



THE GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

Important notice:

All information contained within this material is for information purposes only and shall not be considered as an official translation of the original Hungarian language version of the above Regulation, which remains to be the solely legally binding material in the subject matter.

Date and number of resolutions for approval/modification by the Board of Directors:	Date and number of approval by Supervision:	Number of decisions by CEO to go into effect:	Effective date:
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TABLE OF CONTENTS

1. BOOK ONE	Introductory and Interpretative Provisions	3
2. BOOK TWO	Regulations on Listing and Continued Trading	25
3. BOOK THREE	Regulations on Exchange Membership	106
4. BOOK FOUR	Regulations on Technical Connections	137
5. BOOK FIVE	Regulations on Trading	154
6. BOOK SIX	Regulations on Official Publications	261
7. BOOK SEVEN	Regulations on Handling of Conflicts of Interest	273
8. BOOK EIGHT	Regulations on Operational Risk Management	291

BOOK ONE

**INTRODUCTORY AND INTERPRETATIVE
PROVISIONS**

TABLE OF CONTENTS

1	Purpose of the Regulation	5
2	The Subject Matter of the Regulation	5
3	The Personal Scope of the Regulation	5
4	Structure of the Regulation	5
5	Definitions	6
6	Interpretative Principles	22
7	Limitation of Liability.....	23
8	Entry Into Effect	24

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

1 Purpose of the Regulation

- 1.1 The Budapest Stock Exchange Ltd. is an enterprise whose main activity is exchange market operations, i.e. for-profit activities involving the buying and selling of exchange-traded instruments in an organized fashion under standardized rules where exchange-traded instruments are bought and sold under fixed rules to improve the efficiency of the movement and evaluation of capital, to spreading the risks related to prices and other factors, and promoting the free elaboration of price.
- 1.2 The purpose of the Regulation is to regulate the operations of the Budapest Stock Exchange Ltd. so that the following fundamental principles are met:
- a) The Regulation is in full accordance with the framework ensured by the law and contributes to the safeguarding of the sound functioning of the market.
 - b) The Regulation creates flexible and transparent rules that meet the expectations of the market, do not hinder market development and contribute to the protection of the unity of the market.
 - c) The Regulation ensures the transparency of the listing and the trading of securities by creating and facilitating transparent operations, proper disclosure to the capital market participants and the publicity of exchange data.

2 The Subject Matter of the Regulation

The Regulation determines the general rules of the operation of the exchange market and they specify the rights and obligations of the persons subject hereto as well as the procedural rules concerning the above subject matter.

3 The Personal Scope of the Regulation

- 3.1 The personal scope of the Regulation applies to the following persons and organizations:
- a) the Exchange;
 - b) the officers, employees of the Exchange and to those consultants who are explicitly mentioned in the Organizational and Operational Rules of the Exchange;
 - c) the Issuers of the various Exchange Products and to those applying for the issue of various Exchange Products;
 - d) in the event that the Regulations so provide, the Issuers of various Underlying Securities;
 - e) the Exchange Members;
 - f) those non-Exchange Member legal entities that provide clearing services as General Clearing Members to Exchange Members without clearing membership;
 - g) traders and users of the Exchange Trading Systems.

4 Structure of the Regulation

- 4.1 The Regulation is a code which includes the most important exchange norms of the operations and regulations of the Budapest Stock Exchange Ltd. in books.

BOOK ONE - Introductory and Interpretative Provisions
BOOK TWO - Regulations for Listing and Continued Trading
BOOK THREE - Regulations on Exchange Membership
BOOK FOUR - Regulations on Technical Connections
BOOK FIVE - Regulations on Trading
BOOK SIX - Regulations on Official Publications
BOOK SEVEN - Regulations on Handling of Conflicts of Interest
BOOK EIGHT - Regulations on Operational Risk Management

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

4.2 The books of the Regulation consist of parts, chapters and sections. Numbering of the pages and units (parts, chapters, section) within each book of the Regulation starts over in each book.

5 Definitions

Terms defined hereunder shall have the following meanings in respect of the application of the Regulation.

Account Identification (Act): It defines the type of account related to the Order or Quote.

Accrued Interest: Interest calculated for the period between the public offering or the latest interest payment and the settlement of a transaction, expressed in percentages and calculated as provided in the prospectus of the particular security.

Acquired Services: Any activities provided for the Exchange based on any working relationship, except internship and employment.

