the Supervisory Authority KELER is entitled to terminate the accounts of the Client if:

- a) all debits and credits were made to the account,
- b) the balance of the account is zero,
- c) in case of a blocked account if blocking is released,
- d) KELER CCP provides consent to account termination.

If there is both a bank account and a securities account and further debit and credit items are expected in the bank account of the Client, the securities account can be terminated on its own if the balance thereof is zero.

In case of termination of the consolidated securities account of an investment enterprise and a credit institution KELER will inform the Supervisory Authority.

At the request of the settlement agent regarding the termination of its cash and securities accounts KELER terminates the accounts stated in the request if the above conditions are complied with.

2.7.3. Termination of the account contract

2.7.3.1. Termination by KELER

KELER is entitled to terminate the account contract with a notice of 30 days in writing. In case of a Client considered Micro enterprise or Consumer the termination period of bank account termination by KELER is 60 days, except if the Client commits serious or repeated breach of obligations stipulated in these Rules. KELER may terminate the contract of a clearing member only in case the license of operation of the Client is withdrawn by the Supervisory Authority, the clearing membership legal relationship of the clearing member with KELER CCP is terminated or if KELER is entitled to do so due to an outstanding account receivables toward KELER.

2.7.3.2. Termination by the Client

The Client may exercise its right of termination only if it

- a) met all the obligations as provided for in these Rules,
- b) has no outstanding debt to KELER or KELER CCP,
- c) gives instruction as to the balance remaining on the account.

Withdrawal by the Client of an authorization provided to KELER in line with these Rules that is for the approval of payment operations constitutes a termination of the bank account agreement by the Client. The withdrawal of the authorization does not take effect during the period of termination.

The Client is entitled to terminate the account contract with a notice of 30 days in writing. The Parties may agree on a different period of notice.

2.8. Handling liabilities towards and receivables from KELER

2.8.1. Handling liabilities towards KELER

KELER will act according to this Point in case of any liabilities due to KELER on any grounds.


Measures by KELER in case of liabilities of the Client are as follows:

1. In case of any liability outstanding after the due date under any title referred to in this Point KELER will send a written call to the Client to settle the liabilities. In accordance with the provisions of these Rules KELER is entitled to take any freely disposable asset owned by the Client as collateral for settlement of any liability of the Client specified in this Point. Simultaneously with the written call KELER will block all freely disposable assets owned by the Client and deposited at KELER up to the necessary extent.

The necessary extent means the amount presumably necessary to cover the existing actual debt and further costs incurred in the future, which cannot be more in total than 1.2 times as much as the outstanding debt. In case of taking securities as collateral their assessment will be made by KELER according to the provisions relating to default of regulated market securities settlement.

In accordance with the rules on bail of the Civil Code the assets will be transferred from the Client to KELER, i.e. the subject of bail will be transferred (blocked). KELER shall inform the Client in writing without delay on taking its assets as bail. The bail will also extend to the freely available assets owned by the Client and becoming available at a later date as long as the debt is outstanding. KELER will maintain the blocking only up to the value of the prevailing amount of the outstanding debt.

2. After expiry of the deadline set in the call KELER will debit the account of the Client with



the amount of the debt and will charge the late interest stated in the Fee Schedule in case of a Client having a bank account with KELER that the Client provides an authorization to KELER pursuant to these Rules. In case of a credit institution KELER will get the NBH account of the credit institution debited pursuant to the authorization of the Client provided under these Rules.

3. If the debt is not settled in the course of the above steps KELER will sell the assets of the Client taken as bail in a compulsory sale, the resulting amount shall be used to settle the debt.
4. Should the receivables of KELER not or not fully return as a result of the above steps KELER is entitled to terminate the account contract with simultaneous notification of the Supervisory Authority and to institute the possible legal proceedings.

In case of delay in payment the Client is liable to pay default interest until the date of payment.

After the end of the period of termination specified in the account contract KELER will terminate the accounts.

At the time of termination KELER transfers the funds and securities recorded on the account of the Client according to instructions given by the Client; if the transfer is not successful KELER will take the funds and securities in responsible safekeeping.

In case of dematerialized securities responsible safekeeping is implemented by transferring them to a blocked sub-account to be opened in the name of the holder of the account terminated under KELER's main account.

After settlement of the debt and termination of the account contract KELER will send a written settlement to the Client.

2.8.2. General rules for the settlement of Client receivables

Based on authorization by the Client under these Rules KELER is entitled to debit the bank account of the Client with the fees of KELER and the fees of KELER CCP and with the amount of its outstanding obligations towards the Client, in case of a credit institution to debit through VIBER the cash account thereof kept with the NBH. The assets owned by the Client and deposited with KELER serve as bail for the receivables of KELER from Clients.

The unilateral amendment with negative effect for the Client of contracts pursuant to which KELER provides the services stated in Sections 3 (1) b) and d) can be completed only in the cases herein defined. Such unilateral amendment with negative effect for the Client can be based on:

- a) the change of legislation on or related to the activities, conditions of operations of KELER, orders by the central bank or the change of other mandatory rules on KELER,
- b) the adoption, change of rates and taxes related to the activity of KELER (e.g. taxes), change in the rules on mandatory reserves,
- c) any change in the provision of services by KELER that results in cost increase related to the provision of services that can be evidenced,
- d) if the Board of KELER makes a resolution to increase fees with the inflation rate published by the Central Office of Statistics.

2.9. Obligation of cooperation, notifications

2.9.1. Obligation of cooperation

KELER and the Client shall cooperate in order to continuously and mutually perform contractual obligations, accordingly they provide each other with the information specified herein, and furthermore they undertake to notify each other of any change in their data immediately after becoming aware of them.

2.9.2. Notification by KELER

2.9.2.1. General rules of notification

KELER will forward notices to the Client electronically, in fax, mail or by phone in accordance with the provisions of the present Rules and the contract concluded with the Client.

KELER shall publish general notices on its web site, in the KID system and also electronically on the web site designated by the Supervisory Authority for disclosure purposes.

In case of a Client considered Micro enterprise or Consumer in the cases defined in Pft. KELER informs the Client of the change in printed form or on permanent data carrier.

KELER is not liable for damage resulting from the errors of postal delivery.

KELER is not obliged to send documents, notifications to the Client by registered mail or with acknowledgement of receipt. The signed off list of items sent or the postal receipt are proof of sending.

Once the usual mailing time is over KELER is entitled to consider that the addressee received the notification or the document. KELER takes five calendar days as usual mailing time for domestic mails.

In addition to postal delivery, at the case by case written request of the Client KELER also faxes notices to the Client. Faxed notices are considered transmitted if KELER can prove the fax message was sent.

If the electronic communication of regular provision of data by KELER requires encryption or digital authentication KELER informs the Client requiring the data thereof, and the Client is responsible to ensure the existence of necessary technical conditions on its side. KELER shall not take liability for damage resulting from messages that were sent without encryption or digital authentication due to the technical conditions not provided for by the Client.

The Client shall notify KELER in writing without delay but at the latest on the business day following the planned receipt if any notification expected by the Client from KELER is not received in due time. Should the Client fail to meet this obligation of notification KELER assume no liability for any resulting damage.

KELER makes available to the public these Rules, its Fee Schedule and all other regulatory documents relevant to Clients, in case of changes to documents the prevailing versions of documents at its registered office in premises open to customers, on KID, on the electronic system operated by the Supervisory Authority or recognized as such (www.kozzetetelek.hu) and ensures that such documents are continuously available on its website.

These Rules and other regulatory documents of KELER are in Hungarian, however KELER continuously publishes on its web site the English translation of these Rules, the Fee Schedule, the Procedure on the management of extraordinary situations and the Procedure on complaint management. Upon individual request KELER provides information on the availability of the English version of other public regulatory documents. In case of difference between the Hungarian and the English versions the Hungarian version shall prevail.

Unless other regulations require printing KELER prepares primarily electronically the reports, statements and advices for gas market Clients that can be accessed by FGSZ and gas market Clients on the IT Platform of FGSZ RI and in KID.

Gas market Clients can access banking services related statements and information in the KID system.

2.9.2.2. Provision of bank and securities account information

In accordance with the agreement between the Client and KELER, KELER provides information in relation to the accounts maintained by it as follows:

- a) on phone or personally by using a password (code) and at the same time giving the company name and the name of the person calling, or
- b) in writing in an application signed by authorized signatories.

KELER is not responsible for any consequences arising from giving information in line with the regulations as referred to above.

The password may be a code consisting of at least 10 characters (letters or numbers) provided by the Client in writing.

KELER will hand over to the Client its response to the written bank information requested duly signed by the Client within 3 business days of receiving the request at the latest. The fee of providing bank information is contained in the prevailing Fee Schedule of KELER.

2.9.3. Notification by the Client

Any written message for KELER – except for electronic communication - should be sent to the mail box of KELER or to the registered office of KELER or can be submitted personally to the Client Service of KELER.

In case of electronic communication documents with qualified electronic signatures can be submitted if it is expressly provided for herein.

At the request of the Client KELER provides a certificate confirming receipt of the parcel, KELER will sign the certificate to prove authenticity.

The Client is obliged to advise KELER without delay if:

- a) the Client becomes aware of any important facts, circumstances relating to the contract concluded with KELER and KELER CCP as well as of any change therein,
- b) the Client wishes to involve a settlement agent to provide for the settlement of its transactions,
- c) the Client submits an application for bankruptcy or liquidation proceedings to the court, or liquidation proceedings have been instituted against the Client,
- d) any change occurred in the person of an executive officer or the registered office, branch office, company name or legal status has changed, by submitting the official documents (non-appealable decree on registration by the court of registration or a certificate of incorporation also containing the changes that is not older than 30 days, original or certified copy of the specimen signature),
- e) there is any change to the persons authorized to sign on behalf of the Client,
- f) the Supervisory Authority license of the Client licensed by the Supervisory Authority is withdrawn,
- g) there is any change during the term of the business relationship established with KELER in the data recorded on the form completed in relation to the execution of obligation stipulated in Pmt., KELER is to be notified within 5 business days of becoming aware of the changes.

If KELER finds during the action that the Client did not meet its obligation of notification, KELER contacts the Client in writing and by setting a reasonable deadline subject to announcement to be submitted to the Supervisory Authority or the competent court or initiation of judicial review proceedings at the competent court of registration calls the Client to make the necessary steps.

Should the omitted notification not be sent or other measure not be taken by the deadline set, for the purpose of restoring the lawful operation KELER notifies the Supervisory Authority, BSE, KELER CCP, the competent court and the court of registration on the fact that the Client fails to observe the legal provisions and the provisions of its deed of foundation in respect of its organization and operation.

The Client is liable for any damage arising from the failure to provide notification.

2.10. Account statements, transaction confirmations

2.10.1. General rule of account statements

KELER makes the account statement available to the Client electronically according to the contract concluded with the Client.

KELER considers the account statement regarding cash and securities accounts is accepted by the Client, both in respect of individual items and the balance thereof if the Client does not make any comment in writing regarding the content of the account statement on the day following receipt.

2.10.2. Special rules of sending account statement

KELER will forward the account statement

- a) in KID,
- b) in a message sent in accordance with the SWIFT Rule Book of KELER or in e-mail,

c) based on separate agreement to the address stated by the Client.

Unless otherwise agreed KELER will send printed statements weekly to the Client.

2.10.3. Bank account and securities accounts

KELER sends an account statement in Hungarian to Clients on changes in the balance of the bank account and the securities account and on instructions executed.

The bank account statements containing GIRO daytime clearing include English expressions also.

For securities accounts KELER also prepares a comprehensive account statement for the Client on the closing balance on the last business day of each calendar month.

2.11. Electronic customer relationship systems

KELER provides for electronic communication through the KID system and messages in line with the KELER SWIFT Rule Book.

Based on contract(s) concluded the Client can use any or both electronic customer relationship systems.

However, the Client will have to use the same electronic customer relationship system for giving related instructions (cancellation, suspension, etc.) to an instruction already submitted, and all status feedback will be provided in the customer relationship system used to send the original instruction.

KELER sends end of day account statements and confirmations to the electronic customer relationship system(s) that the Client has valid agreement for.

2.11.1. Operation of the KID system

The KID system is to be utilized in line with the provisions of the Act., the regulations and form contracts of KELER.

Data generated in the KID system are electronic instruments that are provided with an electronic signature with increased safety. Until the contrary is evidenced, data included in an electronic instrument must be considered non-falsified.

The terms of use of the KID terminal are specified in the service agreement and the KID User Manual.

In the communication system it is always the Client that initiates making the contact.

Statements can be inquired after the daily closing but at the latest after 7:00 hours on the next settlement day.

Downloaded statements can also be viewed in KID retrospectively. The balances and daily information show only the information last inquired.

2.11.1.1. Orders refused by KID

KID will not accept any order with format errors.

The date included in the package (file) identifier of the orders forwarded on the KID terminal is the date of dispatch; one package may contain orders relating to one settlement day only.

If orders arrive for the current day as settlement day after the cut-off times specified, KID will refuse them. The Client has the possibility to correct the refused package within the specified time and to resend the package with a new value date in accordance with the general regulations.

When checking the time of submission the system always takes into account the time indicated

on KELER's central computer.

2.11.2. Messages in line with KELER SWIFT Rule Book

As an alternative to KID KELER ensures communication via SWIFT and in e-mail in the cases defined in the KELER SWIFT Rule Book that is to be used in line with the provisions of the regulations and form contracts of KELER.

Instructions can be submitted to the system in line with the rules of the KELER SWIFT Rule Book.

When accepting instructions KELER completes the identification of the instructing Client based on its BIC code.

2.11.3. Services that can be accessed via the Internet

In line with the provisions of these Rules the services of KELER that are published in the Clearing House Announcement on Internet based services can be accessed via the Internet.

2.12. Right of control of KELER regarding the electronic customer relationship systems

KELER is entitled to complete checking at the Client (including onsite checks) as follows:

- a) in order to check compliance with the requirements of the rules,
- b) in case of the Client violating the requirements of the rules,
- c) for the purpose of establishing the increase of risk resulting from participation in the system.

In case of errors or abnormal operation of the electronic customer relationship systems or events reported by the Client KELER is entitled to check on site the operation of the electronic customer relationship system.

III. Central depository operation

3.1. The central depository activities

KELER performs the following central depository activities:

- allocation of ISIN codes,
- maintaining the central register of basic securities data also containing the central register of securities stopped and cancelled,
- provision of services related to dematerialized securities,
- issuance of an instrument on securities issued in Hungary for the purpose of distribution abroad,
- issuance of an instrument on securities issued abroad for the purpose of distribution in Hungary.

Details on the online applications that can be accessed at the web site of KELER can be found in the Clearing House Announcement on Internet based services.

The Internet based services can be used following separate registration related to the individual online applications.

3.2. Allocation of ISIN identifiers

KELER allocates an ISIN identifier to securities to be issued as physical or dematerialized securities series, in a public or private offer by domestic or foreign issuers in Hungary and for other stock exchange product. The ISIN can be requested by providing the necessary data. The issuer can request an ISIN by completing the form provided to the issuer by KELER or the form available at the web site of KELER or in the online application that can be launched at the web site on KELER.

For ISIN requests missing data cannot be provided later, incomplete requests will be rejected.

The issuer is obliged to inform KELER on changes to the data provided to KELER in relation to the ISIN.

The BSE is responsible for requesting the ISIN identifier for any derivative instrument traded on the stock exchange, prior to the first trading day of the new instrument.

The issuer is responsible for requesting a new ISIN identifier for additional issuance of securities representing rights also represented by already BSE-listed securities if the BSE-listing for the amount of additional issuance occurs at a point in time other than the generation of the dematerialized securities.

KELER is entitled to allocate an ISIN identifier to international or Euro-Bonds the total quantity of which is deposited or issued at KELER.

Detailed rules for allocation of ISIN identifiers are specified in the Clearing House Announcement on the Allocation and cancellation of ISIN identifiers. The ISIN identifiers allocated are published on KELER's web site.

KELER is responsible for the accurate allocation, registration of the ISIN identifier but is not responsible for the content of the data provided and for any damage from such data being inaccurate or invalid.

3.3. Central register of securities:

3.3.1. Scope of securities registered

In the frame of the central securities registration activity KELER registers the following data available to KELER:

- data of securities publicly issued in Hungary,
- data of securities issued privately regarding which KELER concluded an agreement with the issuer for the provision of data,
- list of securities forbidden and cancelled that are in the scope of the Tpt and are reported to KELER.

3.3.2. Registration of securities issued in Hungary

Pursuant to applicable regulatory provisions the issuer is obliged to report to KELER as an organization appointed to allocate ISIN identifiers without delay any change in the data of the series of securities or the issuer.

There is an obligation to report in particular the following changes:

- a) with the application of new ISIN:
 - change in the method of producing the securities,
 - change in currency,
 - change in nominal value.

- b) without new ISIN:
 - change in nominal value issued,
 - termination of series.

If the change is the result of a decision by the issuer, in case of equities changes are to be reported without delay once the decision is registered by the court of registration, in case of other securities changes are to be reported immediately after the decision is made.

In case of dematerialized securities simultaneously with reporting, in accordance with the provisions of prevailing regulations, the issuer must give instruction on the method of implementation of the change in the securities series.

If in the course of operation KELER finds that the issuer did not meet the obligation of reporting or failed to give instruction on the implementation of change in respect of the securities, KELER will contact the issuer in writing and calls it to take the necessary measures.

Should the measures that were failed to be taken are not taken within the applicable deadline, for the purpose of restoring the lawful operation of the Issuer KELER informs the Supervisory Authority, the competent court and the court of registration on the fact that the Issuer fails to observe the legal provisions applicable to the securities it issued.

The issuer shall take liability for failure to comply with the obligation to report changes and to take measures.

KELER shall also be entitled to call the Client's attention to the measures to be taken for implementation of the change and set a reasonable deadline.

For accepting physical debt securities for custody at KELER and for generation of dematerialized securities for the central securities account the issuer is obliged to provide to KELER on an electronic data carrier, in the form requested by KELER the due dates of planned events with payments in relation to the securities series.

In the case of dematerialized securities series KELER records and registers the due dates of planned events as the static data of the securities series in line with the schedule stated. As a

rule KELER registers the scheduled due payments after the due date as payments made. The issuer is required to request the change of certificate in advance in order to modify the due dates previously scheduled.

KELER is entitled to provide data registered by it both inside and outside the country.

3.3.3. Central register of securities forbidden and declared invalid

Based on the public notary decrees arriving to KELER, KELER records the securities in the scope of the Tpt. that are being forbidden or declared invalid. Public notary decrees on securities involved in procedures to declare them invalid are available on the web site of the Magyar Országos Közjegyzői Kamara (National Chamber of Hungarian Public Notaries).

KELER assumes no liability for authenticity, content of the data, such data are for information purposes.

3.4. Services related to dematerialized securities

3.4.1. General rules

In case of dematerialized securities KELER performs services in respect of demat events on the basis of the contract concluded with the issuer and in respect of securities accounts on the basis of contracts concluded with the Clients.

In the course of operation related to dematerialized securities KELER acts in line with the requirements of Government Order 284/2001. (XII. 26.).

The precondition of undertaking services related to dematerialized securities is compliance with applicable legal regulations and meeting the obligations for issuers defined in the regulations of KELER .

KELER accepts and keeps on the central securities account all dematerialized securities that are in compliance with the provisions of these Rules and are issued publicly or privately in Hungary.

Dematerialized securities are originated by crediting them to the securities account pursuant to the order of the issuer. The order by the issuer includes the value date of crediting the securities to the account.

KELER, jointly with the institutions keeping securities accounts and having a contractual relationship with KELER ensure that the owner of the dematerialized securities can be established any time.

KELER publishes the detailed rules on the issuance of securities in dematerialized form in the Clearing House Announcement on The management of dematerialized securities.

Clients can provide to KELER the request on services related to dematerialized securities and the documents required for the services requested

- a) in printed form: by mail or personally submitted at the Client Service of KELER,
- b) as electronic document: sent to e-mail address iktato@keler.hu or
- c) submitted in the eDEMAT online application available at the web site of KELER.

KELER is entitled to charge different fees for demat events depending upon the method of receipt of the documents by KELER.

KELER checks that the documents submitted comply with all legal requirements and contain all data, whether the event related to the dematerialized securities series can be executed based on the documents, that the documents support the certificate issued on the dematerialized securities. The condition of the execution of a demat event related to equities is registration of the underlying company law change by the court of registration.

Prior to making credit entries to the central securities accounts KELER matches the data of the order of the issuer and the data stated in the documents made available by the issuer. In case of any mismatch KELER requests the issuer to correct the data or provide the missing data.

If data correction is not completed or the missing data are not provided by the deadline stated by KELER, KELER rejects to issue the dematerialized securities.

The issuer is liable for the authenticity of the data provided in the order of the issuer.

Modification in the data of securities recorded based on mistaken data provided by the issuer in the certificate on the securities can be completed only based on a new certificate submitted.

3.4.2. Central securities accounts

KELER maintains a central securities account on the dematerialized securities by security type, series and securities managers, broken down by own and Clients' securities. Pursuant to Section 11 (3) of the Tpt. KELER maintains a central securities account also for the issuer.

With previous notification to the issuer, KELER terminates services for maintaining a central securities account in relation to the securities concerned if the following conditions are met:

- a) settlement of existing transactions, debt as well as assignment of the total quantity of securities recorded on the accounts for the securities concerned,
- b) cancellation of the dematerialized securities,
- c) termination of the license for maintenance of securities accounts,
- d) following consolidation as provided for in the Tpt. and data archiving.

3.4.3. Methods of executing demat events

Depending upon the method of involvement of the issuer demat events can be executed as follows:

- a) personally managed,
- b) electronically executed,
 - ba) with the use of the KID system,
 - bb) with the use of the eDemat system, for issuers with electronic signature rights,
 - bc) with the use of the eDemat system, for issuers with no electronic signature rights,
- c) remotely managed.

Detailed rules of demat event execution are stated in the relevant Clearing House Announcement.

3.4.3.1. Personally managed demat event:

Completed in the personal presence of the issuer, in the possession of documents previously made available, at a time agreed by KELER, with the printed and duly signed instructions of the issuer, by a committee formed by the representatives of KELER and the issuer, at the head office of KELER.

3.4.3.2. Electronically executed demat event:

3.4.3.2.1. With the use of KID:

Exclusively for issuers with KID system, completed without the personal presence of the issuer, in possession of documents previously made available, by issuer instructions data submitted in KID, with the certificate being in printed form, duly signed and mailed or delivered with courier.

In the system of KID the following services can be used:

- origination
- over issuance
- cancellation of entire series.

3.4.3.2.2. With the use of eDEMAT system for issuers with electronic signature authorization

For issuers registered in the eDEMAT system, by their authorized representatives, without personal presence by the issuer, by submitting electronic documents and the data of the issuer instruction in eDEMAT system and by submitting the electronically signed certificate.

The following services can be used in eDEMAT:

- origination,
- over issuance,
- cancellation of entire series,
- change of certificate.

3.4.3.2.3. With the use of eDEMAT system, for issuers with no electronic signature authorization

For issuers registered in the eDEMAT system, by their authorized representatives, without personal presence by the issuer, by submitting electronic documents and the data of the issuer instruction in eDEMAT system and by submitting the printed, duly signed certificate.

The following services can be used in eDEMAT:

- origination,
- over issuance,
- cancellation of entire series,
- change of certificate.

3.4.3.3. Remotely managed demat event

The remotely managed demat event is executed without personal presence by the issuer, with documents previously made available to KELER, the duly signed certificate is submitted in printed form.

The following services can be used in this way:

- cancellation of entire series,
- change of certificate .

In order to issue the securities the issuer issues a certificate that is not a security, in one copy that is deposited with KELER.

If the demat event involves the invalidation of a certificate issued on earlier issued dematerialized securities, the issuer is to provide to KELER its declaration thereon.

Only one demat certificate in force can be linked to one securities series.

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

3.4.4. Groups of services related to dematerialized securities

a) Services related to dematerialized securities with account movement:

- aa) first issuance,
- ab) over-issuance,
- ac) conversion,
- ad) squeeze out,
- ae) cancellation of entire series
- af) partial cancellation

b) Services related to dematerialized securities without account movement:

- ba) Change of certificate in line with the general rules,
- bb) Change of certificate due to investment unit transformation,
- bc) Subsequent change of certificate.

3.4.4.1. Services related to dematerialized securities with account movement

Prior to crediting the securities on the central securities accounts KELLER checks that data provided by the issuer match, in case of mismatch KELLER requests the issuer to correct data. KELLER does not check whether the data provided by the issuer in relation to the credit entry to the account are correct, KELLER checks only whether the account number instructed by the issuer exists and whether instructions related to dematerialized securities can be executed on that account.

If a mismatch related to the data submitted is detected or the Client named in the data provided in relation to the credit entry on the account has no direct or indirect securities account maintenance legal relationship with KELLER, KELLER rejects to credit the dematerialized securities on the central securities account.

The issuer is liable for the authenticity of the data provided.

In case of demat events with account movements the issuer instruction consists of:

- the certificate that is not a security and is issued in compliance with legal regulations and data required to complete the credit entry.

In the course of the demat event executed by a committee the issuer provides to KELLER the data required to complete the credit entry in the standard form required by KELLER on a data carrier with a list attached on the content of the data carrier.

In case of a demat event executed in the KID system or via interface operated by KELER account details required for both securities master data and beneficiary securities accounts are controlled.

Simultaneously with the execution of the change KELER invalidates the certificate that is not a security and, the time of invalidation will be shown. KELER does not discard invalidated certificates.

3.4.4.1.1. First issuance - origination

Origination of a securities series is considered first issuance if the securities have no security precedent originated in any form.

The issuer is entitled to define the date of origination of the dematerialized securities (value date) as a date other than the date when the data of the securities are entered into the computer data system; however, the value date cannot be earlier than the date of entering the data of the securities into the computer system.

The compulsory elements in terms of content of the certificate necessary for the origination of dematerialized securities are contained in the applicable regulations.

3.4.4.1.2. Over-issuance

Increase of the originally issued number of pieces and series value of dematerialized securities series is considered over-issuance.

In case of over-issuance the issuer shall advise only the number of pieces involved in the increase. The certificate issued earlier on the dematerialized securities series is to be validated in line with the rules of certificate invalidation once the over-issuance is successfully executed.

3.4.4.1.2.1. Over-issuance (in case of BSE-listed securities series)

The issuer of securities included in the List of contracts of the BSE in case of over-issuance of securities representing the same rights as the already listed securities is obliged to initiate the BSE-listing of the over-issued securities in line with the applicable regulations of the BSE. To this end the issuer is required to submit the instruction to KELER at least three business days prior to the first trading day of the over-issued securities at the BSE. The issuer is required to state the first BSE trading day as the value date of the issuer instruction.

In the case of over-issuance related to securities already included in the List of contracts of the BSE, if the listing at the BSE of the securities issued later is not completed simultaneously with over-issuance, for the period between the origination of securities and the BSE-listing the issuer is obliged to request the origination following request of a new ISIN identifier for the over-issuance as the settlement of BSE trades in newly issued but not yet BSE-listed securities is not possible.

On the day of BSE-listing of the newly issued securities the newly issued securities (over-issued amount) shall be converted to securities representing equal rights as the securities already listed on the BSE, that is the two securities series will be consolidated and KELER cancels the temporary ISIN identifier issued.

3.4.4.1.3. Securities conversion

In the case of securities series conversion the legal predecessor securities series with an ISIN is converted to the legal successor securities series.

Once the conversion is successfully completed the legal predecessor securities series is deleted

from both the securities and central securities account, the legal successor securities series is created as the new series or created as the over-issuance of an already existing securities series.

The condition of the conversion process is that the total nominal value and the currency of the legal predecessor security are identical to the total nominal value and currency of the legal successor securities series. If the total nominal values of the legal predecessor and the legal successor securities series are not identical, the conversion can be completed if the nominal value of the legal successor securities series is the whole number multiple of the nominal value of the legal predecessor securities series. Additionally, the issuer is required to submit the certificate to KELER three business days prior to the value date and to attend personally the securities conversion process completed in committee.

In the conversion process by accepting these Rules the issuer authorizes KELER to prepare and process the account credit entries data forming part of the issuer instruction related to the legal successor securities series, furthermore to invalidate on the value date the certificate deposited earlier on the legal predecessor securities series.

In case of conversion the legal successor securities are credited to the securities account where the legal predecessor securities are cancelled. The conversion has no impact on rights related to the securities, therefore for example account blockings continue to be in force for the legal successor securities.

If the total nominal value of the securities series remain unchanged but the nominal value of individual securities increases and the quantity of securities decreases, the above rules on conversion cannot be applied. In this case KELER cancels and originates securities to complete the change.

3.4.4.1.3.1. Special rules on the conversion of physically produced securities series into dematerialized securities series

The conversion process can be completed if KELER accepted the legal predecessor securities series produced physically into fungible custody. If the securities of the legal predecessor securities series are not fully converted when submitted, the issuer is required to open a type C central securities account with KELER until the value date of the conversion.

In case of conversion the dematerialized securities can be generated after the physical securities are declared invalid.

The issuer is liable to collect, invalidate and destroy physical securities instructed to be converted, KELER will not check collection, invalidation and destruction.

3.4.4.1.4. Procedure in case of squeezing out

If pursuant to the rules of the Tpt. on acquiring controlling interest by acquiring more than 90 % of the voting rights as a result of the purchase bid the person making the purchase bid exercises the right of purchase (squeezing out) and the shareholder charged with an obligation to sell fails to transfer the shares subject to the purchase right to the person making the purchase bid, the issuer will declare such shares invalid (the number of pieces involved will be stated).

The issuer shall decide on the issuance of new shares instead of the shares declared invalid.

After making decisions on invalidation and on the issuance of new shares and following submission of the decree of the Supervisory Authority concerning the public purchase bid, in accordance with the provisions of Government Decree 284/2001 (XII. 26.) KELER shall cancel the invalidated shares from the central securities accounts at the value date instructed by the

issuer, i.e. after the securities are cancelled on the securities account by the securities account manager and in line with the quantities cancelled thereby. The deadlines applicable in the course of invalidation and the duties of individual participants will be documented by KELER in procedures consulted with the issuer.

Based on the procedure KELER will publish a notice on KID. The issuer shall publish a notice on the invalidation according to the provisions of the procedure and related procedures according to the provisions of rules relating to the issuer.

In case of equity series listed on the BSE the value date of partial cancellation is the last settlement date of the share concerned calculated by taking into account the last trading day and the settlement cycle of the share.

After submission of the required documents, in line with the rules of partial cancellation and the rules of certificate invalidation KELER first cancels from the securities accounts the invalidated dematerialized securities with the value date determined by the issuer, then new securities are originated according to the rules on over-issuance.

Following invalidation KELER generates the new shares based on the certificate for the generation of dematerialized securities and the instructions of the issuer.

3.4.4.1.5. Cancellation of dematerialized securities

3.4.4.1.5.1. Cancellation of dematerialized securities (for reasons other than maturity)

KELER cancels dematerialized securities series pursuant to the cancellation request submitted by the issuer or its legal successor.

Simultaneously with ordering the demat event the issuer submits documents to evidence that the conditions of the cancellation of the securities series from the central securities account are fulfilled.

KELER executes cancellation based on the request and documents supporting the request.

The issuer shall provide written statement to KELER on the termination of the rights and obligations included in the dematerialized security.

Based on the notification of the issuer KELER advises securities account managers on the expected value date of cancellation of the dematerialized securities series from the central securities accounts.

On the basis of this notification and in line with the provisions of its procedures the securities account manager is obliged to cancel the dematerialized securities from the securities accounts kept with it.

Before cancellation of the dematerialized securities series KELER and the securities account manager shall archive data relating to the dematerialized securities series concerned and the software displaying data for a period of 20 years.

The data consists of the basic data of the securities and the closing data of the account.

The securities series will cease to exist when they are cancelled on both the securities account and the central securities account.

KELER notifies the issuer on the cancellation completed. In the case of a share cancellation can be completed only based on a non-appealable decree of the court of registration or a certificate of incorporation containing the changes and not older than 30 days. In the case of cancellation of debt securities prior to expiry the issuer has to state that the conditions of cancellation prior to expiry are met.

3.4.4.1.5.2. Cancellation of the security due to expiry

KELER registers the expiry date of security with expiry based on the Certificate issued on the securities and publishes data available to it, including the case when the date of payment is different than the date of expiry.

The cancellation request of the issuer is required for the cancellation on the expiry date of securities with expiry date. The value date of cancellation cannot be earlier than the date of expiry.

3.4.4.1.6. Partial cancellation of dematerialized securities series

Reduction in the quantity of dematerialized securities series kept in central securities accounts is implemented with partial cancellation

With partial cancellation the ISIN identifier of the dematerialized securities series does not change.

Partial cancellation can be completed if the issuer defines what amount of securities is to be withdrawn on which securities account of which clients and provided securities account managers co-operate in the execution of the partial cancellation.

KELER executes partial cancellation of dematerialized securities series only with the personal involvement of the issuer.

This process does not apply to the withdrawal of open-ended investment units due to their continuous distribution.

3.4.4.2. Services related to the dematerialized security without account movement

3.4.4.2.1. Replacement of certificate in line with the general rules

The data of the certificate issued on the dematerialized security kept in the central securities accounts is modified by replacing the certificate deposited with KELER relating to the securities series. The replacement of the certificate is a demat event with no change to the quantity of securities in the securities account that may be due to the change of the data of the security series (e.g. term; security name; interest rate; yield payment; assignment; change in related rights, change in investment fund name) or the change in the issuer data (e.g. issuer name, address change).

In the case of demat events with no account movement the issuer order is represented by the certificate that is not qualified security and is issued in line with the requirements of legislation. The new certificate includes the reason and value date of the replacement (without any change to the data and value date of the most recent demat event with account movement).

In the case of demat event executed at the online interface operated by KELER the master data of securities are provided in a controlled manner. KELER confirms the execution of the remotely managed certificate replacement to the issuer.

Simultaneously with the execution of the change KELER invalidates the Certificate that is not qualified security by stating the date of invalidation. KELER does not discard invalidated certificates.

3.4.4.2.2. Certificate replacement in the case of conversion of investment units

Upon maturity the closed-end investment fund can be converted into an open-ended investment fund by replacing the certificate. The new certificate is to be issued for the investment unit

series issued by the open-ended investment fund.

Point 3.4.8.2. of these Rules contains the detailed rules of conversion.

3.4.4.2.3. Subsequent replacement of certificate

If KELER becomes aware that the issuer is unable or only partially able to meet the due payments, it requires the issuer to state whether it will make payment in line with the provisions of the certificate. If the issuer states that it will not comply with the scheduled due dates, KELER calls the issuer to request the replacement of the certificate without delay. KELER informs the Supervisory Authority on the call made.

KELER applies the process of subsequent certificate replacement if the issuer fails to meet the due payment schedule stated in the certificate issued related to the dematerialized securities and it does not request the replacement of the certificate issued on the security series due to the new schedule.

Should the issuer fail to request the replacement of the certificate by the deadline stated by KELER, in order to avoid injury to the parties entitled to receive the due payments it cancels the due payment event in the system. At the same time KELER repeatedly draws the attention of the issuer to execute the replacement of the certificate without delay to prevent the violation of legislation. At the same time KELER repeatedly informs the Supervisory Authority.

3.4.5.4. Invalidation of the dematerialized certificate

KELER invalidates the certificate deposited relating to the dematerialized security immediately after the execution of over-issuance, partial cancellation, replacement of certificate and cancellation and records the time of invalidation.

The invalidated certificate cannot be discarded.

Should KELER become aware of the fact that the issuer was deleted from the company register with final effect without the issuer giving prior instruction to cancel the securities, KELER will cancel from the central securities accounts the dematerialized securities issued by the terminated issuer after the cancellation of the issuer from the company register with final effect.

In this case KELER will publish the value date of invalidation (cancellation) of the dematerialized securities on its official web site and will notify the securities account managers on the value date of the cancellation in a notice published on KID. KELER will invalidate the certificate on the date announced.

3.4.6. Rules on securities with maturity

In the case of security with maturity from the day after the record date herein determined until the due date account operations can be requested for the entire securities quantity in line with the following rules.

Based on the statement of the issuer, on the date the statement is submitted KELER cancels the expired security from the securities accounts if it can be evidenced that the issuer met the related payment obligation. .

In the case of expired securities series related to which the issuer failed to meet the past due obligation, no account operations can be completed until the time of cancellation from the securities account.

If the issuer failed to meet the payment obligation due on or after the maturity date but wants to allow account operations to be executed after the maturity date also, the issuer is required to inform KELER on this need. In this case KELER applies technical maturity based on the individual rules of procedure consulted with the issuer. KELER announces the application of the technical maturity and the related date. KELER passes the costs arising from the setting of the technical maturity to the issuer.

If the issuer failed to meet the payment obligation due after the maturity date, the securities account manager of the party entitled to receive payment can request to allow account operations related to the securities and on the value date it determines. KELER informs the issuer on the request. KELER allows account operations to be executed on the value date stated in the request and related to the securities concerned if the account manager receiving the securities validated and the Supervisor Authority acknowledged the account operation. KELER passes the costs of allowing the account operations to be made to the securities account manager of the party entitled to receive payment.

3.4.7. Management of investment fund units

The units of the investment fund remain registered in the securities accounts until the investment fund is cancelled by the Supervisory Authority from its records.

3.4.7.1. Management of units issued by open-ended investment funds

KELER accepts units issued by open-ended investment funds pursuant to the agreement executed by the fund manager on behalf of the issuer and the party in charge of daily origination, cancellation stated as the authorized party in the ancillary agreement on open-ended investment fund units.

In the case of an investment unit issued by an open-ended investment fund, KELER originates and cancels daily the investment units at the instruction of the Account holder stated as the authorized party in the ancillary agreement on open-ended investment fund units. KELER sets the necessary rights for the authorized Client so that this process can be implemented.


At subscription KELER displays the quantity subscribed of the investment units on central securities accounts according to regulations relating to the original issuance. As in case of open-ended investment fund units the number of pieces and the total nominal value is not shown on the demat certificate, the certificate is not changed in these cases in relation to daily origination and cancellation.

Daily origination and cancellation of the investment units during the continuous offering as provided for in the appropriate section of the Tpt. is based on the orders of the authorized party stated in the ancillary agreement on open-ended investment funds.

Orders for the daily origination and cancellation of certain securities series can be allocated to one authorized party only.

The orders can be entered either continuously during the processing or in a consolidated manner after aggregation. The daily origination and cancellation orders can be submitted directly by the authorized party in the KID system or as settlement instructions created in WARP. Orders and transactions are executed automatically, therefore the party requesting them assumes all related liability.

At the instruction of the authorized Client, in the course of daily origination the investment units will be credited to the sub-accounts related to the origination of dematerialized securities of the Clients. In the case of daily cancellation of the investment units, the authorized Client is entitled to transfer the investment units to be cancelled to its dedicated sub-account (in a so-called demat transfer) and the authorized Client can initiate the daily cancellation of the investment units against the sub-account.



If the amount of securities to be cancelled at the instruction of the Client authorized for daily origination, cancellation cannot be found on the dedicated sub-account, KELER will reject the instruction.

If the investment fund manager decides to segregate investment units representing assets of the investment fund that became illiquid, it is obliged to inform KELER:

- on the decision made,
- the series of investment units involved in segregation,
- on the number of pieces of the segregated investment units, and
- on the distribution among investors.

Simultaneously the investment fund manager is to initiate the segregation of the investment unit involved in segregation from the series and the origination of the segregated investment unit series designated with series sign 'IL'.

If the investment fund manager made a decision on the partial or full termination of the segregation, it is obliged to inform KELER on:

- the decision made,
- the investment unit series concerned,
- the number of pieces of the segregated investment units, and
- on the distribution among investors

and requests the partial cancellation of investment units with series sign 'IL' or the full cancellation of the series and converting back the investment units concerned into the investment unit series involved in the segregation.

3.4.7.2. Conversion of f closed-end investment fund into open-ended

If the due dates related to the investment unit or the terms of fulfillment are subsequently changed, the fund manager of the investment unit is required to inform KELER in writing on the changes at least fifteen settlement days before the maturity date of the closed-end fund.

In the dissolution of the closed-end fund the issuer of the investment unit informs KELER in writing on the date when yield and capital are repaid. KELER publishes the due date in KID .

The conversion of the closed-end investment fund into an open-ended investment fund does not involve a change to ISIN.

If the issuer wishes to convert the investment fund units and maintain the continuous distribution of closed-end investment fund units, the issuer is required to provide to KELER the certificate relating to the open-ended investment units not later than the 4th business day prior to maturity and conclude a trilateral agreement on the daily origination and cancellation of the open-ended investment units with KELER and the Client authorized to originate and cancel the units.

KELER executes this conversion process as remotely managed demat event or, upon request by the issuer, as demat event with personal presence by the issuer. The units of the open-ended investment fund created as the result of the conversion will be converted on the maturity date (D) of the closed-end fund.

The preferential days related to the conversion are determined in Section VIII. of these Rules.


3.4.8. Special rules on interim shares

Interim shares are managed by KELER according to paid amount levels separately for each securities series. Interim shares in the same paid amount level constitute an interim share series. In case of any further payment effected to an interim share all shares affected by the payment will be deleted from the series in the earlier paid amount level and they will be generated in the series belonging to the higher paid amount level.

KELER will not verify payments, the issuer shall take liability related to interim shares issued, generated in excess to the financial contribution actually made.

3.4.9. Special rules on ~~certificates~~structured products

Together with the Final Terms of ~~certificates~~the structured product the distributor of the ~~structured product certificates~~ in Hungary has to submit an application regarding Stock Exchange settlement, on the form provided by KELER, until the 5th trading day preceding the first day of Stock Exchange trading of the ~~structured product~~certificate. KELER issues a statement on ~~accepting the certificate~~acceptance.



The structured product certificate may be terminated on the occurrence of a certain event, on meeting conditions, upon the expiry of a period, maturity day or at the time previously defined by the issuer.

Upon occurrence of the structured product case of termination (except for the expiry of the structured product certificate) defined in the Final Terms the issuer or the distributor of the structured product certificate is obliged to inform the BSE and KELER without delay (on phone and in fax) after becoming aware thereof.

IV. General depository operation

4.1. Custody of physical securities

4.1.1. Fungible custody of securities issued in Hungary

KELER provides custody services for physical securities issued in Hungary either on a fungible basis or keeps them as individual deposit.

The condition of accepting securities privately issued in Hungary for fungible custody is that the issuer and KELER agree in writing on continuous provision of data relating to the securities issued.

The condition of KELER signing the agreement is that the issuer makes available to KELER all documents that are necessary for the acceptance of the securities and the documents are in compliance with the regulations of KELER.

The list of the required documents is contained in the document package sent by KELER to the issuer.

After reviewing the available documents KELER will issue a declaration of acceptance for fungible custody of the physical securities.

4.1.2. Custody of securities issued abroad

KELER keeps physical securities issued abroad, delivered to its depository exclusively as individual deposit.

4.1.3. Delivering securities for fungible custody to the Depository

4.1.3.1. Receipt of the securities

Securities can be delivered to the Depository in a package properly sealed. A package properly sealed means an envelope of the delivering party closed with a seal or any other wrapping material equivalent to it in terms of quality and safety (e.g. disposable plastic safety bag specifically created for delivering securities).

The Depository will sign and stamp the delivery note attached to the package to acknowledge receipt of the securities in a properly sealed package with alleged content.

In case of a delivering party outside Budapest and securities delivered directly from the printing house the place of delivery of the securities to KELER is the Depository.

KELER does not accept delivery of compensation notes.

4.1.3.2. Receipt of securities

4.1.3.2.1. Registration of receipt of securities

KELER will credit the securities delivered to the Depository to the securities account only after a detailed verification. The detailed verification is completed by a committee authorized for this purpose.

The committee opens and checks one by one the content of the package properly sealed. The Client is obliged to accept the result of the receipt by the committee.

Securities that are not suitable for receipt, except for the securities subject to verification by a document expert or damaged securities delivered for replacement will be returned by the Depository to the delivering party.

The Client handing over the package shall be liable for forged or falsified securities.

4.1.3.2.2. Verification of securities

All securities are subject to verification as follows:

- securities are complete and not damaged formally,
- securities are suitable for storing,
- the rider is an inseparable part of the securities,
- the serial number of the securities is valid (it is included in the serial numbers given by the issuer, furthermore it is not prohibited or declared null and void by a notary public),
- the blank endorsement of the securities is in line with regulations and the chain of the preceding endorsements is without errors and complete formally.

4.1.4. Procedure in case of securities suspected to be falsified

If during registration of the securities received the Depository finds securities suspected to be falsified, KELER will immediately notify the issuer and the Client delivering the securities.

KELER will not credit any securities suspected to be falsified to securities accounts, such securities will be returned to the sender on the settlement day following receipt.

The issuer of the securities is obliged to take measures to investigate the validity of the securities suspected to be falsified (investigation by a document expert).

4.1.5. Crediting of the securities received

Securities accepted as marketable by the Committee and not being subject to destroying procedure in the authority of notary public will be credited to the securities account on the day of physical receipt by the Depository.

If the Client requests the securities to be credited to the account of another Client, simultaneously with the delivery to the Depository the applicant Client is obliged to send one copy of the delivery note issued by it also to the holder of the account to be credited.

The Depository will acknowledge receipt and registration of the securities by issuing a depository delivery certificate. The delivery to the Depository will be legally effective when securities are credited to the securities account.