Active Order: A non-expired Order that complies with the conditions of the particular period.

Affected Parties: Parties related to a Person in Management Position or an employee or Intern of the Exchange (hereinafter: Affected Person), including:

- a) a Close Relative the Affected Person keeps house together with,
- b) companies and other legal entities or organizations without corporate body where the Affected Person and/or a Close Relative the Affected Person keeps house together with (even collectively) has more than 25% ownership interest or holds more than 25% of the votes directly or indirectly,
- c) natural persons, companies and other legal entities and organizations without corporate body that have the power to acquire Rated Investment Assets under a power of attorney from or acting on behalf of and representing the parties listed in a) and b) above,
- d) natural persons, companies and other legal entities and organizations without corporate body that have the power to acquire Rated Investment Assets under a power of attorney from or acting on behalf of and representing the parties listed in a) and b) above, not including the company where the Affected Party is employed as a senior officer.

Annuity debt security: Abbreviated name for debt securities implying periodical payments of identical amounts.

Applicant: A person who requests the listing of a security.

Auction Phase: Collective name of trading phases consisting of a Call phase and a Price determination phase, applicable in the Continuous Trading with Auctions and the Auction Trading Models.

Auction Price: The last equilibrium Price generated in the Auction Phases or in the Volatility Interruption.

Average Price: Notwithstanding any provision to the contrary herein, the Average Price of an Exchange Product shall be the mathematical average of trade Prices of the particular Exchange Product in a given period, weighted with the quantities involved in the transactions, excluding the transactions that arise from Negotiated Transactions and from matching Spread Orders with Spread Orders.

Base Price: With respect to each Exchange Product, the value based on which the Maximum Daily Price Movement are determined.

Basic Quality: All the physical features of each product as specified in the Product List.

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

- Basic Quantity:** The quantity of each product specified in a measurement and size as defined in the Product List.
- BCP:** Business Continuity Plan.
- Between Auction Phase:** Phase between Auction Phases in the Auction Trading Model where transactions cannot be concluded and the Order Book is closed.
- Board:** A group of Exchange Products with identical trading rules (particularly Order types, Order methods, Order Book rules and Trade-Matching Algorithm). Types of Boards are: Board, Spread Board.
- Board of Directors:** The Board of Directors of the Budapest Stock Exchange Ltd.
- Cash Settlement:** Delivery of cash at the due date of the Structured Product to settle a futures transaction at maturity, or an Option when it is exercised in a manner defined in the KELER Rules.
- Central Bank Rate:** Official fixing rate of a particular foreign exchange as set by the National Bank of Hungary at 11:00 hours on a certain day.
- CEO:** The Chief Executive Officer of the Budapest Stock Exchange Ltd.
- Chief trader:** The trader, who is empowered by the Exchange Member in an authorized document to withdraw all the orders of the Exchange Member in certain cases after a clear identification process.
- CISA:** Act XVI of 2014 on Collective Investment Schemes.
- Civil Code:** Act V of 2013 on the Civil Code (the Hungarian Civil Code).
- Clearing Agreement:** An agreement concluded between a General Clearing Member and the Sub-clearing Member for the settlement of trades in certain Transaction Types in the particular Section.
- Clearing Member:** The person specified in the pertaining KELER Rules.
- Clearing Spread:** Variance in the Price of a futures Instrument from the Clearing Median Price, the extent of which is specified in the Product List.
- Client Account:** An account specified in the KELER Rules as a “Type ‘M’ securities sub-account for Exchange transactions”.
- Close Relative:** Persons so defined by the CMA.
- Closed Order Book:** The Orders arranged in the Order Book are invisible for the traders.
- Closing Date:** An Exchange Day specified in the Product List as the day of closing a particular Instrument.
- Closing Price:** **On the Spot market in the Continuous Trading with Auctions and in the Auction Trading Models, and in the Derivatives and Commodities Sections:** The Price of the last trade in a particular security on an Exchange Day, excluding Negotiated Transactions. If no transaction has occurred in the security on the given Exchange Day (excluding Negotiated Transactions), no Closing Price can be established. If no transaction has occurred yet in the security since it was listed on the Exchange, the Closing Price cannot be established either.
On the Spot market in the Continuous Auction Trading Model:

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

The latter Price of the last trade or the Price Without Turnover bid Quote in a particular security on an Exchange Day, excluding Negotiated Transactions. If no transaction has occurred in the security and no Price Without Turnover bid Quote was entered on the given Exchange Day (excluding Negotiated Transactions), no Closing Price can be established. If no transaction has occurred yet in the security and no Price Without Turnover bid Quote was entered since it was listed on the Exchange, the Closing Price cannot be established either.