4.1.6. Procedure in case of securities subject to destroying (stoppage) by a notary public

If the securities deposited in the Depository or delivered to the Depository were stopped by a notary public KELER will immediately advise the acting notary public, the issuer and the Client that delivered the securities.

If KELER has not yet credited the securities received to the securities account, it will immediately return the amount stopped to the Client.

If KELER already credited the securities received to the securities account (i.e. the proceeding by the notary public relates to securities already registered by KELER on the account), KELER will deliver the securities with the stopped serial numbers to the Client.

If securities can be segregated within the sub-account KELER sends a written call to the delivering Client to take the following measures within ten settlement days:

- a) apply for the free of charge release from the Depository of the securities subject to the proceeding, or
- b) release KELER from the securities secret obligations pursuant to Section 118 (2) of the Bszt (that is authorize KELER to provide data relating to the Client to the notary public issuing the order in the interest of repealing the stoppage).

Should the above deadline pass without any result, i.e. the Client fails to comply with KELER's call, KELER will deliver the securities concerned to the Client that delivered them, at the expense of the Client.

If the decree on stoppage is repealed, KELER will put back the securities segregated to the securities account of the Client.

4.1.7. Procedure in case of securities declared invalid by a notary public

If the securities transferred to the Depository were declared invalid KELER will immediately advise the acting notary public, the issuer and the Client delivering the securities.

If KELER has not yet credited the securities received to the securities account, it will immediately return the amount declared invalid to the Client.

If securities already deposited in the Depository are declared invalid by the notary public after securities are credited to the securities account, KELER will proceed as follows:

If the amount declared invalid is available on the securities account of the Client, KELER will immediately deliver the securities declared invalid to the Client free of charge.

If securities cannot be released KELER will call the Client that delivered the securities that were declared invalid to ensure within ten settlement days crediting to the securities account of marketable securities representing the same rights and in the same number of denomination units as the amount of securities declared invalid.

If the Client complies with the call, following receipt of the marketable securities by the Depository, the Depository will release free of charge to the Client the securities that were declared invalid.

4.1.8. Handling of securities declared invalid by the issuer

If a securities series or a part thereof in fungible custody at KELER is declared invalid by the issuer, KELER shall act as follows:

- KELER will inform the custodians in the KID system of the date when securities were declared invalid;

- in case of securities that can be delivered KELER will give the business day when securities will be delivered/released to the Client. Such securities will be released without submitting a request of delivery;
- in case of securities that cannot be delivered due to inappropriate composition of denomination units KELER shall be entitled to hand over to the issuer 10 days after publishing the notice in KID and on the web site of KELER. Simultaneously with the delivery of such securities KELER will hand over to the issuer the data of custodians and the data of securities managed by them.

4.1.9. Procedure for handling documents attached to securities

KELER does not deal with any power of attorney, deed, decree, sentence, license by the guardianship court etc. attached to the securities. Such documents will be returned by the Depository to the sender without delay.

4.1.10. Release of securities

4.1.10.1. Application for release

Release of securities can be applied for by submitting to KELER the form standardized for this purpose. In case of fungible securities KELER blocks the amount to be released until delivery following receipt of the release application.

No release may be applied for in case of securities immobilized during the total term.

Any application received without stipulation of denomination until 14:00 hours on the settlement day concerned will be performed by the Depository at the earliest on the next settlement day or at the requested value date.

If the applicant wishes to receive a certain combination of denominations KELER will check whether it is possible and decide on the composition of denomination of the securities to be delivered. If the release cannot be fulfilled in the requested denominations KELER will indicate this fact on the application for release that KELER returns via fax to the applicant.

4.1.10.2. Liability rules in case of securities release

In case of release from the Depository KELER will release securities with blank endorsement. The party receiving the securities released shall be liable for completing endorsements.

In case of release of securities the Client is obliged to accept the quantity indicated in the delivery certificate authenticated by KELER's committee.

4.1.10.3. Debit entry related to the securities released

Simultaneously with the securities release by the Depository the securities account will be debited. The debit entry related to the account remains in force also if the addressee fails to take receipt of the securities on the settlement day concerned. KELER will take securities not taken receipt of into responsible safekeeping.

If the applicant of the release (holder of the securities account to be debited) requests that securities are delivered to the address of another Client, simultaneously by submitting the application to KELER the applicant is obliged to forward a copy of the application form to the delivery address.

4.1.11. Fungible safekeeping

In case of fungible safekeeping KELER segregates and records securities only by series.

In case of securities in fungible custody the Client is not entitled to claim certain denominations and series numbers of the securities credited to the account, claims are valid only for the amount defined by denomination unit.

KELER undertakes safekeeping of securities only that bear an uninterrupted chain of endorsements and have blank endorsement.

4.1.12. Individual custody of securities, warehouse warrants issued in Hungary and foreign physical securities

KELER keeps securities and warehouse warrants issued in Hungary as individual deposit pursuant to the agreement concluded with the Client and registers them in individual custody accounts.

The rules related to securities in fungible custody apply for receiving and delivering securities in individual custody accounts, however in case of securities in individual custody accounts the Client is entitled to claim denominations and serial numbers of the securities.

In case of securities recorded on an individual custody account the Depository will not verify serial numbers, KELER will safe keep the securities received and keep them at the disposal of the Client that is the owner of the individual custody account.

In case of securities kept on an individual custody account the Depository will not check the uninterrupted chain of endorsements, nor the endorsement of the securities to the Client.

In relation to endorsement the holder of the securities can claim compensation only from the relevant Client.

KELER will only accept warehouse warrants with blank endorsement (commodities and warrants).

In respect of securities registered in an individual custody account delivery in and out can be completed, transfer is not allowed.

In case of securities registered in individual custody accounts, with the exception of warehouse warrants at the written instruction of the Client the Depository completes invalidation and destroying.

4.2. Depository services related to dematerialized securities issued in Hungary and physical securities kept in fungible custody at KELER

4.2.1. Services provided by the Depository

KELER ensures the following services at the written order of the issuer:

- payments at the due date,
 - payments at maturity without requirement of identification of the holders,
 - payments at maturity with requirement of identification of the holders,
- identification of the holders (without payment),
- cutting the due coupons of physical securities,
- physical invalidation and destroying of physical securities and coupons (also in respect of securities in individual custody), and
- other services relating to securities issued in Hungary.

4.2.2. Rules relating to the record date of corporate events involving payment

Until the record date of the corporate event only securities with a valid coupon granting right for payment at the record date concerned and securities without any seal confirming payment are allowed to be delivered to the Depository.

After the record date only securities without coupon (or if there is no coupon securities with a stamp replacing coupon) can be delivered to the Depository.

Expired securities in relation to which the issuer failed to meet past due obligations will remain blocked until cancellation from the securities account.

4.2.3. Rules of payment in relation to securities in fungible custody

In respect of securities in fungible custody the issuer shall order from KELER the cutting of coupons corresponding to the due payment, additionally in the case of shares orders shareholders registration by providing details as follows:

- start date of payment,
- whether execution is requested according to the rules of payment or not,
- in case of shareholder registration the method of transfer,
- requirements in respect of the due coupons.

4.3. Physical invalidation and destroying of physical securities and coupons

4.3.1. Invalidation of physical securities and coupons

In case of securities in fungible custody KELER completes invalidation of securities and coupons at the written order of the issuer.

Pursuant to the written order of the issuer the Depository will safe keep the invalidated securities until the date of destruction or following destruction hands them over to the issuer.

The Depository performs coupon invalidation only if the Depository destroys the coupons.

4.3.2. Destroying physical securities and coupons

In case of securities in fungible custody at the written order of the issuer KELER undertakes to destroy securities and coupons that were invalidated by KELER.

4.3.3. Invalidating and destroying physical securities and coupons in case of termination of the issuer

Should KELER become aware of the fact that the issuer was deleted from the company register with final effect without having given instruction to cancel the physical securities in fungible custody in the Depository, based on notification by the court acting in the liquidation proceeding or by the court of registration, following cancellation of the issuer from the company register with final effect KELER will take measures for delivering the physical securities issued by the cancelled issuer to the depositors, if this is not possible for invalidating and destroying the physical securities issued by the terminated issuer.

KELER will publish the value date of invalidation and destroying the physical securities on its web site and will inform securities account managers on the value date of the cancellation in a notice published on KID.

4.4. Handling invalid securities

4.4.1. Handling securities that became invalid due to the termination of the issuer

KELER allows to deposit the securities of terminated companies on a special account where the securities are physical securities delivered to the Depository and cannot be delivered out, or dematerialized securities already registered in the account management system of KELER.

By Client KELER opens a technical Client securities account to which only the securities of terminated companies can be transferred by the Clients via KID. By transferring the securities that became invalid due to the termination of the issuer the custodian / the Client consents to the Depository destroying the securities once the legal obstacles to destroying are terminated. The holders of account are not liable to fee payment in relation to securities that became invalid and are deposited on this account.

V. Maintenance of bank and securities accounts by KELER

5.1. Management of orders

5.1.1. Receipt of orders

The cut-off time for receiving orders, the form of submission (electronic or printed document) are specified in KELER's Clearing House Announcement on Cut-off times to receive, execute and withdraw orders, the Clearing House Announcement on Cut-off times to receive, execute and withdraw orders on Saturdays that are considered business days and the Clearing House Announcement on The operation of teller service outside KELER.

KELER shows the time of receipt by KELER on orders received as printed documents.

KELER considers both the electronic and the printed document order for the value date concerned received order (either submitted on the same day or with value dating or recycled from earlier) on the day if the order

- is successfully received within the cut-off time stated in KELER's Clearing House Announcement on Cut-off times to receive, execute and withdraw orders, the Clearing House Announcement on Cut-off times to receive, execute and withdraw orders on Saturdays that are considered business days and the Clearing House Announcement on The operation of teller service outside KELER.,
- is submitted in the manner and with the content determined in the General Business Rules and thus it is received by KELER (i.e. the order is not rejected for reasons of logic, format or content), and
- the related verification of cover was successful.

With regard to the fact that GIRO Ltd. is the system operator of the Interbank Clearing System appointed pursuant to the Tvt., in the case of orders cleared by GIRO Ltd. the terms of acceptance are stated in the Interbank Clearing System General Business Conditions.

5.1.2. Withdrawal of the order

The Client is entitled to request cancellation of the orders sent to and received by KELER, in compliance with the rules on matching the transactions, as long as the orders in the queue are not fulfilled. The Client can withdraw these orders electronically or in a letter containing the instruction thereto.

The received letter instructing the withdrawal will be expressly marked as such and shall contain clear reference to the order to be withdrawn.

If the withdrawal that is the subject of the letter received can be executed, KELER cancels the withdrawn order from among the items pending execution (to be posted). The party submitting the order is informed thereon in the daily statement. If the electronically received withdrawal is successful, the withdrawn order is automatically deleted in the settlement systems. The successful or unsuccessful withdrawal is confirmed to the party submitting the order in the same electronic client relationship system that was used to submit the order.

KELER will perform the withdrawal only if the order is not yet settled and, if it is not an internal transaction to KELER, if the outsourced account manager accepts the instruction for cancellation, cancels the order and confirms it to KELER.

The cut-off time and procedure to withdraw an already received order are determined in KELER's Clearing House Announcement on Cut-off times to receive, execute and withdraw orders, the Clearing House Announcement on Cut-off times to receive, execute and withdraw

orders on Saturdays that are considered business days and the Clearing House Announcement on The operation of teller service outside KELER.

5.1.3. Finality of orders

KELER considers the execution of the order final if it is posted in its account management system.

Orders the execution of which are final are irrevocable.

5.2. The sequence of fulfilling orders

5.2.1. Rules defining sequence of fulfillment

The account management systems of KELER process orders submitted either in real time or in batch.

In accordance with these Rules and the provisions of applicable regulations KELER is entitled to define the sequence of fulfilling orders.

From among the orders the execution of transfer order by authorities and the decree on transfer have priority over the execution of other payment operations.

KELER as a member of VIBER fulfills payment orders in VIBER initiated by the Clients according to the interbank rules of procedure stipulated by the NBH.

In the course of real time operation of KELER the sequence of fulfilling orders is defined by priorities and within priorities by the time or receipt.

The priority of transactions depends on:

- the conditions applied in the VIBER system of the NHB,
- priority settings defined in KELER's settlement system, and
- the conditions defined by the Client.

5.2.2. Priority and queue management

Real time processing is completed with complex priority and sequence management. The sequence of fulfilling individual (debit) orders is defined according to the following priority schedule.

- a) *KELER priority*: priority defined by KELER for individual order types, published in Clearing House Announcement that cannot be changed by the Client.
- b) *Client priority*: within (debit) orders with equal KELER priority, at the transaction level the Client is entitled to define the sequence of performing individual orders according to the values specified in the Clearing House Announcement. The Client determines the priority of the order simultaneously with the submission of the order.
- c) *Sequence of receipt*: the orders with equal KELER and Client priority will be performed according to the sequence of their receipt by KELER.

When defining the sequence of performance, KELER will take into consideration the debit orders related to the account. Credit transactions will be fulfilled immediately.

KELER will process orders received by main and sub-accounts according to the priorities described above.

Management of the sequence of securities orders is different by types of accounts. In case of stock exchange settlement securities sub-accounts and consolidated securities accounts the

system puts into a queue by Clients and securities, and additionally by securities main and sub-account, the orders received, to be settled on the same day that are not yet performed.

The system always attempts to process the order that is first in the queue with the highest KELER and Client priority and was received earliest. If this can be booked, the system passes on to the next order in the queue.

If there is insufficient cover for the order concerned, the relevant queue of the Client will stop, i.e. the system will not try to process the order ranked later in the queue that otherwise could be fulfilled (in terms of amount). The Client will be notified on the stopped status of the queue without delay.

The queue created can be "released" as follows:

- providing the cover required for booking the order,
- changing the priority of the order standing first in the queue to a lower priority, or
- suspending or deleting the order concerned.

In case of a DVP transaction, only the queue of securities (on the side of the seller) is amended by changing the priority of the order. In case of DVP transactions priority of the money queue is not applicable or it will be automatically overridden if it is completed.

For all other real time orders the Client itself can set the priority of the transaction concerned when submitting the order. In case of an order not yet fulfilled (still in the queue) the Client can change freely the related Client priority in a relevant message.

5.2.3. Batch processing

The types of the batch processing orders and settlement are defined in the relevant Clearing House Announcement of KELER.

Batch orders with daytime clearing are processed in phases at the times stated in the applicable Clearing House Announcement of KELER, by taking into account the cycles created by GIRO. KELER verifies cover and makes booking entries several times within each cycle.

KELER will determine the sequence of fulfillment within each accounting group according to the priority associated with the order, the time of submission of the order as well as the sum of the order.

KELER verifies cover for orders related to the settlement day concerned and received until the time of processing. In the course of processing the settlement system strives to fulfill as many orders as possible.

5.3. Securities account

KELER maintains securities accounts for Clients participating in the securities settlement system defined in regulations and operated by KELER. After concluding an account contract for keeping securities account KELER opens a main securities account for its Clients.

Debit and credit entries related to securities will be completed on the sub-accounts to be opened under the main account.

At the request of the Client KELER opens as many sub-accounts as requested.

A sub-account shall be considered a securities account in line with the provisions of the Tpt. that is kept by KELER on dematerialized securities owned by the Client.

At a request to this effect KELER will keep the dematerialized securities owned by the Clients at a separate sub-account.

Any securities in custody at KELER will be deposited to a custody sub-account. Dematerialized securities and securities in fungible custody owned by the Client may appear on the same sub-account.

The securities in individual custody are deposited to a sub-account separated from the custody sub-account.

Blocked securities are registered in a blocked sub-account.

The sub-account for generation and cancellation of dematerialized securities will be opened automatically when opening the main account.

At the advice of KELER CCP, when a Client becomes a clearing member the sub-accounts for stock exchange settlement and sub-accounts necessary for securities fulfillment will be opened automatically.

5.4. Securities operations performed on the securities accounts

5.4.1. Value date of the order

Value dated order can be submitted at the latest within fifteen settlement days preceding the value date of the order concerned. KELER attempts to fulfill any order received as value dated order on the requested value date, in case of recycling for twenty settlement days following the value date. In case of orders that can be recycled where the value date requested in the order is a past value date compared to the time of submission, the period of recycling is twenty settlement days following submission. Any order not performed by the end of the relevant value date (settlement day) will be cancelled, except for the primary transaction requested to be recycled, the defaulted multinet transaction and the recycled transaction.

The recycled order will be automatically deleted on the twentieth day following the date when the instruction of the Client was submitted. Recycling is possible only in case of a transfer without movement of funds, DVD and DVP securities account transfer.

KELER will notify the Client on the orders received but not fulfilled on the value date or by the recycled value date that were thus cancelled.

5.4.2. Securities account transfer

5.4.2.1. General provisions

KELER performs securities transfer orders on a gross basis, proceeding from one transaction to the other. The securities transfer order on gross basis may be of DVP, DVD or FoP type.

The order for the securities transfer is accepted by KELER from persons only with securities account kept by KELER.

KELER performs transfer transactions from the current balance of the securities account.

5.4.2.1.1. Declaring an order ready for settlement, validation

In case of securities transfer order both the Client to be debited and the Client to be credited has the possibility to give a settlement (validation) order by transaction in addition to the order, separately, in the interest of transaction execution.

The Client can give a validation order for the main account and for an individual transaction.

The statement of the Client is necessary for main account level validation, based on which a validation order linked to the account given is obligatory for all securities orders related to the same account.

If the Client fails to give a validation declaration, KELER will apply an „automatically validated” setting on the relevant main account, that is orders executed on such main account do not require any validation order. In case of orders for the own main account there is no need for validation order.

5.4.2.1.2. Suspension of the validated order

The settlement of the received, validated securities transfer order submitted by the Client can be unilaterally suspended as long as the transaction is not fulfilled. Suspension is possible exclusively in the case of already validated orders.

If the suspension of the transaction is withdrawn the order becomes validated again.

5.4.2.1.3. Cancellation of the order by the Client

The received, validated securities transfer order can be unilaterally cancelled based on the received cancel instruction by the Client.

5.4.2.2. Types of orders to transfer securities

5.4.2.2.1. The FoP order

During a free of payment transaction KELER performs debits and credits related to a specific securities series on the securities accounts.

The orders received will be automatically matched by KELER. KELER will verify securities cover on the value date, in real time for the transactions declared to be settled (validated) and matched based on the instructions of both the Client to be debited and the Client to be credited or based on account setting.

The Client to be credited is entitled to give a declaration by sub-accounts so that the order should be fulfilled only in case of a transfer acceptance order given by itself.

For execution of the order at least the transfer order of the Client to be debited is necessary.

In case of a transfer order of the Client to be executed between two sub-accounts under its securities account the Client does not need to submit any transfer acceptance order.

5.4.2.2.2. Special order related to securities kept in individual custody account

KELER accepts and executes a special order in relation to securities in individual custody accounts from and for the custodian / account holder that maintains an individual securities custody account at KELER.

Special order for individual custody accounts can be submitted only in printed form, by fax or personally. Within 2 hours of receipt KELER executes orders received as printed documents and complying with the requirements regarding content and form..

KELER executes special orders for the securities serial numbers of securities in individual custody accounts shown in the transfer order.

Validation, suspension and cancellation instruction cannot be given in relation to special orders relating to securities in individual custody accounts.

5.4.2.2.3. The DVD order

When executing a DVD order, that is a "Delivery versus Delivery" order, KELER performs debit entries relating to one or several securities series against credit entries related to one or more securities series. Debit and credit entries are made simultaneously.

The order is fulfilled if the securities to be debited and credited are fully available on the securities accounts of the Clients.

5.4.2.2.4. The DVP type order

When executing a DVP that is "Delivery versus Payment" order KELER completes a debit entry related to a specific securities series against crediting the counter value on a bank account kept with the NBH or KELER. Debit and credit items are made simultaneously.

The DVP type securities account transfer is performed based on the independent order of the Client delivering and receiving the securities. The settlement note to be submitted by both counterparties will be matched by KELER.

In case of settlement notes received prior to the value date KELER attempts to match them as from the date of receipt, in case of settlement notes received on the value date, from receipt on the value date or continuously during the period of recycling. Only fully matched, settlement notes are submitted to further processing.

DVP order is to be applied as follows:

- OTC,
- repo,
- primary, non-guaranteed transactions that can be concluded in the Equities and Debt Sections of the BSE (fix, stock exchange auction and DVP settlement bond deals),
- physical delivery of derivative transactions and
- for securities transactions fulfilled through a foreign clearing house.

Booking entries to the account of the Client to be debited and the account of the Client to be credited are made simultaneously. Booking entries are final and irrevocable.

5.4.2.3. Processing DVP type transfers

5.4.2.3.1. Verification of securities cover

As the first step of order settlement securities cover is verified. KELER verifies securities cover in a comprehensive manner on the account indicated in the order of the selling Client.

Verification of cover is made based on the current securities account balance of the Client. If securities cover verification is successful securities are temporarily blocked until financial cover verification is completed.

If securities cover verification is unsuccessful the order is put into a queue. KELER continuously attempts to execute the transactions in the queue. At the end of the day KELER cancels the order received with insufficient cover or recycles it according to the content of the order.

5.4.2.3.2. Verification of financial cover and making booking entries

Following successful verification of securities cover financial cover is verified on the bank account stated in the instruction by the Client purchasing the securities.

In line with the provisions of the general rules the bank account of the Client concerned is maintained

- a) by KELER, or
- b) by the NHB.

In case of sufficient financial cover and confirmation thereto final and irrevocable financial fulfillment is completed on the account stated by the Client.

Should sufficient financial coverage not be available on the account stated of the Client to be debited, the order will be queued in KELER or the NBH and the relevant account management system will continuously attempt to execute the order unless it is withdrawn (cancelled) in the meantime.

The temporary blocking of the securities concerned is continuous on the account of the selling Client. At the end of the settlement day or at the end of the last day of recycling the order still being in the queue will be cancelled and the securities will be released on the account of the seller.

According to the original order verification of financial cover is completed on the account stated by the Client, if financial cover is not available other financial assets of the Client concerned cannot be involved in the fulfillment.

5.4.2.3.3. Booking entries on the securities side

Once booking entries on cash accounts are completed final and irrevocable settlement on the securities side is performed in the course of which securities already blocked are released and KELER will debit the account of the Client on the sell side and simultaneously credit the account of the Client on the buy side as indicated in the original order.

5.4.3. Blocking on the securities account

5.4.3.1. General provisions of blocking

The Client is entitled to give an order to KELER for blocking securities, except for the cases defined in regulations. As a general rule KELER shall issue certificate(s) of deposit on the blocked securities at the request of the Client.

In case of blocking dematerialized securities the instrument confirming blocking is the statement of blocking. (Hereinafter certificate of deposit and statement of blocking are jointly referred to as certificate of deposit.)

The certificate of deposit can be requested only at the time of initiating blocking.

In case of securities with expiry the expiry date of blocking can be at the latest the second settlement day preceding expiry of the securities. In case of an investment unit with expiry blocking is completed on the 5th settlement day prior to payment. If the holder of the securities is entitled to alienate the securities during the term of blocking the Client has to ensure that the securities are immediately credited and blocked on the account of the new holder with indication as to the circumstance justifying the blocking.

The blocked securities cannot be used for securities operation during the term of blocking,

except for securities under compulsory blocking the Client is not entitled to alienate securities.

Blocking at the instruction of an authority is exception to the above provision, such blocking lasts until the date defined by the authority.

If at the time of blocking a certificate of deposit or a statement of blocking is issued, returning the certificate of deposit is the condition of release of the blocking before the expiry date of blocking, accordingly release of blocking cannot be requested on the electronic customer relationship system.

In case of a share the date of expiry of the blocking is defined according to the provisions of the Tpt.

Should certificate(s) of deposits cannot be returned for some reason (lost or destroyed), KELER and the holder of the certificate of deposit shall document this in minutes. The minutes will be signed by KELER and the agent of the Client. Only a person authorized for this purpose can sign the minutes.

5.4.3.2. Groups of blockings

5.4.3.2.1. The unilateral blocking

The Client has the right to initiate unilateral blocking on its securities account maintained at KELER. After checking the order in terms of shape and form KELER completes the unilateral blocking against the freely available securities balance on the securities account indicated.

At the order of the Client the blocking can be released at any time, even before the original expiry date.

5.4.3.2.2. The joint blocking

In case of joint blocking the Client and one of its Clients jointly submit a request for blocking with the aim that the blocking can be cancelled before expiry of the securities only if both parties consent thereto. Submitting certificates of deposit and both copies of the statements of blocking to KELER will be considered the joint consent of the counterparties.

For the implementation of joint blocking the Client opens a named securities sub-account for its relevant Client, blocking can be completed only on the named sub-account. A named sub-account can be opened in the name of one holder only.

An original declaration regarding blocking of the securities (description of the securities, quantity, expiry, mailing address) of the ordering party (holder of the sub-account) not older than one month or an authentic copy of a declaration to the same effect (letter instructing blocking) is to be attached to the instruction of the Client.

The letter of instruction must include that the Client of the Client accepts the provisions of the present Rules of KELER as binding for itself. KELER will not check whether the letter is signed by authorized signatories, the Client is responsible therefore. Partial release of the blocked securities is not possible.

KELER issues certificate of deposit in two originals on the securities blocked. KELER hands over one copy of the certificate of deposit to the Client at Client Service. KELER will send the second copy of the certificate of deposit to the mailing address of the Client of the Client indicated in the letter of instruction in a letter with acknowledgement of receipt. The Client and its Client will be liable for all consequences of providing incorrect mailing address, of using postal services and of losing the certificate of deposit.

KELER takes the minutes simultaneously with the release of the blocking only. The Client and its Client are entitled to repeatedly block the released securities.

5.4.3.2.3. The beneficiary blocking

In case of beneficiary blocking the Client shall indicate the beneficiary client having a securities account at KELER that is entitled to release the blocked securities before expiry or, if necessary, to alienate them. KELER issues a certificate of deposit in two originals on the blocking completed.

Special cases of beneficiary blocking are as follow:

- trilateral blocking,
- blocking for collateral, hedged position with KELER, KELER CCP as beneficiary.

5.4.3.2.3.1. The trilateral blocking

In the course of trilateral blocking the holder of the securities as performing party creates a collateral on behalf of the obligor being in contractual relation with it.

Creation of collateral is necessary for meeting the obligations of the obligor towards the beneficiary.

The performing party is entitled to initiate trilateral blocking on behalf of a third party indicating the obligor of the transaction linked to collateral provision.

KELER issues a statement of blocking in three originals.

KELER notifies the Clients concerned on trilateral blocking in the electronic customer relationship system.

5.4.3.2.3.2. Blocking with KELER and KELER CCP as beneficiary

In the case of an order where the Client is obliged to provide collateral, the Client is entitled to provide collateral by blocking an instrument included in the prevailing Terms and Conditions on Acceptance of KELER and KELER CCP with KELER and KELER CCP indicated as beneficiaries.

Exclusively the Client concerned is entitled to submit an order thereto.

The obligation for granting collateral to KELER and KELER CCP can also be performed by blocking the securities representing the collateral not on the securities account of the obligor but on the securities account of settlement agent in contractual relationship with the obligor.

KELER completes blocking in the period stipulated in the Clearing House Announcement on Cut-off times to receive, execute and withdraw orders, provided the necessary securities cover is available on the account indicated in the order of the Client.

Assessment of the blocked securities for collateral purposes is completed in accordance with the List of Conditions of KELER and KELER CCP.

Release of blocked securities before expiry is allowed only with the consent of KELER and KELER CCP, provided the obligation of the Client to provide collateral is fully covered by the collateral remaining blocked.

A special form of beneficiary blocking is blocking in the interest of a so-called covered position that is different in terms of calculating the initial margin.

Blockings for a covered position will automatically cease to exist on the day of performance.

5.4.3.2.3.3. Methods of releasing beneficiary blocking

Beneficiary blocking can be released as follows:

- a) on the basis of instruction by the beneficiary indicated by the Client, submitted at the latest until 11:00 hrs. on the day after the expiry date of the blocking. In this case the following text is to be shown on the release instruction: " I will / will not exercise my transfer right", if a transfer order is submitted also, "exercising rights of beneficiary" is to be shown on both orders.
- b) if the beneficiary does not submit an order KELER releases blocking after 11:00 hrs. on the day following the expiry day of the blocking, in this case the Client can freely dispose over the securities released.

Release of the trilateral blocking before expiry may only be made based on the order of the Client and by submitting all three copies of the statements of blocking.

5.4.3.2.4. Compulsory blocking of the securities account

KELER will block all dematerialized securities that are subject to rights of a third party under law, act of court or authority, or resulting from a contract, or relating to which the Client gives such an instruction.

During the blocking the title of the blocking –such as particularly bail, lien, custody by court, action of replevin, judicial enforcement – and the person must be indicated to the benefit of whom the blocking was registered as well as the period of blocking. Unless otherwise provided, the blocking is valid until the last day of the year following the current year.

The Client shall send the statement of blocking to its Client and the person to whose benefit the entitlement was registered as well as to the competent court, executor and other relevant authorities.

In case of cancellation of the registration of entitlement KELER will advise the Client accordingly, the Client will forward this information to all the persons that were advised at the time of establishing the entitlement.

If the Client of the Client is entitled to alienate the securities during the period of blocking, the Client ensures that the securities are credited to the securities account of the new holder by indicating blocked status and the circumstances justifying the blocking.

If the person to whose benefit the blocking was made certifies that it acquired the ownership of the securities, the Client shall ensure without delay that the securities are transferred to the securities account indicated by the new holder.

The securities account manager is obliged to show the fact of blocking also on the securities account.

The Client shall be liable for failure to block the securities account related to the securities being subject to blocking.

Blocking related to central securities account type "B", that is securities owned by the Clients of the Client is to be initiated not at KELER but at the securities account manager. The blocking becomes valid only if the fact of blocking is registered by KELER.

The letter of instruction for the converted securities remains in force until its use for release of the first blocking.

5.5. Special rules on maintaining bank accounts in HUF

KELER can execute HUF payment orders of a credit institution – except for collaterals deposited in HUF –through VIBER. In the VIBER system KELER is entitled to submit HUF payment orders to the NBH on behalf of the credit institution to meet payment obligations arising from these Rules.

For payment operations that are not considered cash management service pursuant to Hpt., between KELER and the Clients participating in the system defined in Tvt. and payment operations related to the custody of securities defined in Bszt. the provisions of Pft. and NBH Order 18/2009. (VIII.6.) shall apply with the deviations defined in these Rules and other

regulatory documents of KELER on cash management.

The rules applicable for Micro enterprises and Consumers defined in regulations on cash management shall apply only to Clients considered Micro enterprises or Consumers.

The Clearing House Announcement on Cut-off times to receive, execute and withdraw orders contains deadlines applicable for the receipt and execution of payment orders related to clearing.

5.5.1. Methods of payment

In the framework of cash management activity KELER applies the following methods of payment:

- transfer (within this simple transfer including internal transfer, transfer by authorities and decree on transfer),
- cash payment. KELER provides for cash payments exclusively in the form of cash withdrawals and cash deposits completed at the Teller Services of the commercial bank contracted as published in the Clearing House Announcement on The operation of the teller service outside KELER.

5.5.2. HUF payment transactions executed by KELER

Orders on the HUF bank accounts kept by KELER are executed as follows:

- settlement of debit/credit orders arriving in GIRO, within IG1 and IG2 clearing method,
- settlement of debit/credit orders arriving in VIBER,
- settlement of transfers by authorities and decrees on transfer received within IG1 clearing method,
- financial settlement of DVP and other capital market transactions and financial settlement of payment orders with real time processing,
- internal settlement of debit/credit orders,
-
- orders given by KELER CCP.

KELER credits to the account of the Client only the orders that comply with the provisions of the prevailing applicable cash management regulations and the KELER Clearing House Announcement. Any order not in line with the provisions, unidentifiable items will be recorded in a suspense account. If the remitting credit institution identifies the order in writing, it will be credited to the appropriate HUF bank account, otherwise KELER will reject the order.

Erroneous items related to GIRO transactions are rejected in the clearing method in which the original order was received.

The HUF payment orders initiated by the Client may involve movements of funds among the following accounts:

- the account of the Client and the holder of an account maintained by an external credit institution,
- accounts of Clients,
- – accounts of the Client and KELER,
- accounts of the Client and KELER CCP, and
- the sub-accounts of the Client.

In case of insufficient financial cover the order concerned will be put in a queue at KELER and the cash account management system continuously attempts to execute the item.

KELER attempts to execute within the day the orders with insufficient cover of GIRO intraday

clearing in the forthcoming clearing cycle stated in the Clearing House Announcement. KELER cancels orders with insufficient cover in case of insufficient cover at the end of the day.

In the original settlement method, in line with the provisions of the Clearing House Announcement, the Client can withdraw orders received for processing under GIRO clearing and not yet collateral verified. Withdrawal of orders initiated by the Client and already cleared, that is the paying back of the amount transferred can be completed in IG2 only, following the initiation of the withdrawal.

KELER forwards to its Client the withdrawal order received with respect to funds credited to the account of the Client under IG2 clearing. The Client can decide to accept or reject the withdrawal by way of instruction letter. If the withdrawal request is accepted the instruction letter of the Client also authorizes KELER to dispose over its account, that is to pass debit entry to the account.

The Client has the possibility to withdraw the order in the queue, to change the priority by taking into consideration the provisions of the relevant Clearing House Announcement. Should the Client fail to take this opportunity, the order will be cancelled at the end of the settlement day.

5.5.3. Details required to execute payment orders

KELER accepts payment orders electronically and on printed blank payment order forms and on payment orders marked "KELER".

KELER processes orders submitted in printed form and with GIRO processing in IG2 clearing only.

KELER will not perform any order received by fax except for the instruction letter for a financial lending transaction and the instruction letter withdrawing a payment order with batch processing sent by the Client and the instruction letter on the execution or rejection of withdrawal.

If performance of a transaction is subject to authority license by provision of law and if the law requires KELER to check the license, KELER is obliged to make sure that license exists. KELER will refuse the order if the required license does not exist.

5.5.4. Rejecting a payment order

KELER will reject any manual payment order and cancel any payment order received electronically that are issued by mistake, are incomplete or issuance is inappropriate for other reasons, with clear indication as to the reason of rejection.

5.5.5. Special rules relating to the HUF deposit sub-account maintained for the issuer and the distributor

5.5.5.1. Types of deposit bank accounts

KELER distinguishes deposit bank accounts as follows:

- a) deposit bank account opened for the issuer and the distributor in case of securities issuance,
- b) issuer deposit bank account opened for depositing the consideration of non-accepted dematerialized securities in case of dematerialized conversion,
- c) issuer yield bank account.

5.5.5.2. General provisions for deposit sub-account

Deposit bank account can be opened under the bank account. The deposit bank account cannot be used for purposes that are not listed in Point 5.7.5.1.

The condition for opening a deposit bank account is the existence of a relevant account contract.

KELER is not entitled to withhold under any title the amount deposited in the deposit sub-account.

On the balance of deposit sub-accounts KELER pays interest as defined in the List of Conditions on Interest Payment of KELER, based on individual agreements KELER may deviate from the provision thereof.

5.5.5.3. Special rules for deposit sub-accounts opened for securities issuance

If during issuance the issuer or the distributor receives consideration from the investor, the amount paid during issuance is to be kept on a deposit account kept with a credit institution. The persons participating in the issuance are obliged to immediately ensure that the funds received by them are deposited at a deposit account. Until fulfillment of the repayment obligation in case of failure of the issuance or until it is stated that no repayment obligation exists, the amount deposited at the deposit account cannot be used.

The issuer, if a distributor is involved the issuer and the distributor jointly advises KELER in writing on the result of the securities issuance.

If the offer made to acquire the securities is partially or fully unacceptable for reason specified in the prospectus, the issuer or the distributor is obliged to repay within seven days of closing the offer period the full amount received for the securities that cannot be issued and is deposited in the deposit account.

5.5.5.1. Special rules relating to issuer deposit sub-accounts opened for the consideration of non-accepted dematerialized securities in case of dematerialized conversion

By presenting the securities declared invalid the holder may require that dematerialized securities are released to it. If securities are already sold or the debt securities expired or the investment fund issuing the investment unit ceased to exist, the owner of securities is entitled to receive the consideration of the dematerialized securities sold or the amount due at expiry.

Until the holder provides instructions the issuer shall keep the consideration of the securities sold or the amount due at expiry on a deposit account opened with a credit institution.

If the holder fails to submit an application within the applicable deadline, the holder is obliged to pay the costs arising until enforcement of its claim.

For lapse of the monetary claim replacing the claim for delivering the securities the rules relating to the period of limitation of claims represented by securities are applicable.

5.5.5.5. Issuer yield bank account

A bank account facilitating the technical implementation of yield payment by the issuer from which account the issuer or its agent pays the amount serving cover for yield payment to the owners of securities.

5.6. Teller transactions

Cash turnover related to bank accounts is completed by depositing and withdrawing funds at the teller of a commercial bank authorized by KELER.

KELER will publish the name of the commercial bank contracted to manage cash transactions and the procedure related to cash paid in and withdrawn in a Clearing House Announcement.

5.7. Management of foreign exchange accounts

KELER maintains foreign exchange accounts for its Clients through KELER's foreign exchange nostro accounts.

KELER will credit the foreign exchange amounts credited to these nostro accounts to the individual Clients in the appropriate currency based on the confirmations (advices, statements of account) provided by the institutions keeping the nostro accounts.

For payment operations involving the Clients participating in the system defined in Fetv. and payment operations related to the custody of securities defined in Bszt. settled in foreign currencies the provisions of Pft. and NBH Order 18/2009. (VIII.6.) shall be applied with the deviations defined in these Rules and other regulatory documents on cash management of KELER.

5.7.1. Transaction types recorded on foreign exchange accounts

On the foreign exchange account KELER completes debit and credit entries as follows:

1. At the instruction of the Client:
 - a) for internal and external foreign exchange transfers,
 - b) in relation to corporate events of securities representing ownership,
 - c) in case of debt securities in relation to foreign securities settlement, interest payment and redemption,
 - d) for foreign exchange conversion and foreign exchange advice transactions.
2. On the basis of credit and debit transactions initiated by KELER's nostro account manager.
3. Based on authorization provided by KELER, KELER CCP and by the Client under these Rules:
 - a) debit and credit entries, conversion necessary for the provision of foreign exchange clearing services, initiated at its own discretion,
 - aa) for financial settlement related to gross DVP settlements,
 - ab) for the settlement of transactions made on XETRA,
 - ac) for securities sell and buy transactions related to the settlement of foreign securities,
 - b) in case of compulsory provisions.
4. Based on authorization by KELER CCP:
 - a) debit, credit, conversion necessary for providing settlement services in foreign currencies, made at its discretion,
 - aa) in order to fulfill regulated market transactions settled in foreign currencies
 - ab) in the interest of energy market fulfillment
 - b) in case of compulsory provisions.

KELER executes the orders placed for a foreign exchange account at the value dates specified in the settlement schedule for the relevant foreign exchange.

5.7.2. General provisions for debit/credit entries on foreign exchange accounts

In case of a foreign exchange payment order by the Client related to foreign settlements KELER verifies the foreign exchange cover at the time of submitting the instruction. The verification of cover is exclusively based on the available foreign exchange balances, that is foreign exchange amounts to arrive later from foreign exchange conversions, or amounts confirmed with an advice but not yet confirmed by the foreign exchange nostro bank cannot be transferred.

Until execution KELER will block the foreign exchange amount indicated in the order on the foreign exchange account of the Client. The blocked foreign exchange amount cannot be used for other transactions.

Based on the confirmation of the foreign exchange account manager KELER will release the blocking and will actually debit the foreign exchange account of the Client.

The blocking will not be released automatically on the settlement day: if it is expected that the basic transaction will not be fulfilled, KELER will release the blocking by canceling the basic transaction.

The final credit and debit amount, based on advices by the foreign exchange account manager of KELER and compliance with other conditions defined for transactions, will be the foreign exchange amount credited/debited with final effect on the foreign exchange account of the Client.

The posting day of the debit/credit order is the day of processing by KELER, the value date is the instructed value date.

Foreign exchange amounts related to a corporate event of securities representing ownership will be credited to the foreign exchange account of the Client based on the foreign exchange credit advice of the nostro account manager of KELER and based on other information relating to the corporate event. Value date is the day of processing by KELER.

Pursuant to the advice made by KELER regarding the corporate event concerned, KELER is entitled to initiate a debit item up to the foreign exchange amount involved in the corporate event on the basis of instruction (for the basic transaction) by the Client.

KELER is entitled to provide technical foreign exchange credit facility to the foreign exchange account kept with KELER of its Client based on the debit advice of the nostro account manager of KELER and to charge credit interest for the credit period.

5.7.3. Settlement transactions for foreign securities

5.7.3.1. Purchase of foreign securities (basic transaction)

When processing securities buy transaction KELER verifies cover based upon the available balance of the foreign exchange account concerned. If sufficient cover is available the amount corresponding to the transaction is blocked and will be assigned awaiting fulfillment status until settlement abroad. If cover is insufficient KELER puts the original order in a queue and will fulfill it only if the full amount of the cover is available. Transactions with insufficient cover can be cancelled. The sequence of processing depends on the time when the item was put in the queue (FIFO principle). Priority will define the sequence of processing when orders are received at the same time.

If the transaction is fulfilled at the outsourced account manager, based on confirmation (debit advice) by the outsourced account manager KELER will release the blocked cover and will debit the foreign exchange amount corresponding to the transaction amount to the foreign exchange account of the Client. Value date of the debit is the day of processing at KELER.

5.7.3.2. Sale of foreign securities (basic transaction)

On the basis of confirmation (credit advice) by its foreign exchange account manager and the settlement advice on the foreign securities sales transaction, KELER will credit the foreign exchange amount of the basic transaction to the foreign exchange account of the Client. Value date of the credit entry is the value date of processing at KELER.

5.7.4. Foreign exchange conversion

5.7.4.1. General provisions

KELER provides foreign exchange conversion services for its Clients with a HUF bank account kept by KELER.

KELER executes foreign exchange conversions only in the settlement currencies and for foreign exchange conversion dates published in the Clearing House Announcement.

5.7.4.2. Foreign exchange buy transaction

The order for foreign exchange conversion may be initiated in compliance with the provisions of the Clearing House Announcement of KELER.

The Client is to provide the foreign exchange equivalent on its HUF account.

On the value date of the conversion KELER will debit the HUF account of the Client with the purchase price of the foreign exchange.

If the required equivalent amount is not available on the HUF account of the Client, KELER automatically deletes the conversion.

5.7.4.3. Cross currency conversion

Cross currency conversion can be requested with T+2 settlement only.

The instruction has to contain the currency and amount to be sold and the currency to be bought. If the Client fails to provide cover on its foreign exchange account KELER will automatically cancel the conversion. If cover is available, KELER will block the amount to be sold on the account of the Client.

KELER completes the cross currency conversion through the conversion bank and following settlement KELER will debit with the amount sold and credit with the amount purchased the appropriate foreign exchange accounts of the Client.

5.7.4.4. Foreign exchange sell transaction

Foreign exchange conversion can be initiated in compliance with the provisions of the Clearing House Announcement of KELER.

Following receipt of the instruction for foreign exchange sell KELER checks whether the foreign exchange account balance on the processing day is sufficient to fulfill the transaction. In case of insufficient cover KELER automatically cancels the foreign exchange sell order.


If foreign exchange cover for the transaction is sufficient KELER executes a conversion order on behalf of the Client.

5.7.5. FX advice (pre-advice)

As an independent instruction an FX advice can be submitted to KELER. By its submission the Client declares that it gave an order for debiting its HUF account or foreign exchange account kept at another bank and it would make the foreign exchange amount indicated in the advice available on KELER's nostro foreign exchange account kept with Clearstream Luxembourg by the indicated value date.

KELER undertakes to credit the amount of the pre-advice to the Client at the date of crediting the nostro foreign exchange account without any further identification of the beneficiary.

Should the advice not be fulfilled on KELER's nostro account in the amount and by the value date indicated, KELER is entitled to charge the Client submitting the advice with any fee, duty



and interest that may be imposed by the nostro account manager.

5.7.6. Transaction initiated by KELER's nostro account manager(s)

KELER is entitled to record the credit/debit item posted by its external nostro account manager on KELER's account to the credit/debit of the foreign exchange account of the Client indicated by the nostro account manager and accordingly identified, without asking the Client.

5.7.7. Transaction initiated by KELER

For ensuring fulfillment of the transactions settled in foreign exchange KELER is entitled to make credit/debit entries to the foreign exchange account of the Client based on authorization provided by the Client under these Rules in the cases herein defined, including among others in relation to derivative and multinet settlement, creation of collateral, purchase price settlement required in foreign exchange, energy market settlement and compulsory provisions. KELER executes automatically transactions made on XETRA and affecting the foreign exchange account designated for XETRA trades, based on the list of transactions received from the appointed clearing bank.

VI. Settlement of regulated market transactions not guaranteed by KELER CCP

Formázott: Betűtípus: 12 pt

Formázott: Betűtípus: 12 pt

6.1. General provisions

KELER provides settlement services without guarantee undertaking by KELER CCP with respect to the following stock exchange and over-the-counter transactions.

A transaction concluded on the stock exchange can be a bond deal with fix, auction and DVP settlement as well as cash transaction made in the commodities section and warehouse warrant transaction. ~~Special rules are applicable to the warrant transactions traded on the Stock Exchange.~~

Securities transactions concluded outside the stock exchange are OTC, primary and repo transactions.