- CMA:** Act CXX of the Year 2001 on the Capital Market.
- Committee of Issuers** A body as defined and regulated by the bylaw entitled: "Order of Professional Representation" issued by the Budapest Stock Exchange Ltd.
- Company Act** Act V of 2006 on Public Company Information, Company Proceedings and Final Settlement Procedures
- Compliance Officer:** The compliance officer of the Exchange referred to in the Regulation of The Budapest Stock Exchange Ltd. regarding Organisational and Operational Rules
- Connection Technology:** Special software components of the Exchange member's Trading system – e.g. interfaces, frontend applications – which through the Exchange Member connects to the Trading System to take part in trading from a remote location.
- Connectivity Agreement:** An agreement concluded between the Exchange member and the Trading System Operator regarding connection to the Exchange Trading Systems.
- Consolidated Accounts:** Consolidated Financial Reports drawn up under the Issuer's domestic law, or under IFRS US GAAP or Canadian GAAP.
- Contract:** A contract that defines the terms and conditions of a deal in Exchange Products known as standardized Futures or Options.
- Contractual Parity:** In the Commodities Section it implies the place and method of delivery.
- Control:** Any rules, procedures, practical methods or organisational structure designed and introduced to achieve business objectives and to prevent, detect and correct unwanted incidents.
- Coordination Committee:** A special body that can be set up to respond to corporate actions for Derivative Products, and to bring the relevant resolutions.
- Corporate Governance Recommendations:** Corporate Governance Recommendations issued by the Budapest Stock Exchange Ltd.
- Counteroffer:** An Order in the opposite direction.
- Cross Member:** An Exchange Member that meets the legal requirements and has the trading licence in an exchange with a head office in a foreign country, provided such exchange also meets the legal requirements and has an agreement on cross membership in effect with the Exchange.
- Cross Trade:** A transaction where the same Exchange Member is at both the buy side and the sell side of the transaction.
- Crossed Order Book:** The Price of the best bid Order or Quote is equal to or higher than the Price of the best offer Order or Quote in the Order Book.
- Custodian:** A person who, against a Depository Receipt, takes custody of the Underlying Securities.

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

- DEA (Direct Electronic Access):** Direct electronic access, that may be Direct Market Access (Direct Market Access - DMA) or Sponsored Access (Sponsored Access - SA)
- Debt Security:** Short name for securities incorporating lender-debtor relationship.
- Delisting:** A term with the meaning ascribed thereto in the CMA.
- Delisting Date:** The Exchange Day with effect from which an Exchange Product is removed from the Product List.
- Delivery of a Physical Product:** In the Commodities Section delivery under a spot transaction, delivery under a futures transaction at maturity, delivery under an Options transaction at strike of an Underlying Product, defined as "delivery of a physical product" in the Exchange Rules and the KELER Rules.
- Depository Receipt:** a document of title issued by a Custodian in the form of a Structured Product against and in respect of deposited Underlying Securities and qualifying as a security and as a transferable investment asset under its Own Law (e.g. ADR, GDR).
- Derivative Product:** A futures Instrument or Option Series quoted in the Commodities and Derivatives Sections or any product generated by the combination of these.
- Direct Market Access (DMA):** An agreement through which the Exchange member enables its clients (including acceptable partners as well) to submit orders electronically through the Exchange member's internal electronic trading systems, in order to have the systems automatically forward them directly to the Exchange Trading Systems under the Exchange member's own trading ID.
- Direction of a Position:** In the Derivatives and Commodities Sections, the Direction of a Position may be Opening or Closing. The definition and the content of the Direction of a Position shall be subject to KELER Rules.
- Distributor(vendor):** The person distributing data published by the Exchange under a distribution agreement with the Exchange
- Domestic Law:** When fulfilling reporting obligations, the law of the home member state defined in Directive 2004/109EC of the European Parliament and of the Council. In other cases, the law of the country where the Issuer's registered seat is located (unless otherwise provided by an Exchange Rule or a provision of law).
- DRP:** Disaster Recovery Plan.
- Dynamic Price Range:** In respect of a given security, the Dynamic Price Range implies a range of deviation from the Reference Price of Dynamic Price Range, determined in percentage.
- Electronic Trading:** The method of trading whereby trading is carried out via the Trading System.
- Employee:** A natural person employed full time by or having a permanent contractual relationship with the Exchange Member
- ESMA:** European Securities and Markets Authority
- Extended Volatility Interruption:** Extension of the Volatility Interruption when the Indicative Transaction Price generated in the Call phase or Extended Call phase of the Volatility Interruption falls outside the multiple of the Dynamic Price Range determined by the Exchange.