In case of settled transactions of these types the Client executes segregation between the own and client Accounts by adjustment at the end of the day.

6.2. General rules of settlement related to non-guaranteed transactions concluded on the BSE

According to the terms and conditions of the BSE Regulations non-guaranteed transactions can be concluded in the equities and debt securities section.

In case of such transactions settlement of the debt securities is made on T+2 day, settlement of the securities representing ownership is allowed within a period of minimum T+1 day but maximum T+7 days, depending on the stock exchange deal.

Settlement of the transactions is made on the indicated settlement day in a segregated manner, on gross value basis, according to the rules relating to the performance of DVP type securities account transfers.

KELER provides settlement services to the stock exchange trader concluding a transaction at the BSE that is not guaranteed in accordance with the applicable form contract.

The condition of settlement of transactions concluded by the customer of the Client is that there is a form contract concluded between the Client and KELER.

KELER automatically cancels all transactions not performed by the end of the settlement day of the transaction.

Only the BSE is entitled to initiate amendment of the transactions that have not been settled yet.

~~6.3. Settlement of warrants~~

~~6.3.1. Priority days of warrant conversion~~

~~Priority days of warrant conversion are as follows:~~

- ~~a) Last stock exchange trading day in case of a warrant issued for foreign securities listed on the BSE: E-8 day.~~

~~E-5 is the record date. The person is entitled to convert the warrant who is after settlement at the end of this day the holder of the warrant or that announced in its instruction given for this purpose the intention to participate in the conversion. As from E-4 KELLER will block the warrants to be converted in the indicated quantity.~~

~~b) Accordingly, the last time when operations can be implemented on the securities accounts is the end of trading on E-5. In case of the last conversion opportunity before expiry of the warrant this is the last day when instruction can be given for operations concerning the warrant.~~

~~c) At opening on E-4 KELLER shall send a position report to the client on the warrants managed on the securities account at the time of closing on the record date and, on the basis of instruction given by the Client on E-5 it will block the warrant to be converted.~~

~~d) At the latest on E-2 KELLER will provide the piece number of the warrants to the issuer or its representative that the individual clients want to convert, broken down by clients, and, in case of warrant conversion with financial settlement, also the bank account number given earlier on a form established for this purpose, where the Client wants the remittance to be made.~~

6.3.2. Conversion of a purchase warrant to physical settlement

~~As from the fourth settlement day (E-4) preceding the conversion day fixed at the time of issuing the warrant KELLER will block the warrants to be converted at the instruction of the Client given for this purpose.~~

~~KELLER does not take part in the financial performance of the warrant, it is performed by the Clients directly towards to the issuer of the warrant or to the agent authorized by the issuer. Based on the earlier instruction of the Client, KELLER will remit the warrant blocked for conversion to the account indicated by the issuer of the warrant with E day as value date (or with a value date determined and published by the issuer).~~

~~The issuer will give instruction on allocating the underlying securities to the appropriate accounts against the converted warrant.~~

6.3.3. Conversion of a purchase warrant to financial settlement

~~Conversion of a covered purchase warrant shall be made as described in the relevant Point, except for the issuer of the warrant will not remit the underlying securities but the difference between the current exchange rate for the underlying securities as defined at the time of issuing the warrant and the redemption fee to the bank account indicated by the account holder converting the warrant (and forwarded by KELLER to the issuer of the warrant).~~

6.3.4. Conversion of a sell warrant by financial settlement

~~Conversion of the sell warrant with financial settlement is made similarly to the procedure described in the relevant Point with the difference that the issuer of the warrant remits the difference between the conversion price and the actual rate of the underlying securities (calculated as determined at the time of issuing the warrant) to the bank account number indicated by the Client.~~

~~The expired warrant will be transferred by KELLER to an account automatically blocked at the date of expiry at the cost of the issuer.~~

~~The basic content elements of services relating to the warrant will be stipulated by KELLER in an individual agreement on the warrant concerned.~~

6.4. Settlement of securities transactions other than regulated market transactions

6.4.1. OTC transactions made outside the regulated market

KELLER handles instructions provided by two Clients relating to a transfer in line with the rules on OTC transactions concluded outside the regulated market.

KELER performs the OTC transactions made outside the regulated market according to the DVP type securities account transfer.

Matching will be made by KELER also for the instructions for which the purchase price indicated on the settlement note submitted by the Clients delivering and receiving the securities differ by an amount within the limit or equivalent to the limit provided for in the relevant Clearing House Announcement, no matching will be made in case of difference exceeding the limit. In case of settlement notes submitted and matched with different purchase price, the basis of the settlement will be the purchase price given by the buyer when performing the transaction.

KELER will handle instruction as instructions to be recycled where the Client requested recycling or where the field of price was not completed.

In respect of OTC transactions made with the NBH issues not regulated in these Rules will be governed by the provisions of the respective regulation of the NBH.

6.4.2. Settlement of primary market transactions

On the basis of issuance (allocation) data received from the issuer or its agent in a form as agreed upon by the parties, KELER will perform settlement of the primary market transaction.

Settlement process of the primary transaction is the same as the DVP securities account transfer, with the one exception that the settlement notes will not be submitted and matched. For the settlement of the primary transaction, linked to the securities sub account, the client on the sell side can provide the number of the cash account to be debited directly.

Unless otherwise agreed by the parties, until the start of verification of cover only the issuer or its agent may initiate the amendment of the primary market settlement order.

Any matter not regulated in these Rules will be governed by the regulation of the issuer in respect of the primary market transactions.

6.4.3. Settlement of repo transactions

6.4.3.1. Types of repo transactions

Repo transactions are transactions as follows:

- a) repo transaction of general collateral type and
- b) repo transaction of delivery type.

In case of repo transaction of general collateral type KELER blocks the securities being subject of the transaction on the account of the seller with the buyer as beneficiary.

In case of a repo transaction of delivery type the securities being subject of the transaction will be credited to the account of the buyer, the buyer can freely dispose over the securities during the term of the repo transaction.

6.4.3.2. Extension of the term of the repo transaction

On the basis of agreement concluded by the Clients, the repo transaction can be extended both for the whole transaction or for a part of it.

The instruction for extension of the repo has to be submitted by both parties to KELER until the cut-off time defined in the Clearing House Announcement. The order for extension of repo will be matched and settlement will be made only for the matched transactions.

In case of extension of the repo transaction the financial settlement at the expiry is made for the repo interest / purchase price difference.

6.4.3.3. Expiry of the repo transaction

The settlement is performed on the date of expiry. On the financial side settlement of the repo interest/purchase price and on securities side release of the blocked securities in case of repo transaction of general collateral type is completed and the securities are debited/credited to the relevant accounts in case of a repo transaction of delivery type.

In the event that on the day preceding the date of expiry of the repo transaction KELER does not get any instruction for extension of the repo (instruction by both Clients that can be matched), it will consider the repo transaction expired. On the financial side settlement of the repo interest and the purchase price is completed and on the securities side release of the blocked securities in case of repo transaction of general collateral type and debiting/crediting the securities concerned on the relevant accounts is completed in case of a delivery type repo transaction.

Should the party with a financial obligation of an expiring repo transaction fail to fulfill its payment obligation (fails to provide sufficient cover on the account), KELER will automatically credit the securities concerned to the account of the original buyer of the repo transaction after real time processing in case of a repo of collateral type, while the securities remain on the account of the buyer of the transaction in case of a delivery repo.

6.5. Settlement of transactions relating to CO₂ emission unit

6.5.1. Introduction

For Clients who have signed the respective form contract with KELER, KELER provides services for the settlement outside the BSE of CO₂ emission units. The emission units are transferred between the buying and selling parties through the account kept for KELER in the emission unit trading schedule.

Trading in CO₂ emission unit is settled on a gross value basis, under the principle of Delivery versus Payment, going from one transaction to the other.

6.5.2. Concluding the transaction

The transfer of CO₂ emission unit involving movement of funds is performed on the basis of an independent order by the Client supplying or receiving the CO₂ emission unit which is to be submitted on the settlement note made available by KELER, free of all errors regarding form.

The Clients have the right to submit the settlement notes to KELER in an encrypted and signed e-mail or in an encrypted fax. The settlement note to be submitted by both parties will be matched by KELER. Only fully matched settlement notes can be submitted to further processing. Instruction submitted in unmatched settlement notes will be automatically cancelled by KELER at the end of the settlement day.

Any order submitted on a settlement note can be unilaterally cancelled by the Client before related booking entries are made.

6.5.3. Settlement of the transactions

In case of settlement note submitted prior to the settlement day KELER attempts to match continuously the settlement notes from the date of receipt and in case of settlement note submitted on the settlement day, on the settlement day from time of receipt.

As a first step of settlement, the verification of cover is completed in terms of the CO₂ emission unit and if it is successfully completed, verification of financial cover is completed. If both sides of the deal are covered, settlement is completed. KELER does not make partial fulfillment.

The deadlines for submitting settlement notes, for providing cover and for settlement will be announced by KELER in the Clearing House Announcement on Cut-off times to receive,

execute and withdraw orders.

6.5.4. Verification of cover on the side of CO₂ emission unit

The seller will provide cover for the CO₂ emission unit necessary for settlement of the transaction by transferring it to KELER's account kept in the emission unit trading schedule. When settling a transaction, the verification of cover relating to CO₂ emission unit is made at first. Verification of cover is made regarding the balance of the CO₂ emission unit transferred by the Client.

6.5.5. Verification of financial cover and making booking entries

The buying clearing member is obliged to deposit the cover of the purchase price on the own and client purchase price deposit sub-account kept with KELER, broken down by own and client cover by the required deadline and in the required way. Credit institutions have to deposit the HUF purchase price cover on KELER's central purchase price deposit account.

The verification of financial cover will take place after a successful verification of cover in terms of the CO₂ emission unit.

If necessary financial cover is available, the final and irrevocable financial fulfillment will be carried out on the cash accounts for this purpose, i.e. the Client on the buy side will be debited and simultaneously, the Client on the sell side will be credited.

6.5.6. Transfer on the side of CO₂ emission unit

Simultaneously with passing the booking entries related to the cash side final and irrevocable settlement on the side of CO₂ emission unit is performed, during which KELER transfers the quantity of CO₂ emission unit indicated in the transaction from its account kept in the emission unit trading schedule to the account of the buyer kept in the emission unit trading schedule.

The settlement of the transaction is finalized with the settlement of the CO₂ emission unit and the cash side, KELER sends advices the Clients thereon.

6.5.7. Management of uncovered positions

In case of default on the side of CO₂ emission unit or on the cash side, KELER calls the Client concerned to provide cover. If during the period available for settlement the cover is not provided, the transaction is qualified as uncovered and KELER will not try to settle it any more.

On the settlement day following the settlement period without any result, KELER will transfer back the CO₂ emission units of the seller and the financial cover of the buyer.

6.6. Settlement of compensation notes

KELER CCP settles compensation notes transactions concluded at the BSE in accordance with the rules applicable to transactions with multinet settlement with the difference that receipt of compensation notes is not by KELER but by the investment firm, credit institution authorized by the issuer for this purpose.

The investment firm and the credit institution authorized to take receipt of compensation notes forwards by transfer the compensation notes delivered by it to the account of the beneficiary. For the transfer in addition to the main account code of four digits the sub-account code type „S”, i.e. S00000 or type „M”, i.e. M00000 are also to be given depending on whether the Client requests credit to its own or its Client's account.

In the course of registration of compensation notes KELER will not indicate the value provided for in the Compensation Act under nominal value of the compensation notes but the value of the denomination unit x number of pieces.

VII. Settlement of international transactions

7.1. Settlement services for foreign securities

7.1.1. General provisions

7.1.1.1. Acceptance of foreign securities

For the purpose of registration, management and international (cross-border) settlement of foreign securities KELER will conclude an account management agreement with the foreign custodian selected by KELER. Registration of securities in the portfolio of the Clients and their clients is completed at the outsourced account manager of KELER without segregation.

On the accounts kept by KELER the Client completes transaction by definition for its own account, unless the Client instructs otherwise.

The range of foreign securities acceptable by KELER is detailed in the regulations of the foreign custodian selected in addition to the obligations provided for by law.

In case of offering of foreign securities, KELER guarantees recording of the foreign securities under an individual contract concluded with the foreign custodian or clearing house.

If the issuer lists acceptable foreign securities on the BSE, at the written request of the issuer, KELER will issue a statement of acceptance for stock exchange settlement pursuant to the data registered by the foreign custodian.

The securities credited through the outsourced account manager appear on the securities account of the Client only as account receivables, such securities cannot be physically delivered in or out.

KELER keeps a separate register on broken securities credited to its account managed by the outsourced account manager where broken securities due to various clients are recorded. KELER informs the client in e-mail on the volume of broken securities by sending information on the closing balance of the last business day of each calendar month. If the total of broken securities credited to the client amount to a round number of securities, KELER transfers the credited securities to the securities account of the client.

7.1.1.2. „Multi-market” securities

Securities issued in specific countries can be traded in several stock exchanges and markets – among others, at the BSE. Accordingly, such „multi-market” securities can be settled in the settlement systems of several central depositories serving the domestic and international markets. Transferring securities among different markets is possible within the framework of a „cross-border” settlement, subject to the links existing among the different settlement systems.

Despite the fact that securities represent the same rights regardless of the various markets, from a settlement and practical point of view they cannot be seen as identical. Securities generated in KELER’s system, or adopted and recorded therein from a certain capital market can be settled in the capital market of another country only after conversion among the security markets. However, due to the complexity of „cross-border” transactions, such conversion takes a longer time, which must be taken into consideration by the client when accepting a fulfillment deadline in another market. In addition, the client must also take into account the additional expenses arising during the conversion.

In the various markets differences may occur when processing corporate events relating to „multi-market” securities. This is due to the fact that intermediaries offering direct services to KELER in the individual markets might not offer the same conditions for participation in the specific corporate event.

7.1.1.3. Settlement of foreign securities

In the course of international settlements KELER allows the Client to settle transactions without payment (FOR, free of payment) and with payment (A/P, against payment). KELER settles orders on a gross basis, and forwards them without verification of cover and unvalidated to the outsourced account manager. Thus orders are subject to matching regardless whether sufficient cover is available at the client account. However, the condition of successful deal settlement is that the client provides cover in line with the applicable deadline that varies by local markets and is linked to the securities cut-off time of local markets.

For foreign exchange settlement of securities purchase and sales transactions involving payment, the rules of foreign exchange account management apply.

Orders relating to foreign securities can be forwarded to KELER electronically, KELER will forward such orders after checking format and content to the outsourced account managers via SWIFT. In the cases determined by KELER, KELER may require orders from the account holder in other communication channels (e.g. via fax) if orders cannot be submitted in the KID system. KELER forwards orders received from account holders to outsourced account managers in line with the FIFO (First In, First Out) principle, that is in the sequence of submitting. The cut-off times for receiving orders are detailed in the „Clearing House Announcement on Cut-off times to receive, execute and withdraw orders”.

KELER shall continuously forward to the Client any information provided by the outsourced account manager on the relevant transaction considerably influencing the status of the transaction to be settled. Subject to the service provided by the outsourced account manager, KELER will ensure for corporate events that the rights of the Client deriving from the securities concerned are not violated.

Regarding foreign securities transactions KELER distinguishes transactions as follows:

- a) transactions within KELER,
- b) transactions within the system of KELER's outsourced account manager (non-local market transactions), that is internal circle transactions, and
- c) so-called local market transactions of various foreign markets.

The rules for settlement and account maintenance of KELER regarding foreign securities are identical with the rules applying for securities issued in Hungary.

From the point of view of the foreign custodian settlement of internal circle transactions is completed among the accounts kept in the system of the outsourced account manager of KELER, in line with the rules of the outsourced foreign account manager. If the custodian bank allows execution of a transaction involving several systems with the submission of one instruction, the fee of the relevant transaction may be different than the fee of internal transaction fees that is individually defined by the custodian bank.

For settlement of the "local market" transactions the outsourced account manager itself uses the services of additional account managers (subcustodians). Settlement of the transactions is primarily made in the system of this middlemen, according to the rules thereof.

Important information on settlement on so-called local markets transactions of various foreign markets and the cut-off times for submitting instructions are defined in the „Clearing House Announcement on Cut-off times to receive, execute and withdraw orders”. The Client is responsible to comply with the limitations and obligations (sanctions, taxes and interests) specified in the “Clearing House Announcement on cross border settlement of foreign securities” and to become familiar with the rules relating to the settlement of local markets not listed in the document.

Based on individual consideration KELER can decide to take into account certain circumstances

(e.g. national holidays, local market bank holidays) and deviate from the gross settlement process. KELER will take out the settlement of such transactions from automated processing and such transactions will be settled manually only, individual fees will be applied. KELER takes no liability for eventual damage, sanctions resulting from lack of knowledge of such information and will pass such damage and sanctions to the Client in all cases.

If in the course of transaction settlement the foreign custodian invoices additional extra costs to KELER over and above the transaction fee (e.g. registration fee, stamp duty, tax, etc.), KELER will automatically transfer those to the account holder.

In case of settlement of international transactions since KELER does not assess the nature of the transactions, it is the responsibility of the account holder in each case that the instruction and the cover necessary for fulfillment are fully available on the account of the Client in due time, in the interest of successful settlement.

7.1.2. Free of Payment (FOP) transactions

7.1.2.1. Acceptance of foreign securities (transfer credit)

In accordance with the data of the instruction for acceptance submitted by the Client, if necessary with observation of the rules of matching, KELER forwards the order to the outsourced account manager.

On the basis of the securities credit advice of the outsourced account manager KELER will credit the securities account/sub-account of the Client indicated in the instruction without delay.

7.1.2.2. "Delivery" of foreign securities (transfer debit)

The Client may submit instruction for „delivery" of foreign securities for the foreign securities credited to its consolidated securities account.

The instruction is forwarded automatically, without verification of cover to the outsourced account manager as an unvalidated message, however, the transaction can be settled only after validation.

If the securities cover required for settlement is available at the account of the Client, securities will be blocked in the securities account. Following successful blocking of securities KELER validates the transaction and forwards the instruction to the outsourced account manager in line with the data of the order.

Based on the debit advice by the outsourced account manager KELER will release the securities earlier blocked for the transaction without delay and thereafter it will debit the consolidated securities account/sub-account of the Client indicated in the instruction.

7.1.3. Transactions against payment (A/P)

Settlement of the foreign exchange side of transactions against payment is completed in line with the rules of the regulation on foreign exchange settlements.

7.1.3.1. Transactions linked to issuance of securities

In case of purchase transactions linked to issuance of securities the Client has to give the order together with the required cover in compliance with the cut-off times herein stated. In case of transactions submitted late or without cover the foreign account manager reserves the right to back valued financial debit for transactions where settlement of the transaction cannot be made at the date of issuance due to insufficient financial cover. The fees of interest type arising from the above situation will be charged by KELER to the Client.

7.1.3.2. Purchase of foreign securities

After acquiring the master data of the securities if necessary, KELER will forward automatically as unvalidated messages to the outsourced account manager the foreign securities buy instructions submitted by the Client without verifying foreign exchange cover, however, transactions can be settled only after validation. When cover required for settlement is available on the cash account of the Client, blocking of the funds required is completed. Following the successful blocking of foreign exchange KELER will validate the transactions.

On the basis of confirmation of fulfillment of the transaction by the outsourced account manager KELER will release blocking of the foreign exchange and debit the relevant registration account of the Client with the amount concerned and on the securities side KELER will credit without delay the consolidated securities account/sub-account indicated in the instruction of the Client.

7.1.3.3. Sale of foreign securities

The Client may submit instruction for sale of foreign securities for the foreign securities credited to its consolidated securities account electronically that will be forwarded automatically by KELER, without verification of cover to the outsourced account manager as unvalidated message, however, transactions can be settled only after validation. When the cover required for settlement is available at the consolidated securities account specified by the Client, securities are blocked. Following successful blocking of securities KELER validates transactions.

Based on confirmation of the outsourced account manager for the transaction concerned, KELER will release without delay the securities blocked for the transaction earlier, and afterwards, it will debit the consolidated securities account/sub-account of the Client indicated in the instruction and simultaneously credit the foreign exchange account of the Client in the appropriate foreign exchange.

7.1.3.4. Canceling foreign securities transactions

Cancellation requests related to earlier submitted instructions will be processed depending upon whether the instruction submitted by the Client is forwarded to the outsourced account manager.

If the original instruction is already sent to the outsourced account manager, the transaction can be cancelled only if KELER already received the confirmation of cancellation by the outsourced account manager.

7.1.4. Management of corporate events relating to foreign securities

KELER shall ensure "participation" on all corporate events in respect of the foreign securities of the Client that are provided by KELER's outsourced account manager for the securities concerned.

Clients are entitled to participate in a corporate event if they have a securities balance in the securities involved on the record date of the event, or in case of foreign markets the Clients that were the holder of securities according to the details of the buy transaction (deal date, ex-date) but settlement is not yet completed in the system of the outsourced account manager.

On the basis of information received from KELER's outsourced account manager, KELER informs the Clients on details, such as the type of the event, the priority days and the process of execution. The system of KELER automatically forwards to Clients information and SWIFT messages received from the custodian banks. The official language of messages is Hungarian.

The priority days and the process of execution of the corporate events of foreign securities are not (not necessarily) identical with the procedure rules applied for Hungarian securities.

There are two major types of corporate events in terms of intention to participate. There are mandatory events and events where participation is based on voluntary intention.

7.1.4.1. Corporate events of mandatory effect related to foreign securities

In the course of mandatory events the holders of the securities at the record date (including the participants of the custodian's chain) do not have the possibility to request exemption in respect of the rights and/or obligations arising from the corporate event, the securities or cash movements on their accounts will be effected automatically at the decision of the issuer.

7.1.4.2. Voluntary/choice corporate events relating to foreign securities

In the course of voluntary/choice events the holders of the securities at the record date (including the participants of the custodian's chain) have the possibility within the limits provided for by the relevant corporate event and the custodian's chain to decide on participation in the event as well as to choose from among the options offered by the issuer.

In case of corporate events if the Client has the opportunity to submit an instruction, KELER will proceed according to the instruction of the Client, if no instruction is available, according to the default procedure published in the information material of the corporate event relating to the respective securities.

If owing to a special corporate event, the Client has claim to cash compensation (e.g. compensation of fraction shares) KELER will execute recording of the compensation of the account of the Client only after the credit item is actually made to the account of KELER kept by the outsourced account manager.

Due to the characteristics of international custodian chains, non-segregated registration and rounding applied by the outsourced account manager for the corporate events, it cannot be excluded that in case of certain corporate events some Clients may get into slightly better while some other Clients into slightly worse situation compared to the original terms determined by the issuer. The Clients cannot have any claim to compensation for the differences arising therefrom.