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

- Ex-Settlement Price:** A new Settlement Price value recalculated as a result of corporate actions, as provided in Part III Chapter 5 herein, for use by KELER to reflect the effect of corporate actions during settlement. This value is also used as a basis for calculating the Reference Price and the Clearing Spread.
- Ex-Coupon Date:** The first Exchange Day after the payment of interest, dividends or redemption for securities with such entitlement, when the particular securities are first traded without such entitlement, as specified in the KELER Rules.
- Ex-Date:** The first Exchange Day, specified in advance by the Exchange, when equities with associated rights identical to the rights applicable to the period following a corporate action are traded. If dividends are distributed in cash, the Ex-Date and Ex-Coupon Date are identical.
- Exchange:** Budapest Stock Exchange Ltd.
- Exchange Data:** Data defined as such in the CMA.
- Exchange Day:** Each working day except it is determined as a non-trading day in advance by the Exchange.
- Exchange Information:** In addition to the scope of data to be published according to an Exchange Rule, any information, fact, or data generated in connection with the operation of the Exchange and intended for publication, whereby the generation and storage methods thereof are irrelevant.
- Exchange member:** A legal entity having an effective agreement on Exchange membership with the Stock Exchange
- Exchange member's Trading System:** All the Exchange member's hardware and software components, in particular local networks, interfaces, applications, front-end tools, through which the Exchange member connects to the Exchange Trading Systems from a remote site with the aim of participation in trading.
- Exchange Order:** Except for this Regulation, all regulations, manuals and procedures (including the Rules of Organization and Operation) that do not need an approval by the Supervision to become valid and effective.
- Exchange Product:** Exchange listed commodities, securities, futures Instruments and Option Series, and products generated by combining these.
- Exchange Regulation:** The present General Terms of Service.
- Exchange Rule:** This General Terms of Service and moreover all valid and effective Exchange Orders and resolutions of the Exchange.
- Exchange Trading Systems:** The hardware and software components operated by the Exchange or its agent(s) collectively (including but not exclusively the front-ends, interfaces, protocols, as well as network tools, communications lines) up to the System Access Point, through which trading takes place. The Exchange Trading Systems include the Xetra-T7 and the MMTS trading systems, and all IT systems that make electronic trading on the Exchange possible, which the Exchange introduces for this purpose, including the rental of such system and the use thereof within the frameworks of an outsourced activity. Furthermore and according to the relevant law, the Trading Systems operated by the Exchange shall be deemed to be trading systems enabling algorithmic trading.
- Executable Order:** Order entered in the Order Book that in respect of the Order parameters is able to match with Orders from the opposite side of the Order Book.

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

Execution Restriction: Order Parameter set in the Order, defining the conditions of Order execution during trading.

First Day of Trading: The first Exchange Day on which listed securities may be traded for the first time.

Foreign Securities: Securities issued in a jurisdiction where Own Law is not Hungarian Law.

Free Float: The Free Float of a particular series shall be determined on the basis of information submitted by the Issuer/Applicant to the Exchange, and shall be expressed as a percentage, rounded off to two decimal places. The securities holdings against which a foreign custodian has issued negotiable certificates or securities may be taken into account for the purposes of the determination of the Free Float.

When determining the Free Float for a particular series of securities, the securities of all Holders shall be regarded as falling into this category, except for the following:

- a) The stock of securities held by Holders with direct holdings of more than 5% of the total number of securities;
- b) Securities in the possession of custodians, provided the certificate available to the custodian verifies that the particular person holds more than 5% of the total number of securities outstanding in the given securities series. (If the Exchange holds no certificate to that effect, the shares possessed by custodians shall be regarded to form part of the Free Float.)

As regards the foregoing, securities held indirectly by the Holder according to the relevant statutes and regulations shall also be regarded as part of the securities held by the Holder.

In the case of securities series issued by a regulated real estate investment company, the Free Float is determined as set forth in the applicable law and the above provisions shall not be applied for determining the Free Float of such companies.