KELER shall not take any responsibility if the rights of the holders of securities are violated at the general meeting convened by the non-resident issuer of the foreign securities due to the possible long chains of custodians.

7.1.5. Procedure relating to taxation

KELER pays the yield paid in cash to the Client on net value basis. The amount of tax applied for calculating the net amount depends on the tax residence of the issuer. Deviation from the general tax rate – use of a preferential tax rate – is allowed by agreements to avoid double taxation. Should there be no preferential tax rate the highest tax rate in use in the country of the issuer is applicable. KELER informs account holders on the possibilities and terms of applying preferential tax rates.

If preferential tax rates can be used KELER will inform account holders and will request to submit all document necessary that it will forward to the foreign custodian (e.g. W-8-Ben form and registration form for using preferential American tax rates). In order to identify the final beneficiaries KELER will forward allocation instructions to the foreign custodian bank for each preferential payment and will pass the transaction costs thereof to the account holders.

7.2. Settlement services for transactions made in the XETRA system

7.2.1. General provisions

In cooperation with the BSE, KELER provides settlement services for the securities transactions made in XETRA system of the Deutsche Börse (hereinafter: XETRA transactions). Clearing of the XETRA transaction is performed by EUREX (the CCP clearing house of XETRA transactions), while settlement is completed by Clearstream Bank Frankfurt, the German central depository. KELER has a securities account with Clearstream Bank Frankfurt and concluded an agreement with a local credit institution (clearing bank) providing services for performance of clearing member and settlement bank functions.

The services provided by KELER for settlement of the XETRA transactions are subject to the services provided by third persons being in direct or indirect relationship with KELER, and for KELER's activity the respective regulations of such persons, in particular the exchange settlement rules of Deutsche Börse, EUREX (CCP Clearing House of the XETRA transactions), the clearing bank and Clearstream Bank Frankfurt are applicable.

The range of securities acceptable by KELER for XETRA settlement are determined by the securities acceptable in the XETRA System. The basic data of securities determine whether the rules on central guarantee provided by EUREX apply to the securities concerned. If central guarantee is provided for the settlement of the transactions relating to the securities concerned, then the fee for the settlement of CCP transactions is applicable for the transaction. If the securities are not subject to the central guarantee, the transaction fee will not be defined in line with the fee for CCP transactions. The securities appear on the consolidated securities account of the Client only as account receivables, physical delivery in and out is not possible.

KELER's Client trading directly through the XETRA system shall provide the documents necessary for opening an account and for acquiring trading right, based on which KELER will have the Client registered with the clearing bank. The XETRA transaction can be settled through KELER only thereafter.

For settlement of the transactions made in the XETRA system the Client has to open a dedicated sub-account (XETRA settlement sub-account) within the consolidated securities account of the Client maintained by KELER.

Verification of securities cover and fulfillment is completed in relation to this dedicated XETRA settlement sub-account.

The securities registered on the dedicated XETRA settlement sub-account are also registered at the clearing bank on a segregated sub-account.

Financial performance is completed through the EUR foreign exchange account of the Client maintained by KELER.

KELER will directly receive the transactions made in the XETRA system from its clearing bank, therefore the Client does not need to report these transactions to KELER. In accordance with the German market standards the dealt transactions are settled on the basis of a settlement cycle of T+2.

The Client is responsible for being aware of the German clearing and settlement rules for performance of XETRA transactions. KELER takes no responsibility for any possible damage, sanctions that may be arising from failure to comply with the above, and KELER will pass them to the Client.

The rules for settlement, account management of foreign securities credited on the basis of XETRA transactions within KELER are identical with the rules on securities issued in Hungary.

Submission of a cross-border settlement order relating to a dedicated XETRA settlement sub-account is not allowed through the electronic customer relationship system. KELER settles such transactions based on manual transactions.

The outsourced account manager differentiates two transaction types on dedicated accounts. There are transactions within the market, the so-called CASCADE transactions, in the course of settlement of which the outsourced account manager does not cross the borders of the given market. Transactions outside the market will be settled in the CREATION system.

7.2.2. Stock exchange settlements / fulfillments

KELER will receive the list of transactions made in the XETRA system on T day from the clearing bank in the morning of T+1 day. Settlement of the XETRA transactions will be made for

the transactions included in this notification. KELER will forward the list of transactions to the Client in the morning of T+1 day in e-mail.

The XETRA system allows Clients to buy securities of Hungarian issuers directly from other markets. Once such transactions are settled KELER completes conversion to transfer the Hungarian securities to the Hungarian local market, the additional costs thereof will be passed to account holders.

7.2.2.1. Acceptance of securities (purchase)

KELER does not make any preliminary verification of cover in respect of purchase transactions. On the basis of financial debit advice of the clearing KELER will initiate debit entries against the Client's foreign exchange account, in the EUR equivalent amount of purchase transactions.

It is the responsibility and obligation of the Client to ensure that sufficient financial cover is available for its T day purchase transactions on T+2 day. The Client has to provide the cover as defined in the document entitled "Information on foreign exchange remittances to KELER". In case of insufficient cover the debit entries remain in the queue.

Parallel with the debit entries on the cash side, on the basis of the securities credit advice by the clearing bank and if the counter value of the transaction is available in due time KELER will credit the securities to the XETRA settlement sub-account of the Client.

7.2.2.2. "Delivery" of securities (sale)

KELER completes no prior verification of cover for sell transactions. Based on the securities side debit advice of the clearing bank KELER debits the securities account of the client with the number of pieces of securities stated in the sell transactions.

It is the responsibility and obligation of the Client to ensure that the necessary securities in respect of the transactions made on T day are available on its dedicated XETRA settlement sub-account maintained by KELER by 9:00 hrs. on T+2 day.

On the basis of the securities debit advice of the clearing bank it takes the collateral securities from the Client's XETRA settlement sub-account. Simultaneously, it credits the Client's EUR foreign exchange account with the counter value of the transaction in accordance with the debit advice of the clearing bank relating to the cash side. In case of insufficient cover debit items are queued.

7.2.3. Handling defaults

7.2.3.1. General provisions

KELER reserves the right to use any enforcing mechanism for the purpose of efficient settlement of the transactions that were made available to it by the clearing bank both on the securities and cash side, and to charge the Client with the costs thereof.

Since a XETRA transaction cannot be cancelled KELER reserves the right to cover all liabilities arising from the default as well as the costs of any compulsory provision that may be initiated by KELER and/or the clearing bank from the defaulting Client, from its collateral blocked as cover for the XETRA transactions or from the amount received as consideration for the relevant transaction. In the event that the collateral related to the XETRA transaction and the bank or securities side counter value of the settlement of the transactions do not cover the costs of the compulsory provisions and any other possible expenses incurred by KELER, KELER has the right to withdraw the free balance of collaterals of the Client and its own securities as a collateral and, if necessary, to sell them in compulsory sale.

KELER reserves the right to exclude the Client who defaulted repeatedly and to a large extent from the settlement system in the way that it requests the clearing bank to delete the defaulting member from the list of XETRA members submitted. As a consequence the clearing bank will

automatically refuse the settlement of the transactions made by the Client.

7.2.3.2. Financial default

In case of a purchase transaction use of the settlement facilitating mechanism is automatic, thus the transaction will be settled in the German market in case of sufficient securities cover provided by the seller, even if the Client does not have sufficient financial cover on the foreign exchange account kept by KELER. Therefore if a Client does not have sufficient EUR cover on its foreign exchange account for fulfillment of its securities purchase transaction after the deadline stipulated in these Rules, KELER has the right to block the securities deriving from the purchase transaction on the dedicated XETRA settlement sub-account indicating KELER as beneficiary and to handle them as collateral until financial settlement.

If the Client has provided the necessary cover in foreign exchange with some delay, after settlement of the expenses incurred in the meantime the Client can claim the securities deposited as collateral.

7.2.3.3. Default on the securities side

If a Client does not have sufficient securities cover on its XETRA settlement sub-account for performance of sell transactions by the deadline stipulated in these Rules, settlement of the transaction will fail on T+2 day either partially or entirely, and KELER will pass all expenses and compensation claims arising therefrom to the Client.

Should the requested securities be later available and if no enforcement mechanism is used that is offered by the clearing bank, KELER will take measures to fulfill the transaction in the next settlement round.

7.2.4. Obligation to provide collateral

The Client participating in the clearing and settlement service in relation to transactions made in the XETRA system has the obligation to provide daily collateral. The basic condition for using the services is the fulfillment of obligations for providing collaterals continuously and in due time.

The range, extent of the collaterals as well as any other details in respect of the collateral are laid down in KELER's Clearing House Announcement entitled "Collaterals of XETRA settlements".

KELER will have the daily collateral requirement determined by the clearing bank created by the Client but at least the minimum amount provided for in the Clearing House Announcement entitled "Collaterals of XETRA settlements".

KELER reserves the right to

- a) unilaterally increase collateral obligations of the Client being late in providing collateral, for an unlimited period of time,
- b) exclude from the settlement system the Client that is continuously late in performing or defaults in terms of meeting the obligation to provide collateral by requesting the clearing bank to delete the defaulting member from the list of XETRA members submitted by it. As a consequence the clearing bank will automatically refuse the settlement of the transactions made by the Client.

7.2.5. Lending of securities

For the purpose of facilitating XETRA settlements KELER may provide securities lending services to its Clients having a XETRA settlement sub-account under a special „General Agreement for Lending Securities“. The detailed rules relating to the securities lending are regulated in this General Agreement.



7.2.5.1. Collateral for securities lending

For securities lending KELLER has the right to require a collateral from the Client and to unilaterally change the extent of the collateral during the term of the loan due to change of risks. The rules for granting collateral are regulated in the “General Agreement for Lending Securities”.

VIII. Other services provided by KELER

8.1. Blocking of securities due to bank card or cash limit

8.1.1. General provisions

Members of GIRO and VIBER can establish bank card and securities limits by blocking securities defined by the NBH for this purpose on the securities account kept at KELER. Blocking for bank card and cash limits is completed under separate titles.

The Client is responsible to initiate both the limit increase (by blocking government securities) and the limit decrease (by releasing blocked securities) at KELER.

Further regulations relating to limit management and the range of the acceptable securities, rules for their assessment are included in the respective regulations, instructions of the NBH.

Blocking for cash limit is made until withdrawal, in line with the rules on blocking the blocking for bank card limit can be requested until withdrawal with a specific expiry date or until expiry. In all other cases blocking expiry is the second settlement day before the expiry of the securities at the latest.

Blocking of securities in favor of the NBH can only be made in relation to securities on the own account of the Client that are owned by the Client.

If the cancellation of securities owned by the Client and blocked in favor of the NBH is completed at the request of the issuer prior to the expiry of the securities, KELER executes the cancellation immediately after receipt of the unblocking license provided by the NBH at the request of the Client. If the Client does not request unblocking, KELER completes unblocking prior to cancellation.

8.1.2. Limit increase

Limit increase is initiated by the Client by submitting an order standardized for this purpose, indicating among other information the type and quantity of the securities to be blocked. Following a successful securities cover verification KELER will block the securities for the purpose of limit. KELER shall notify the NBH and the Client concerned on the blocking.

8.1.3. Limit reduction

8.1.3.1. Automatic reduction of limit

The limit value of the Client will decrease on the relevant value date if its securities blocked for the earlier limit expire. Then the blocked securities are automatically released on the day before expiry. KELER informs the NBH on the reduction of the limit on E-1 day, at the end of the daily limit blocking period.

8.1.3.2. Reduction of limit at the instruction of the Client

The Client is entitled to reduce the value of the limit by submitting an order for release of the blocked securities to KELER
Release of the blocked securities is made according to the instruction of the NBH.

If the NBH notifies KELER that release of the blocked securities is allowed, KELER will release the blocking and informs both the NBH and the Client concerned thereon. In case of release of blocking of securities blocked for limit, partial fulfillment is not allowed.

8.2. KELER ensuring the possibility to exercise proprietary rights

At the instruction of the issuer and/or the Client KELER will ensure the possibility of exercising the proprietary rights in respect of securities managed.

8.2.1. Provisions concerning corporate events executed at the instruction of the issuer

8.2.1.1. General provisions

On a corporate event that can be executed according to these Rules KELER will inform Clients through the KID system.

If a corporate event cannot be executed according to these Rules, KELER will consult the issuer regarding the rules of procedure that are compulsory and will make them public in the KID system.

The shareholder registration requested by the issuer is for the whole amount of securities kept in custody at KELER on the record date.

The Client will provide ownership data to KELER regarding the amount of securities at its disposal.

The Client shall give the bank account number to KELER in advance for which all remittances concerning corporate events involving financial movement are requested to be made. KELER will have the indicated account number shown on the payment instruction to the issuer.

Should the Client fail to give its account number, KELER will give to the issuer in relation to corporate events with financial movement the number of the Client bank account kept with KELER.

The Client will be liable for eventual damage arising from failure to provide the cash account number.

Maintenance of the register of shareholders can be performed for individual issuers under different rules. The issuer is responsible for calling the shareholders' attention to the special rules relating to the register of shareholders concerned, including provisions defined by KELER.

Blocking of securities in favor of the NBH can only be completed for securities on the own account of the Client that are in its property.

8.2.1.2. KELER ensuring the possibility to exercise proprietary rights of shares

8.2.1.2.1. General provisions

In case of a corporate event involving payment (payment of dividend, payment of interim dividend and share dividend) the issuers of all public shares are obliged to require shareholder registration from KELER.

In case of a corporate event at least 10 business days must pass between the date of the general meeting and the initial date of payment of dividend.

The Client can submit its intention to participate in any corporate event involving blocking of an account for securities at the latest until 16:00 hrs. on E-5 day by fax or until 10:00 hrs. on E-4 day through the electronic customer relationship system. On the basis of blocking instruction KELER will block the amount of securities indicated by the Client from E-4 day to E day. Following E-4 day at the express request of the Client thereto KELER releases the blocking, otherwise blocking is automatically terminated after E day.

In case of all corporate events involving registration of shareholders the Client can submit the data of shareholders wishing to enforce their rights against the issuer at the latest until 15:00 hrs. on E-4 day in the KID system or personally between 10:00 hrs. and 15:00 hrs. on a standardized data carrier to KELER. Data is to be provided in the format and with content of data determined by KELER.

8.2.1.2.2. Announcing the corporate event

The issuer is obliged to advise KELER on any corporate event immediately after making the decision on the corporate event, at the latest until the fifteenth settlement day preceding the date of the corporate event. If the issuer fails to fulfill or fulfills this obligation only with delay, it will be responsible for any losses that may arise therefrom.

8.2.1.2.2.1. Preferential days of the corporate event

During execution of the corporate event related to shares the following days are considered preferential days:

- E-10 day: the deadline for sending the order regarding the corporate event to KELER. If the issuer fails to meet or is delayed in meeting this obligation, the issuer will be responsible for resulting eventual damage.
- E-8 day (cum date): in case of equities listed on the BSE the last day of trading when ownership rights related to the corporate event are bought and sold together with the securities.
- E-5 day (record date): the shareholder is entitled to exercise proprietary rights if it is registered on this date as the holder of the equities. This is the last day when equities with the due coupon can be delivered in and out.
- E-4 day: the day of transferring the data of the shareholders to KELER. On this day the securities are already delivered in and out without the due coupon. Should the Client still deliver the securities to KELER with due coupon, as a service for payment of a fee KELER will cut the coupon and returns the securities.
- E-2 day: submitting the shareholder registration to the issuer or its agent (and in case of corporate event with payment the payment instruction is submitted also).
- E day (event date): day of the corporate event.

The issuer can suggest that rules deviating from the above procedure are formed.

8.2.1.2.3. Identification of the shareholder by the Client

Should there be no other instruction by the issuer, on E-4 day the Client shall transfer to KELER the data of the shareholders wishing to enforce their rights against the issuer through the KID system or on a standardized data carrier.

The shareholder of a public company limited by shares that refuses to approve the registration in the register of shareholders cannot exercise its proprietary rights according to the prevailing regulations.

If the aggregate position of the named clients given to KELER by the Client is higher than the aggregated position of the Client concerned on the record date, KELER will not complete shareholder registration. KELER notifies the Client thereon in the KID system or returns the standardized data carrier to the Client without recording.

The Client is obliged to provide KELER with the necessary data by the indicated date in the format required by KELER. If this is not done or is done with some delay, KELER will complete shareholders registration only for the data submitted by the securities account managers within the deadline. KELER assumes no liability for eventual losses arising therefrom.

Should there be no other instruction by the shareholder of a public company limited by shares or its proxy the Client consents to KELER providing to the issuer the data related to equities of securities accounts kept by the account manager.

KELER does not assume any responsibility for the data provided by the Client, it will forward them to the issuer with unchanged content.

8.2.1.2.4. Processing shareholders registration

Files received through the KID are processed continuously. In case of erroneous items, KELER notifies the Client on the reason of error in KID. After correction of the error the file can be submitted again.

Files are accepted by KELER until 15:00 hrs. on E-4 day, also in case of files corrected.

If KELER receives erroneous files by 15:00 hrs. on E-4 day, KELER notifies the submitting Client in fax or in KID that the submitted data of shareholders cannot be processed, in this case the Client may forward the data of shareholders directly to the issuer or its agent.

8.2.1.2.5. Allocation

In case of both dematerialized and physical shares KELER does not perform allocation by number of denomination units, allocation is exclusively made in terms of number of denomination units.

On E-2 day the number of basic denomination units linked to individual shareholders is forwarded to the issuer or its agent on a standardized data carrier.

The standardized data carrier contains authentic data.

In case of non-identified positions KELER will report the aggregate position without name and mark it as non-identified.

8.2.1.3. KELER ensuring the possibility to exercise proprietary rights of debt securities

At the order of the issuer KELER will participate in the execution of the payment on the due date (interest payment, principal repayment, payment of interest and principal, payment at maturity) and will perform shareholder registration for the debt securities kept at KELER.

8.2.1.3.1. Preferential days

- a) E-9 day: last day to send the application for shareholder registration and the payment request to KELER. Should the issuer fail to fulfill this obligation or fulfill it with some delay, the issuer is liable for any damage that may arise therefrom.
- b) E-4 day (cum date): in case of debt securities listed on the BSE the last trading day when trading is with the right to the due date concerned.
- c) E-2 day (record date): persons are entitled to payment and are registered as owners if at the end of this day the securities concerned are in their accounts.
Accordingly, until the close of the settlement day concerned operations in debt securities accounts can be executed if participation in the event concerned is required.
- d) E-1 day: account managers are required to submit to KELER the shareholder data on shareholder registration in line with the provisions of the Clearing House Announcement on Cut-off times to receive, execute and withdraw orders.
- e) On E-1 day KELER forwards the payment instruction to the issuer, it contains by Client the cash account number submitted earlier by the Client on the form for this purpose, this is the account number where payments are to be made.
- f) On E day KELER forwards the shareholder registration to the issuer if the issuer requested KELER to complete it.
- g) E day (event date): date of payment and date of registration of holders by the issuer.

The issuer may propose to establish a procedure other than described above, however, the issuer cannot determine shorter periods.

8.2.1.3.2. Special provisions for shareholder registration

The Client may submit the data of the holders wishing to enforce their rights against the issuer in the format and with the content of data determined by KELER on E-1 day in KID or personally, on a standardized data carrier.

8.2.1.4. Ensuring the possibility to exercise proprietary rights of investment units

In case of investment units managed KELER participates in the execution of events at the due date (yield and yield advance payment, principal repayment, fund expiry, fund conversion) at the written order of the issuer.

8.2.1.4.1. Preferential days of payments due within the term or prior to maturity

Preferential days relating to the due date:

- a) E-9 day: deadline to submit application on shareholders registration and payment request to KELER. If the issuer fails to meet this obligation or is delayed in meeting it, the issuer will be liable for eventual damage resulting therefrom.
- b) E-6 day (cum date): in case of investment units listed on the BSE this is the last day when trading is with the right to the payment concerned.
- c) E-3 day (record date): persons are entitled to payment on the due date and are registered as shareholders and are entitled to yield and yield advance payment on the due date if the investment units are held in their securities accounts at the end of this day. Accordingly, investment units securities account operations can be completed with the right linked to the due date concerned until the close of the settlement day.
- d) E-2 day: on this day the securities account managers are required to submit to KELER the shareholder data related to the shareholder registration in line with the Clearing House Announcement on Cut-off times to receive, execute and withdraw orders.
- e) On E-2 day KELER shall forward the payment instruction to the issuer that also contains the end of day account balance amounts on the record date by Client and the cash account numbers as indicated by the Clients where due payments are requested to be made
- f) E-1 day: At request KELER shall forward to the issuer the shareholder registration data.
- g) E day (event day): The day of payment and the day when the issuer registers the shareholders.

The issuer may propose to establish a procedure other than described above, however, the

issuer cannot determine shorter periods.

8.2.1.4.2.. Handling investment units of a closed-ended investment fund at expiry

The maturity (FE day) of the closed-end investment fund and the payment related to the units of the fund (E day) are separate. The expiry of the investment fund does not result in the automatic cancellation of the investment unit upon expiry.

8.2.1.4.3. Preferential days related to the expiry of the fund

If the investment fund expires – provided the fund manager did not submit to KELER a statement to the contrary – no account operations can be completed related to the investment units until their cancellation.

- a) FE-15 day: Statement by the fund manager
 - aa) on the day of payment (E day) and the record date,
 - ab) on the extension or conversion of the investment fund upon expiry,
 - ac) whether account operations in the investment units of the investment fund expired can be completed between FE-6 day and E-3 day.
- b) FE-6 ay (cum date): The last trading day related to the yield payment and principal payment upon expiry of the investment unit listed on the BSE when the unit is traded with the right related to the due date concerned.
- c) FE-4 day: if the fund manager provided statement on the conversion of the closed-end fund into an open-ended fund, recording the details of the conversion related to the expiry date of the fund ensures continuous distribution from the record date of the investment unit until the expiry date of the fund..
- d) FE-3 day: The record date related to the maturity date of the fund. From this day until the payment day (E day) determined by the fund manager, unless the fund manager states otherwise, no account operations can be completed in the expiring investment unit.
- e) FE-day: the day of fund expiry or conversion.
- f) E-9 day: deadline to send the shareholder registration request and the payment request to KELER. If the issuer fails to meet or fails to meet on time this obligation, the issuer is responsible for any resulting damage.
- g) E-3 day, the record date: the person in whose securities account the investment units are held at the end of this day is entitled to payment on the due date and is registered as owner. Accordingly, account operations in the investment units with the right linked to the due date concerned can be completed until the close of the settlement day.
- h) E-2 day: on this day the securities account managers are required to submit to KELER the shareholder data related to the shareholder registration in line with the Clearing House Announcement on the Cut-off times to receive, execute and withdraw orders.
- i) On E-2 day KELER shall forward the payment instruction to the issuer or its agent, it also contains the end of day account balance amounts on the record date by Client and the cash account numbers as indicated by the Clients where due payments are requested to be made.
- j) E-1 day: At request KELER shall forward to the issuer the shareholder registration data.
- k) E day (event day): The day of payment and the day when the issuer registers the shareholders.

KELER is not liable for any damage arising from the failure to fulfill or delayed fulfillment of the obligations stated in the above points by the issuer of the investment unit.

8.2.2. Exercising proprietary rights at the request of the Client

At the request of the Client KELER shall make an individual registration in the register of shareholders and issues a certificate of ownership.

8.2.2.1. Completing the individual registration requested by the Client in the register of shareholders

The Client may request registration in the register of shareholders in relation to the securities in its custody.

The Client shall apply for individual registration in the register of shareholders at least six settlement days before the due date indicated by the Client (on E-6 day until 16:00 hrs.) on the form used for this purpose and submitted by fax.

Based on the application of the Client KELER will block the amount of securities indicated by the Client on the securities account from E-4 day to E day.

KELER shall forward the shareholders data indicated by the Client on E-4 day to the issuer on E-2 day on a standardized data carrier.

8.2.2.2. Issuing the certificate of holders by the Client

In order to ensure that the Client is able to exercise its proprietary rights KELER issues a certificate of holders as provided for in Section 212 of the Companies Act.

The Client may request the issuance of certificate of holders in relation to the dematerialized securities owned. Once the certificate of holders is issued KELER records changes in the account related to the shares only with the simultaneous withdrawal and annulment of the certificate of holders.

8.3. Retrospective shareholders registration

For dematerialized equities at the order of the Supervisory Authority or the written order of the issuer KELER completes retrospective shareholders registration. KELER will announce retrospective shareholders registration in KID.

Retrospective shareholders registration can be requested exclusively from the effective date of 1 July, 2006 of the amendment of the Tpt., for the record date of events starting with this date.

8.3.1. Retrospective shareholder registration at the order of the Supervisory Authority

At the order of the Supervisory Authority retrospective shareholder registration can be completed that is to be made based on the data effective at the time specified in the order of the Supervisory Authority.

The securities account manager is obliged to provide to the central depository the identification data and the number of shares held of securities account holders that hold the dematerialized shares specified at the time stated in the order regarding the shareholder registration. KELER makes shareholders registration for the data submitted by the securities account managers until the time stated by KELER.

8.3.2. Retrospective shareholder registration at the request of the issuer

If shareholder registration is completed at the request of the issuer the securities account manager forwards to the central depository the identification data and the number of shares held of securities account holders that hold the dematerialized shares stated at the time stipulated in the order of the issuer and in case of a public company did not give an instruction to prohibit their registration in the register of shareholders and did not request their cancellation.

8.4. Securities lending

KELER operates a securities lending system for the purpose of bridging any uncovered position on the securities side arising when settling the transactions of the Clients. The securities lending system operated by KELER constitutes part of KELER's settlement system.

In case of an open-ended securities loan the borrower is obliged to perform before expiry.

Any stipulation made in respect of the interest rate after lending is invalid.

In case of suspension of the license of operation of the Client, and of launching bankruptcy, liquidation proceeding against the Client, and in case of violating the rules of lending the securities loan is considered expired and it becomes due.

If a corporate event involving payment is held for certain securities, according to the applicable rules the current payment (at the record date) will be effected to the holders, consequently if there is an open loan transaction for such securities the lender will not receive direct payment.

For compensation thereof KELER runs automatic mechanisms.

For loan transactions with open status at the record date KELER will automatically debit the bank account of the borrower (cash account kept with the NBH or cash account kept with KELER) with the gross payment value calculated for the securities borrowed. The amount collected in this way will be credited to the bank account of the lender as compensation. Crediting compensation is exclusively based on the amount collected.

KELER provides securities lending services against a separate fee.

KELER operates three types of lending services:

- pool-based lending,
- trilateral securities lending,
- securities lending transaction made with KELER.

8.4.1. Pool-based securities lending system

For ensuring performance of multilateral net settlements on the securities side KELER operates a pool-based closed-ended securities lending system. Pool-based lending is anonym, i.e. neither the lender nor the borrower knows the other counterparty, the transaction is established between them with the cooperation of KELER.

KELER operates the lending system, the related account system, registers loan transactions, provides daily evaluation and collateral management for the securities involved.

Free securities of the individual Clients as potential lenders, submitted to the pool-based lending system (deposited on pool sub-account) can be involved in lending.

The lender can involve both own securities and securities held by its clients in the lending. In this latter case, the lender is to have a written declaration from the holder of the securities for this purpose.

The lender is responsible for failure to request this declaration.

Any Client with a securities sub-account marked pool (hereinafter: pool sub-account) with KELER depositing marketable securities on the above sub-account and declaring that its General Business Conditions contain the rules on securities lending can be a lender.

Borrowers can only be clearing members participating in multilateral net settlement.

KELER opens sub-accounts named pool own and pool client sub-account for all Clients having a securities account.

The holder of pool sub-account notifies KELER by transferring to these sub-accounts that the securities registered on the pool lending sub-account can be used for lending.

Securities deposited on pool sub-accounts can be freely transferred, blocked and involved in

settlement based on gross value.

The aggregated pool quantity of securities available for lending on the relevant day is the equivalent of the aggregate free securities balance of the pool sub-accounts of the Clients.

8.4.1.1. Concluding a lending transaction

If during multilateral net settlement there is no sufficient cover for the securities transactions of T day, KELER will attempt to ensure the quantity of securities necessary for the settlement by operating the pool-based lending system. The lending process begins after the uncovered position is declared.

8.4.1.2. Limit monitoring in the lending system

The lending system operates with the following limits:

- a) maximum 10 % of the quantity issued of a specific series of securities can be subject to lending at any point in time,
- b) no loan exceeding 2 % of the quantity issued from a specific series of securities can be granted for a clearing member.

Should the demand for lending not reach the lending limit, the lending process continues with the allocation. If the demand exceeds the above limit lending cannot be performed and KELER will execute the compulsory provisions related to default on the side of stock exchange securities.

8.4.1.3. Principles of allocation

After the limit checking is completed KELER checks if the necessary quantity of securities is available on the pool account for lending. If the available quantity of the securities concerned exceeds the required quantity, KELER will select the lender randomly, by a drawing process built in its computer system. If the quantity of securities deposited in the pool by the Client selected in this way is not sufficient, KELER will draw new and new lenders until the existing shortage of securities is totally covered.

If several clearing members are in default at the stock exchange in respect of the securities concerned on a specific day and the total quantity cannot be provided from the pool, KELER proceeds from the default of the smallest amount to that of the largest amount and attempts to ensure by the above procedure that as few deals are uncovered as possible.

If the securities in the pool are not sufficient, with regard to the fact that partial fulfillment is not allowed, lending cannot be effected and KELER will perform further compulsory provisions in relation to the stock exchange settlements.

8.4.1.4. Rules of providing collateral and control

The borrowing member shall give a collateral for the securities borrowed. The loan collateral can be created in securities, by a bank guarantee in HUF or in foreign exchange.

The collateral provided in cash must be deposited on the collateral sub-account of the cash account.

The borrowing member can deposit only its own funds on this sub-account.

KELER will evaluate the securities lent every day and accordingly it will calculate the collateral of the loan every day. The basis of calculation of the collateral is the value of borrowed securities calculated at the prevailing closing stock exchange price. If no stock exchange deal is made on the day preceding a specific day for the securities concerned, KELER has the right to determine a theoretic price/rate.

The value of the collateral is 120 % of the value of the securities borrowed and calculated as defined above.

The loan can only be disbursed if the borrowing clearing member has sufficient lending

collateral, calculated by taking into account the securities to be borrowed.

KELER shall transfer the relevant securities from the pool sub-account of the lender selected in the course of allocation to the stock exchange settlement securities sub-account of the defaulting stock exchange member.

Thereafter settlement of the regulated market transactions of T day continues as defined herein.

At the end of the cycle of the securities concerned, the lent securities must be transferred back to the account previously showing a shortage, marked with the starting date of lending.

8.4.1.5. Rules of providing loan collateral, daily revaluation

If due to shift of price of the securities borrowed the collateral of a clearing member created for pool-based lending is not sufficient, it has to provide additional collateral. Deadline for providing additional collateral 10:00 hrs. of the settlement day following the day concerned.

The securities deposited as collateral are blocked with KELER as beneficiary. Securities, bank guarantees and foreign exchange are accepted in line with the prevailing Terms and Conditions on Acceptance.

8.4.1.6. Closing of the loan transaction

Maximum period of the automatic lending is three settlement days. The borrower can close the loan transaction any time during the loan term by transfer operation related the consolidated securities account previously showing a shortage, marked with the starting date of lending.

8.4.1.7. Compulsory provisions related to lending

KELER will effect compulsory provisions related to lending against the borrower if

- a) following notification by KELER on any day the borrower fails to meet the obligation to provide increased collateral,
- b) on the date of expiry of the loan the borrower fails to return the securities borrowed prior to the start of BSE or EuroMTS trading.

In case of default KELER will withdraw the loan collaterals after 16:00 hrs. of the relevant day and notify without delay the defaulting member thereon. Afterwards KELER will attempt to acquire the defaulted securities.

In the defaulted securities cannot be obtained within three business days after default, KELER will compensate the lender at 105 % of the gross closing stock exchange price/rate (or if this is not available, the price/rate determined by KELER) against the collaterals of the defaulting clearing member.

Should the collaterals of the defaulting clearing member not provide sufficient cover for purchase of the missing securities and compensation of the lender, KELER will try to collect the remaining amount during three settlement days.

- a) by prompt collection in case of a clearing member having a cash account,
- b) and by high priority debit order through VIBER in case of a cash account maintained by the NBH.

If it is not successful KELER will initiate the necessary legal proceedings.

KELER has the right to exclude the Client defaulting three times within a calendar year from the lending system.

8.4.1.8. Rules of fee payment relating to the loan

After deduction of the costs of transfer that may arise KELER will remit the fees collected to the accounts indicated of the lenders.

50 % of the fee paid by the borrower is due to the lender, 25 % is due to KELER operating the lending system. The remaining 25 % is transferred to a segregated loan fund.

The amount paid to the loan fund will be distributed by KELER among the owners of the fund, the holders of the pool sub-accounts on the basis of average stock of securities deposited on the pool sub-accounts that can be involved in lending, at the end of each year.

8.4.2. Trilateral securities lending

Trilateral lending is not automatic but named. The lender and the borrower choose each other. The clearing members make the loan transaction by assessing risks, KELER registers and manages collateral only. Settlement of the transaction is effected by real time processing. The trilateral loan can be closed-ended or open-ended. Maximum period of trilateral lending is 365 days.

In case of a closed-end loan transaction the contracting parties determine the date of expiry when opening the transaction.

A loan transaction is qualified open-ended if the contracting parties do not determine the date of expiry when concluding the deal.

8.4.2.1. Participants of the lending system

The lender can be any Client having a securities account.

The lender can involve both own securities and securities held by its clients in the lending. In this latter case the lender has to obtain a written declaration from the holder of the securities for this purpose.

The lender will be responsible for failure to obtain the above declaration. Trilateral lending is related to the consolidated securities account of the lender.

The borrower can be any Client having a securities account with KELER who complies with the conditions of the loan transaction.

In the trilateral lending transaction KELER shall execute the necessary account operations, registration of the transaction, monitoring collateral level, eventual compensations for the lent/borrowed securities relating to corporate events as well as the compulsory provision for default in accordance with the agreement between the lender and the borrower.

8.4.2.2. Terms of lending

The terms of lending (offer) is determined by the potential lending account holders. The lender shall input the most important terms of the offer in the electronic communication system (KID) provided by KELER as follows:

- a) individual identifier of the loan transaction,
- b) securities that can be lent,
- c) percentage of loan collateral
- d) range of securities acceptable as collateral,
- e) percentage value of the uncovered position, indicating the revolving period,
- f) indication of the withdrawal period,
- g) lending fee,
- h) the possible borrowing Clients,
- i) type of expiry,
- j) convertibility of loan collateral.

One lender can make several offers for loan. The offer submitted will be recorded under an

individual identifier of the loan transaction.
The loan conditions fixed earlier can be cancelled by the lender.

8.4.2.3. Offers available for the borrower

If the Client searches for lending offers for certain securities in the electronic terminal it can see the details of the lending offers only that are available for it, that is where the Client is shown as a potential borrower. The borrower shall choose the lending offer that is found most favorable by comparing the conditions of the offers.

8.4.2.4. Agreement between the borrower and the lender, forwarding the loan transaction to KELER

After selection of the offer the borrower contacts the party making the offer and checks if the offering party has the sufficient quantity of the securities concerned.
If they have succeeded in making an agreement, the lender and the borrower submit an order for loan (contract note) to KELER through KID.

The contract note shall include the following details:

- condition identifier of the referred loan,
- description and quantity of the securities to be borrowed,
- primary account code and sub-account numbers for the securities concerned (in case of a lender where securities are lent from, in case of a borrower the account where securities are to be received),
- description of securities or financial amount, quantity and sub-account (sub-accounts) that are offered as collateral of the transaction (collateral),
- the fee of the loan transaction, and
- information on loan expiry (in case of fixed expiry also the date of expiry).

KELER will match the orders for loan submitted by the lender and the borrower. Only matched transactions can be processed thereafter. At the end of the real time processing period the transaction that is not matched will be cancelled.

8.4.2.5. Verification of cover

KELER verifies cover for the matched transaction. In the course of verification of cover KELER verifies cover at the lending Client first on the main and sub-accounts indicated and preliminary blocking is also completed.

After successful blocking KELER will check if the assets indicated as collaterals in the contract note are in compliance with the relevant mutual condition, i.e. collateral is created only for the given assets as well as if the collateral value of the indicated securities are sufficient for loan collateral purposes.

The collateral assets will be blocked on the indicated accounts for the securities lending transaction concerned with KELER indicated as beneficiary.

8.4.2.6. Concluding the transaction

After successful verification of cover and collateral provision the loan transaction is concluded: KELER debits the securities account of the lender (after release of the preliminary blocking) and then it credits the securities on the account indicated by the borrower. The Clients can follow their securities loan transactions through their KID terminal.

8.4.2.7. Collateral calculation and control during the term of the lending transaction

KELER shall evaluate the lent securities every day. If as a consequence of the daily price change the earlier created collateral is either more or less than the collateral requirement (also observing the tolerance level specified for the relevant loan transaction) KELER will notify both

the lender and the borrower. In case of an excess collateral the borrower is entitled to release assets from the collateral (based on the instruction sent to KELER for this purpose) as long as the total value of the collateral reaches at least the value of the required collateral.

In case of insufficient collateral the borrower has the opportunity provide the necessary collateral with reference to the individual identifier of the loan transaction, with KELER as beneficiary on the relevant value date until the end of real time processing. For the blocking instruction submitted KELER checks first if the assets to be blocked are in compliance with the terms of the loan.

If they are in compliance with the terms and the quantity indicated on the relevant account is available KELER will perform the blocking, otherwise it will refuse the blocking instruction.

8.4.2.8. Compulsory provisions due to default related to collateral

If at the end of the real time processing the required amount of collaterals is not available for the transaction concerned KELER will make compulsory provisions. When doing so KELER will withdraw the collaterals created for the relevant loan transaction, with simultaneous notification to the lender, and transfers the loan collateral to the account of the lender, to the main or sub-account from which the securities loan transaction was originally completed.

8.4.2.9. Closing the trilateral securities lending

Before expiry of the closed-ended loan transaction closing can be made by the borrower by returning the securities as well as by the lender, by withdrawal. The transaction may be extended before expiry. The borrower can close an open-ended loan transaction by an instruction to be submitted in respect of the consolidated securities account indicated as well as the lender can withdraw the securities lent during the term of the loan at any time, thus determining the expiry date of the transaction.

If the transaction is not closed at the date of expiry, compulsory provisions will be made in relation to the lending system in line with Point 8.4.3.3.

8.4.2.10. Extending the closed-ended securities loan

In case of a closed-ended securities loan the loan transaction can be extended during the original loan term and a closed-ended transaction can be transformed to an open-ended transaction under identical (matched) instruction by both counterparties (lender, borrower). This can be made until closing the real time processing on the day of expiry.

8.4.2.11. Expiry of a closed-ended loan

During real time processing on the expiry date of the closed-ended securities loan the borrower has to make the securities borrowed available for returning. If the borrower did not submit any instruction for returning the securities before the expiry, the settlement of repayment of the loan will be made automatically. In parallel with repayment of the loan, also the collaterals blocked for the current transaction will be released. If the borrower fails to make the securities borrowed available on its securities account indicated by closing time of the processing, KELER will make compulsory provisions.

In the course of compulsory provisions KELER will withdraw the collaterals created for the relevant loan transaction, with simultaneous notification to the lender, and transfers the loan collaterals to the account of the lender to the main or sub-account from which the securities loan transaction was originally made.

8.4.2.12. Withdrawal of the loan by the lender

A trilateral closed-ended securities loan transaction can be closed before expiry by an instruction of withdrawal by the lender, while in case of an open-ended transaction the expiry date is determined by the lender in this instruction.

Based on the withdrawal KELER will notify the borrowing account holder, indicating the number of days available for repayment in line with the terms of the loan. During the period of withdrawal KELER sends a notification to the borrower every day. The withdrawn loan transaction becomes an expired transaction on the last day of the period of withdrawal and KELER will proceed as specified in the rules of settlement for closed-ended loan transaction at expiry.

8.4.3. Securities loan transaction made with KELER

The Client may conclude a securities loan contract with KELER under a separate agreement in line with the provisions stated herein. Issues not regulated in the separate securities lending agreement will be governed by the provisions of these Rules.

KELER is entitled to make securities loan transactions both as lender and borrower.

Thereafter KELER as well as the Client are referred to as lending and borrowing party, respectively, as defined in the loan agreement.

8.4.3.1. Concluding a securities loan contract

The Client shall make an application for granting or requesting a securities loan to KELER on the phone. On the basis of matching data on the phone the securities loan contract is not concluded yet. The Client has to submit a loan contract note to KELER according to the template used by KELER for this purpose, with the conditions agreed on the phone.

If any of the parties fail to submit the loan contract note or the terms of the loan contract note are not matching, the loan contract will not be concluded.

A securities loan contract is concluded if:

- both the Client and KELER submit the OTC loan contract note and their conditions are matching, and
- the collateral specified on the loan contract note has been blocked on the account of the borrowing party with the lending party indicated as beneficiary, and
- the securities being subject to the loan are available on the securities account of the lending party.

Securities expiring during the term of the securities loan transaction cannot be the subject or collateral of the securities loan transaction.

The maximum term of securities loans is one year.

8.4.3.2. Fulfilling the securities loan contract

Assignment of the securities being the subject of the loan can be made by transfer of securities by debiting or crediting the securities account maintained by KELER.

The borrowing party is obliged to return the securities being the subject of the loan to the lending party on the date of expiry of the loan. Borrowed securities shall be returned by KELER attempting to debit the securities account or sub-account of the borrowing party on the day of expiry at a previously announced time to which the securities being the subject of the loan were credited when making the loan transaction.

If the securities account has sufficient cover for the debit returning of the securities being subject of the loan is made automatically to the securities account or sub-account of the lending party which was debited when making the loan transaction.

Should the loan expiry date be a non-business day of KELER the date of expiry is the next settlement day.

If the borrowing party wants to return the securities being subject of the loan before the date of

expiry, the borrowing party can do so by submitting an instruction in the electronic customer relationship system.

Unless otherwise agreed upon by the lender and the borrower partial fulfillment is not allowed in respect of the securities loan.

8.4.3.3. Collateral of the securities loan

On the extent of collateral of the securities loan and on the investment assets serving as collateral thereto the Client and KELER will agree in a separate agreement, on the loan contract note.

The prevailing closing stock exchange prices of the securities being subject of the loan constitute the basis for calculation of the necessary collateral.

The investment assets serving for collateral are evaluated by KELER in line with its Terms and Conditions on Acceptance. KELER informs the Clients in KID if collateral of the transaction does not reach the necessary value reduced by the value of tolerance.

If the value of collateral blocked on the account of the borrower falls below the value of the necessary collateral reduced by the tolerance level, the borrower is obliged to supplement the value of collateral to the extent of the necessary collateral on the day of receipt of information thereon. The borrowing party has the opportunity to supplement the collateral of the loan by submitting the „Loan Contract Note Amending Collateral” in KID.

Based on the „Loan Contract Note Amending Collateral” KELER will block the collateral supplement with the lender indicated as beneficiary if the securities account of the borrower provides sufficient cover therefore.

Should the borrowing party fail to meet its obligation for supplementing the collateral in due time, the lending party is entitled to terminate the loan transaction and to satisfy its past due claim from the collateral.

The investment assets blocked as collateral of the loan transaction with the lender indicated as beneficiary serve as bail. The lending party is entitled to directly satisfy its past due claim arising from the loan transaction, including in particular, without limitation, claim for compensation and penalty for delay, from the investment assets serving as bail if the borrowing party fails to meet obligations arising from the loan transaction.

If at expiry of the loan securities being subject to the loan cannot be returned due to insufficient cover on the securities account of the borrowing party, KELER will automatically withdraw the investment assets serving as collateral from the account of the borrowing party and credit them to the account of the lending party.

In this case the parties to the loan transaction are obliged to settle accounts with each other in the way as agreed upon, within three settlement days following expiry.

Yields of the securities blocked as collateral (interest, dividend, etc.) or principal repayment of the loan are due to the lender until the expiry date of the securities loan. Should the rights included in the collateral securities change due to a decision by the issuer (e.g. change of nominal value, change in method of production, etc.) the securities replacing the former securities will serve as collateral of the securities loan and will be blocked.

If the securities being subject to the loan are fully returned to the lender and all other obligations arising from the loan (e.g. fee payment, payment of compensation) are fully met, the bail will be released from blocking.

Should the borrowing party fail to return the securities being subject of the securities loan at expiry of the loan as provided for in these Rules and the special agreement on securities loan, any yield (interest, dividend, etc.) and also the principal repayment of the collateral withdrawn will serve as bail to the securities loan and the lender can be compensated from these amounts

also.

The borrowing party has the right to replace the collateral investment assets by any other investment asset previously accepted by the lender. Replacement of the collateral granted by the borrowing party can be made by submitting the „Loan Contract Note Amending Collateral” in KID.

8.4.3.4. Fee of the securities loan

The borrowing party is obliged to pay a loan fee as agreed mutually by the parties to the lending party under an invoice issued by the lending party, within eight days from receipt of the invoice.

The lending party is entitled to the fee calculated for the full loan term also if the borrowing party returns the securities being the subject of the loan before expiry or the loan expires before the original date of expiry (e.g. termination by the lender for delay).

In addition to the agreed loan fee KELER as operator of the lending system is entitled to a one-time loan transaction opening fee as provided for in the Fee Schedule, regardless whether KELER participates in the loan transaction as a lending or as a borrowing party. KELER shall invoice the above loan transaction opening fee to the Client monthly, in arrears.