Freeze Phase: Phase applied within the Extended Volatility Interruption, during which Orders cannot be entered, modified or withdrawn.

General Clearing Member: A person specified in the pertaining KELER Rules.

Grain Product: A cash commodity product, futures Instrument, or Option Series listed in the Commodities Section, defined as such in the Product List.

HelpDesk: The service operated by the Exchange for the purposes of co-operating in the elimination of errors of the Exchange Trading Systems as laid out herein.

Holder: The person that is entitled to exercise the rights and is liable to perform the obligations associated with the security against the issuer thereof directly or via another person (especially a custodian or a nominee).

House Account: An account specified in the KELER Rules as a "Type 'S' securities sub-account for Exchange transactions".

Inactive Stop Order: In the Equities and Debt Securities Sections:
In the Continuous Trading with Auctions and Auction Trading Models, a Stop Order and after its entering no transaction has yet been concluded at an equal or better Price than the given Stop Limit. In the Continuous Auction Trading Model, the Inactive Stop Order is a Stop Order and after its entering no Counteroffer has been entered at an equal or better Price than the given Stop Limit in the Order Book.

Independent Quality Review Organisation: The organisation specified as such in the Product List.

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

- Indicative Auction Price:** Refers to the Price defined in the Call phases on the basis of the Equilibrium-Price-Based Trade-Matching Algorithm, as stipulated in Sections 15.8 and 15.9 of the Regulations on Trading.
- Indicative Quote:** In the Continuous Auction Trading Model, the Indicative Quote is a type of Quote that can be entered in Pre-Trading phase, as well as in the Pre-call and Call phase, even without displaying the quantity. The quantity of this Quote type is always indicative, thus no transaction can be concluded from this Quote.
- Indicative Transaction Price:** In case of a Crossed Order Book in the Continuous Trading phase, the Price of the next transaction defined using the Continuous Trade-Matching Algorithm, as stipulated in Section 15.10 in the Regulations on Trading. In case of a Crossed Order Book in the Auction Phases, the Price of the transaction(s) set for every moment prior to the actual Price determination, based on the Equilibrium-Price-Based Trade-Matching Algorithm, as stipulated in Section 15.8 in the Regulations on Trading.
- Information:** Data published by the Stock Exchange at specified intervals, whose right of use may be gained on the basis of the Information Distribution Agreement.
- Information Distribution Agreement:** The currently effective Information Distribution Agreement with all its appendices, as well as BSE's currently effective Fee Schedule on Information Sales, BSE's Guidelines on Information Provision, BSE's Information Packages, BSE's Technical Specifications and the NOW Agreement (Agreement on Creation of New Original Works), collectively.
- Instrument:** A Contract maturing at a certain date.
- Instrument Group:** Particular group of securities with identical trading specifications and rules.
- Intern:** Persons working as interns at the Exchange under service contract.
- Internal Auditor:** The internal auditor of the Exchange referred to in the Regulation of The Budapest Stock Exchange Ltd. regarding Organisational and Operational Rules
- ISA:** (Investment Services Act) Act CXXXVIII of 2007 on Investment Firms, Commodities Brokers and the Rules of their Activities.
- ISIN Code:** (International Security Identification Number) 12-character-long international identification number used to unequivocally define a particular series of securities.
- Issue Date:** In the case of dematerialised securities, the day when the security was generated (in the case of an investment note issued by an open-end investment fund, the issue date treated according to the rules of original issue as specified by KELER Rules), in the case of physical securities, the day determined as such by the Issuer.
- Issuer:** The individual that agrees on his/her/its own behalf to perform the obligations embodied by the securities or that qualifies as such according to the regulations.
- KELER:** In terms of the Regulation, the collective name for the Central Clearing House and Depository (Budapest) Ltd. and the KELER Central Counterparty Ltd., meaning any or both of the companies.
- KELER KSZF Zrt.:** KELER Central Counterparty Ltd. (KELER CCP Ltd.)