8.4.3.5. Delay

Should the borrowing party be in delay in returning the securities being the subject of the loan as provided for in the contract, the lending party is entitled to receive a penalty for delay calculated on the basis of the prevailing base rate of the central bank, minimum HUF 50.000.

8.4.3.6. Termination of the loan

The lending party is entitled to terminate the securities loan with immediate effect prior to the expiry date if:

- a) the borrowing party failed to meet its obligation to provide collateral arising from the loan contract, or
- b) the court orders bankruptcy or liquidation proceedings against the borrowing party with or without legally binding force.

The lending party has the right to terminate any loan contract in force with the borrowing party if the reason for termination described in point b) occurs.

In case of legal termination of the securities loan the loan will expire.

8.4.3.7. Termination of the securities loan

The securities loan will expire as follows:

- a) by meeting the obligations arising from the securities loan contract;
- b) by termination of the securities loan as provided for in these Rules;
- c) by mutual agreement of the lending and borrowing party;
- d) with termination of any of the contracting parties without any legal successor;
- e) in other cases provided for in regulations.

In case of termination of the securities loan the parties to the loan transaction are obliged to settle accounts with each other without delay.

8.4.3.8. Settlement related to the yield of securities being subject to the loan

Until the borrowing party returns the securities being the subject of the loan to the lending party or receivables arising from the loan of the lending party are fully paid, the borrowing party is obliged to pay compensation in an amount equivalent to the gross yield (interest, dividend, etc.) as well as the principal repayment of the securities being the subject of the loan to the lending

party.

The borrowing party has to pay the compensation to the lending party within eight days of the due date of the yield, by bank transfer.

8.4.3.9. Impossibility of performance of the securities loan

If performance of a securities loan becomes impossible for a reason for which neither the lender nor the borrower is responsible, including for example if a third party exercises its purchase right in respect of the securities being the subject of the loan, or if the securities being the subject of the loan cease to exist without replacement by any other securities, the securities loan contract will cease to exist.

In the above case the borrowing party is obliged to pay compensation equivalent to the asset value (purchase price, liquidation share) replacing the securities being the subject of the loan to the lender within eight days from the date of the loan becoming impossible.

For impossibility of performance of securities loan the provisions of relevant regulations apply.

8.4.3.10. Other provisions in relation to lending of securities

The lending party is obliged to take measures in order to have a proper authorization from its client for lending or debiting the securities held by its client. The borrowing party is not obliged to check the above authorization of the lending party.

8.5. Collateral valuation and collateral verification for third parties

Based on authorization KELER provides the below services for third parties in the framework of collateral valuation:

- Valuation of collaterals deposited with KELER based on previously agreed conditions of acceptance or based on acceptance values sent by the authorizing party,
- Item by item and aggregate registration of collaterals actually available, evaluated based on conditions of acceptance,
- Provision / receipt of information continuously and keeping contact with the authorizing third party.

KELER provides the below services for third parties in the framework of collateral verification:

Collateral verification at KELER for third parties:

- Registration of collateral requirements in the system of KELER based on data submitted,
- Comparing collateral requirements and collateral actually available evaluated in line with conditions of acceptance,
- Providing the result of collateral verification to the ordering party,
- Provision / receipt of information continuously and keeping contact with the authorizing third party.

Collateral verification at third parties with reporting by KELER:

- itemized and summary report of collateral of third parties available at KELER,
- continuous provision/receipt of information and keeping contact with the third party giving the order,
- having the transaction to reduce collateral by the account holder approved by the third party verifying collateral.

8.6. WARP services-

8.6.1. General rules

For the participants involved in the distribution of open-ended investment fund units KELER operates an electronic, web based order routing system to support the distribution processes, in line with the provisions of the relevant Clearing House Announcement and the User Manual.

Each Distributor is entitled to forward to the Main Distributor in WARP the orders on the subscription or the redemption of open-ended investment fund units taken from their clients.

KELER as the operator of WARP does not become a seller or buyer to the distribution and does not undertake any guarantee for the fulfillment of the settlement transactions.

Only open-ended investment fund units issued in KELER, with ISIN code starting with 'HU', where both the Issuer (Fund manager) and the Settlement party authorized by the Issuer (Fund manager) as defined by the static data of the security are participants of the system can be distributed in WARP.

8.6.2. Participants of WARP

WARP can be joined by concluding the WARP Service Agreement.
One Client can have several WARP partner accesses (codes).

The Client can define the group of securities main accounts related to which WARP instructions can be submitted on the form that is part of the Service Agreement.

In the system the so-called partner roles define the available functions, the tasks and rights of a WARP partner related to a certain ISIN.

The User Manual defines the tasks and rights of the WARP participants (Fund Manager, Distributor, Main Distributor, Price Uploader, Settlement Party, Custodian).

8.6.3. The WARP distribution process

The Client with distributor partner role set for the ISIN concerned is entitled to submit subscription order.


Subscription and redemption orders that can be input in the system can be given both for amount and for number of pieces.

The Distributor is responsible for the completion and content of orders.

If the Main Distributor approval is available and the daily price of the investment fund unit is uploaded by the Price Uploader, the system calculates the settlement values of the orders. (Actual securities and cash amounts to be delivered are summarized by Distributor, ISIN and settlement day, taking into account the number of pieces involved in subscription and redemption.)

If the Main Distributor rejects or does not approve the order until the end of the Main Distributor cut-off, the order cannot be fulfilled. Orders cannot be modified or recycled.

If the Main Distributor of an investment fund unit inputs its own subscription order, it is considered immediately accepted by the Main Distributor and only the actual price is necessary for the fulfillment of the subscription instruction.



The subscription order input by the Distributor is an order resulting in account movement in the sub-account stated, at the same time it is disposal over the account for KELER. (Actual settlement is also subject to the approval of the order by the Main Distributor and the approval of the settlement transactions by the Settlement Party.)

The Distributor can input subscription order for the day concerned until the subscription cut-off set by the Fund Manager.

8.6.4. Settlement of investment fund units distributed through WARP

WARP creates settlement transactions from the orders with price and approval by the Main Distributor for the account management system of KELER. Transaction types applied in the course of settlement are identical to the standard account operations of KELER.

Transfer operations requested by WARP are fulfilled irrespective of the earlier order of the Distributor.

The Distributor is obliged to make sure that the entire amount of securities required for the fulfillment of redemption is available at its sub-account stated in the order.

Transactions are created upon the settlement cut-off set in the system, the Settlement Party approves and forwards them in the WARP interface. Status information on orders posted to the account management system of KELER can be accessed via WARP.

If the transactions are approved in WARP late, after the cut-off allowing settlement, settlements between the Settlement Party and the Distributor(s) concerned can be fulfilled manually, outside WARP.

Erroneous transactions cannot be resent or modified. Clients involved assume all liability for the damage and consequences arising from the non-fulfillment of transactions without cover or approved after the cut-off.

IX. Agreement concluded pursuant to Act XXIII of 2003 on settlement finality in payment and securities settlement systems

9.1. General provisions

In this Chapter KELER stipulates the rules of cooperation established for the participants of the securities settlement system for the purpose of ensuring finality of the performance and for reducing the risks resulting from any measures limiting payment initiated against a participant of the system, as provided for in the Tvt.

9.2. Participant of the system

Participants of the system defined in this Chapter are the following Clients of KELER:

- a) credit institution as defined in the Hpt.,
- b) investment company as defined in the Bszt.,
- c) the Hungarian State Treasury,
- d) Államadósság Kezelő Központ (State Debt Management Authority),
- e) the National Bank of Hungary,
- f) a credit institution, investment company and any other entity having their seat in another member state of the European Union that can be a participant of the system in some other member state,
- g) a credit institution of a third country that complies with the provisions of Section 44 of Chapter III of Annex 2 of the Hpt., or an investment company of a third country that complies with the provisions of Section 4 (2) 39 of the Bszt.,
- h) the central counterparty as defined in the Tpt.

9.3. The indirect participant

The person that has a contractual relationship with any Participant to execute its transfer orders and is named indirect participant by the Participant in the form contract concluded with KELER or the applicable is considered Indirect Participant by KELER.

The herein determined rules governing the transfer orders of the Participant of the System and the invulnerability of collateral apply to the Indirect Participant also until the Participant states in writing that the orders it sent for settlement and fulfillment do not include transactions of an Indirect Participant subject to proceedings to restrict payment, i.e. KELER handles separately the transfer orders of the Indirect Participant subject to proceedings to restrict payment. The statement template is available on the web site of KELER.

In other respects the rules on Participants apply to the Indirect Participant.

9.4. Joining the system

The terms of joining the system are as follows:

- provision of the documents stated in Point 2.3.1.1.1. of these Rules and
- provision of the data stated in Point 9.6. of these Rules.

9.5. KELER as System Operator

9.5.1. Tasks and responsibilities of the System Operator

- a) it completes simultaneously the tasks of the securities fulfillment party and the settlement party also in the System,
- b) submits the application for appointment,

- c) notifies the appointing authority on changes to the conditions of appointment,
- d) registers at the court and the authority competent to proceed to receive notifications relating to proceedings to restrict payment,
- e) keeps contact with the court and the authority competent to proceed,
- f) notifies the winding-up court and other authorities competent to proceed on the registration of the System, the data of the Participants stated in legislation and on changes to these data,
- g) makes the notifications and presents the documents stated in the Tvt.,
- h) keeps the records stated in the Tvt.,
- i) creates, maintains the rules of procedure of Participants necessary for the implementation of the agreement, informs the appointing authority on any amendment to the agreement,
- j) obliged to keep records and retain them for five years to allow the court or the authority entitled to proceed to check retrospectively also the content and time of receiving (year, month, day, hour, minute) of the notice on the start of the proceedings to restrict payment. KELER ensures the invulnerability of data during the storage of the content and the time of receipt of the notices.

As part of keeping contact with the court and the authority entitled to proceed KELER is obliged to

- a) inform them in writing on the persons appointed to receive the notice on the proceedings to restrict payment, including their titles and contact details;
- b) inform them in writing within 15 days on the data of the Participants and on related changes.

The person designated to receive notices on the proceedings to restrict payment by the court and the authority authorized to act:

György Dudás, Chief Executive Officer
Contact details: elszamolahazusers@keler.hu

Mailing address:

KELER Ltd.
Central Clearing House and Depository (Budapest) Private Company Limited By Shares
9-11 Asbóth utca, Budapest, H-1075
Switchboard: +36-1-4836100
Central Fax: +36-1-342-3539

KELER publishes on its web site the name of the person designated to receive the notices.

9.5.2. The task of the System Operator in case of notification on proceedings to restrict payment

In line with Section 4 (1) of the Tvt. the execution and settlement netting of orders received until the notice on the proceedings to restrict payment is taken receipt of can be completed and are unappealable regardless of the opening of the proceedings to restrict payment against the Participant. In line with Section 4 (2) of the Tvt. this is applicable to the opening of proceedings to restrict payment against the participant of linked system (System link) and the system operator of the system link that is not considered participant.

In case of receipt of a notification on proceedings to restrict payment KELER shall stop acceptance of the transfer orders of the participant concerned immediately but at the latest

within thirty minutes of receipt and notify the appointing authority, the Supervisory Authority, the competent court as well as the participants.

The above do not affect the right of third parties to appeal against the execution of the transaction received by KELER following the notice on the proceedings to restrict payment is received by KELER in line with Section 4 (3) of the Tvt.

If the System received the transfer order after the time of opening of the proceedings to restrict payment and the order is executed on the same business day, following execution it becomes binding and unappealable by third parties only if KELER evidences that at the time from which the transaction cannot be withdrawn from the System it did not have and was not supposed to have any knowledge of the opening of the proceedings.

After receipt of the notice on the opening of the proceedings to restrict payment, KELER as system operator receives orders only in line with the rules stated in other legal regulations on the execution of the proceedings to restrict payment concerned (e.g. subject to approval by the liquidator, the supervisory commissioner or parties authorized by them).

9.5.3. Special rules on the temporary proceeding to restrict payment

If the notice by the authority entitled to take action includes that the proceedings to restrict payment are of a temporary nature, KELER complies with the rules of procedure stated in Point 9.5.2. and after the temporary period it terminates the suspension of the Participant involved and will accept its transactions in the future. KELER terminates the suspension on the day when the authority entitled to take action informed KELER in writing. Transactions rejected or cancelled during the term of the proceedings to restrict payment cannot be restored subsequently.

9.5.4. Special rules in case of proceedings to restrict payment

9.5.4.1 Special rules by KELER as central depository

Related to the central depository activity undertaken KELER does not consider the partial cancellation and cancellation of dematerialized securities and the orders submitted related to the management of the central securities register transfer orders pursuant to the Tvt.. If a proceedings to restrict payment are opened against a Participant, KELER is entitled to accept and execute the orders necessary to undertake the above central depository activity and the Participant subject to the proceedings to restrict payment is required to submit the orders necessary to undertake the above central depository activity.

9.5.4.2 Special rules on repo transactions and credit lines

The management of the repo transaction differs from the management of the DVP type orders regulated by Point 5.4.2.2.4. if proceedings to restrict payment are opened against the Participant between the start and the expiry of the repo transaction. In this case KELER considers the starting and the expiring part of the repo transaction two separate orders and KELER cancels the expiring part of both the hold-in-custody repo and the delivery repo transaction on the expiry date of the repo transaction by securities unblocking in the seller's securities account in the case of hold-in-custody repo transaction and KELER credits it to the securities account of the buyer.

The order related to credit lines is managed differently than the transfer orders herein regulated if proceedings to restrict payment are opened against the Participant concerned between the start and the expiry of the credit line. In this case the credit line of the Participant can be used up to the actually existing credit line collateral – to fulfill its liabilities towards the System.

Upon closing the day when the notice on the opening of the proceedings to restrict payment is

received KELER takes the not yet expired securities provided as collateral for the credit line and the government securities and cash provided as collateral up to the amount of the credit line.

9.6. Obligations of the Participants, Indirect participant of the System

The Participant, Indirect Participant of the system is obliged as follows:

- a) simultaneously with signing the power of attorney defined in Point 9.4. to provide the following data on the KELER form for this purpose:
 - name,
 - registered office,
 - company register number,
 - tax number,
 - name, deputy/ies of the contact person,
 - position, name of the organizational unit,
 - mail address and e-mail address,
 - telephone and fax number.
- b) to send notification to KELER on any change in the data specified in Point a) within 5 days after the change by completing a new form,
- c) provide to KELER the necessary documents to complete the appointment procedure stated in Point 2.3.1.1.1. of these Rules
- c) within 5 days of demand by KELER present documents of less than 3 months evidencing the data in the previous sub-points (certificate of incorporation, charter document).

In order to comply with the provisions of the Tvt., in the course of keeping contact with Participants KELER is entitled to request and register the data stated in the previous sub points, furthermore, to request the documents supporting these data if this is found necessary.

The Participant of the System is obliged to inform the System Operator of the opening of proceedings to restrict payment against it or its direct Participant if it becomes aware of such opening.

9.7. Agreement between the participants of the system

9.7.1. General provisions

The content of the agreement between the participants of the system, provided for in Section 3 of the Tvt. is stipulated in the provisions of these Rules.

9.7.2. Time to receive transfer orders

Points 5.1.1. and 9.5.2. of these Rules include the cut-off times to receive transfer orders in the System and the legal consequences for the System Participants.

9.7.3. Special rules on the withdrawal of the transfer order if proceedings to restrict payment are opened

Following receipt of the notice on the proceedings to restrict payment KELER cancels the transfer orders submitted by the Client but not accepted until the receipt of the notice on the proceedings to restrict payment.

9.7.4. Compensation from collateral

Pursuant to Section 8 (1) of the Tvt. the proceedings to restrict payment initiated against the System and any participant of the system linked (System relationship), the System Operator not considered participant of the system linked, the central bank of a member state of the European Union and the institution providing central counterparty services to the European Central Bank and third parties providing collateral do not hinder the direct compensation of the claim by the System or any participant and System Operator of the system linked from the collateral.

Pursuant to Section 8 (2) of the Tvt. in the case of proceedings to restrict payment opened against the Participant or the System operator of the system linked, until execution of the transfer order legally accepted in line with Section 4 (1) of the Tvt. the funds and securities registered in the settlement account on the business day corresponding to the day of opening of the proceedings to restrict payment cannot be taken, thus:

- a) the balances of the free purpose cash and securities accounts of the Participant subject to the proceedings to restrict payment and
- b) the balances of its collateral sub-accounts registered on the business day corresponding to the day of opening of the proceedings to restrict payment,
- c) the balance arising from the credit entries posted on the day of opening of the proceedings to restrict payment

that serve to meet the liabilities of the Participant towards the System and the system linked that exist on the business day corresponding to the day of opening of the proceedings to restrict payment.

In the same way the credit line related to the System of the Participant available on the business day corresponding to the opening day of the proceedings to restrict payment can be utilized up to the actually available collateral of the credit line to meet the liabilities towards the System and the linked System existing on the business day corresponding to the opening of the proceedings to restrict payment

The liabilities existing on the business day corresponding to the opening day of the proceedings to restrict payment are the liabilities arising from the transfer orders received pursuant to Section 4 (1) of the Tvt. on the business day corresponding to the opening day of the proceedings to restrict payment.


The credit items received and posted on the business days after the day of opening of the proceedings to restrict payment in favor of the Participant subject to the proceedings to restrict payment can be used to meet the liabilities existing on the business day corresponding to the opening day of the proceedings to restrict payment subject to the instructions of the person authorized to dispose over the cash and securities accounts of the Participant involved in the proceedings to restrict payment during the execution of the proceedings.

9.8. Provisions on the time to give notices

The notice on the proceedings to restrict payment can be sent primarily electronically. KELER receives the notices primarily from PSZÁF and the NBH. If it is not possible to send notices electronically, the obligation to give notice can be met by personal delivery or by mail.

9.8.1. Time of receiving the notice on the opening of the proceedings to restrict payment

The notice on the opening of the proceedings to restrict payment is considered received if it can be evidenced that KELER received the written notice electronically at the e-mail address stated on its web site or received the written notice at the mailing address stated on its web site.



9.8.2. Notice to the Participants of the System on the opening of the proceedings to restrict payment

After the notice on the opening of the proceedings to restrict payment is received, KELER as the System Operator pursuant to Section 3 (1) c) of the Tvt. immediately informs the persons designated by the Participants to receive such notice and to take action

- a) on the fact the proceedings are opened, the content of the notice thereof and the time it is received,
- b) the exact time from which the System stopped to receive the orders of the Participants subject to the proceedings.

X. Complaint management, sanctions and remedies applied by KELER

10.1. Complaint management

The Complaint management procedure of KELER, continuously available on its web site, contains the rules of assessing complaints lodged by the Clients.

10.2. Sanctions

In the interest of safety of settlement KELER shall apply the sanctions as laid down in these Rules.

Exclusively an individual decision relating to the individual Client, or their clients can be considered as a sanction.

The sanctions applicable in case of violation of the provisions of these Rules are laid down in the regulations of the activity concerned.

10.3. Remedy

The Client can resort to remedy against a sanction imposed by KELER as follows:

- an application for remedy must be submitted in writing addressed to KELER's General Manager within 30 days after becoming aware of the sanction considered damaging,
- submission of an application for remedy has no delaying force to the execution.

The application submitted will be reviewed by the General Manager defining the sanction at his/her own discretion. If he/she finds the application is justified, he/she has the right to amend the decision taken.

If the General Manager of KELER does not agree with the claim for remedy against the sanction taken by him/her, he/she will put it on the agenda of the next meeting of the Board of Directors. When discussing the application the Board of Directors has the right to give a hearing to the applicant. The Board of Directors shall make a decision at the latest within 60 days from receipt of the application.

The Board of Directors is entitled to repeal and change the decision made by the General Manager.

KELER shall inform the applicant in writing on the remedy decision made within 8 days from making the decision.

10.4. Rules of compensation, liability rules

KELER shall compensate its Clients for any direct material damage that may be caused by KELER's fault by evidence of the Client which damage occurs within the scope of KELER's activity.

KELER assumes no liability for any damage, financial loss, lost profit or any non-material injury which have not occurred within the scope of activity performed by KELER pursuant to the laws or these Rules.

When establishing its fees KELER will consider the limitation of its liability for damages laid down in these Rules.

KELER shall not assume liability:

- for any damage caused by Act of God, act of state, by unjustified refusal or delayed granting of an authority license,

- for the consequence of performance of a false or falsified order the false or falsified character of which could not be recognized despite careful control applied in the course of business as usual operation,
- for any damage arising from delay due to correcting an order that was incomplete and/or that was performed pursuant to such an order,
- for any damage caused by default of postal delivery,
- for damage resulting from delayed performance due to shorter time available for performance than necessary,
- for any damage caused by failure to meet any notification obligation by the Client;
- for any application error, disturbance, technical difficulty (e.g. line breakdown outside KELER), misuses that may occur on the side of the Client during communication,
- for damage resulting from non-performance of items submitted for real time processing concerning an account kept with the NBH due to operation errors of the VIBER system (or any of its elements, e.g. SWIFT, NBH, VIBER),
- for performance on lending transactions made with its collaboration as well as for arrangement of any taxation matters related thereto, except for the „liability for operation”,
- for settlement of the CO₂ emission unit transaction if it is in delayed or fails due to operation of the emission unit traffic schedule.

The Client is responsible for any damage arising from failure to meet any obligation of notification.

The Client is obliged to call its clients' attention in its General Business Conditions to the fact that the securities deposited as collateral may be used as bail. The Client is responsible for any damage arising from failure to meet this obligation.

The Client is liable for damages arising from the fact that a transaction was initiated in duplicates (both through the electronic customer relationship system and in a manually issued form) and therefore it was also processed twice.

Important information on settlement on national, so-called local markets and the submission deadlines for instructions are defined in the "Clearing House Announcement on International (Cross-border) Settlement of Foreign Securities". The Client is responsible for compliance with the limitations and obligations (sanctions, taxes, and interest) specified in the information material and for being aware of the rules on settlement of local markets not included in the document.

KELER takes no responsibility for any damage, sanctions that may be arising from non-compliance therewith and will pass them to the Client.

The period necessary for performance of an order received by KELER by postal delivery, the cut-off times to receive documents are laid down in the Clearing House Announcement on the cut-off times of orders and deadlines of performance. KELER takes no responsibility for any damage resulting from delayed performance of orders due to shorter time being available for processing than necessary.



XI. Rules on the Central Credit Information System

The duties in respect of the Central Credit Information System are laid down in a separate Clearing House Announcement.

XII. Closing provisions

These Rules shall enter into force following approval by the Supervisory Authority.

KELER applies the provisions allowing unfavorable amendments for the Client stated in Point 2.8.2. of these Rules for the contracts executed after the effective date of the modifications of the Rules accepted in Order 31/2013 of the Board of KELER.