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

- KELER Rules:** KELER Zrt. and KELER KSZF Zrt. Regulations, List of Terms, Clearing House Writs, Writs and Rules of Procedure.
- KELER Zrt.:** Central Clearing House and Depository (Budapest) Ltd. (KELER Ltd.)
- Last Day of Trading:** An Exchange Day at which transactions in an Exchange Product are allowed for the last time.
- Legs of a Spread Product:** The Instruments or Options Series forming a Spread Product.
- Listing Date:** The Exchange Day on which an Exchange Product is entered on the Exchange Product List.
- Listing Price:** The Price calculated at listing with reference to the Market Price of the security listed. In case of Structured Products, the price set by the issuer in the Final Terms.
- Losses due to operational risks:** Any damage arising from the loss incidents due to operational risks.
- Loss incident due to operational risks:** Any incident or occurrence not arising from financial or business risks that results in an actual procedure outcome different from that expected, affecting adversely the profit, capital or reputation of the company and which can be attributed to the inappropriate or defective operation of people, processes and systems, or to external environmental factors.
- Lot Size:** The smallest, indivisible quantity of an Order for an Exchange Product. Orders for Exchange Products can only be entered for a given Lot Size or an integral multiple thereof. The Lot Size of each Exchange Product is specified in the Product List.
- Main Trading Phase:** The trading period in which the trading phases pertaining to the different Trading Models follow one another.
- Management Body:** **Persons defined as such under the CMA.**
- MAR:** Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.
- Market Maker:** An Exchange Member with the right to trade in the particular Section, selected under a procedure specified and announced in advance by the Exchange, and with the right and the obligation to pursue market making activities under this Code and as provided in a Market Maker agreement concluded with the Exchange.
Unless otherwise stipulated in the Market Maker agreement, the Market Maker participates in the trading of the Exchange Product(s) with respect to which it acts as a Market Maker in each Exchange Day, and pursues market making activities on a continuous basis, in accordance with the Market Maker agreement.
Unless otherwise stipulated in the Market Maker agreement, the Market Maker has the right and the obligation to maintain bid and ask Quotes simultaneously in the Trading System, using the functions designed to fulfil this purpose.
- Market Price:** A value used as a reference for calculating the Market Value of the security series. Unless otherwise provided by the Regulations, the Price of a given security is established as follows:
a) In the event the series of securities is listed on a regulated exchange, the most recent closing price on that exchange. If unavailable then;

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

- b) The price of the issue—in case no more than 60 days passed between the day of the Exchange's decision on listing and the closing day of the last successful subscription period of the issue. If unavailable then;
- c) The value of owner's equity per share taken from the most recent consolidated (if not available, company level) and audited annual report. If unavailable then;

In case of a complete failure to (or a failure to unequivocally) determine Market Price based on the above, the market price of the most recent offering shall be taken into account. If the data employed to establish market price is only available in the form of foreign currency, then the market price of the Hungarian National Bank valid on the day preceding the Exchange's decision on listing must be considered when establishing the market price in HUF.

Market Settlement Price: The value defined as such in the Settlement Price Manual.

Market Value: For debt security series, Market Value is the product of multiplying Market Price with face value and the quantity specified for the basic denomination. For other securities series, Market Value the product of multiplying the Market Price with the quantity specified for the basic denomination.

Matching Quote: A Quote which initiates the matching process of Executable Orders in the Continuous Auction Trading Model.

Average Price

Maturity Date: A date defined as such in KELER Rules.

Maturity Day: The day when fixed term securities reach maturity.

Maximum Daily Price Movement: For commodity and Derivative Products, the degree of the largest permissible movement in Price – as specified in the Product List – in one direction within a single Exchange Day as compared to the last Base Price.

Member Internal Order Number: Free-text field to be optionally filled by entering an Order.

Method of Settlement: In the Equities, Debt Securities and Derivatives Section, the procedure specified in KELER Rules to govern the settlement of an Exchange Product. The Methods of Settlement for Derivative Products in the Derivatives Section include Physical Delivery and Cash Settlement, or, in the case of an Option, the opening of an Underlying Product.

In the Commodities Section and in the case of product based Derivative Products, the procedure specified in the Exchange Rules and the KELER Rules to govern the settlement of a given Product. In the Commodities Section, the Methods of Settlement for product based Derivative Products include Physical Delivery or Cash Settlement, or, in the case of an Option, the opening of the Underlying Product.

MiFID II: Directive 2014/65/EU of the European parliament and of the Council of May 15 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU

MiFIR: Regulation (EU) no 600/2014 of the European parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012

MMTS Examination: An examination about the use of the MMTS trading system and the knowledge of the exchange trading rules,, organised by the Stock Exchange.

MNB: The Magyar Nemzeti Bank while acting in connection with the implementation of the monetary policy as its primary objective.

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

- Multiple Quantity:** Upon trading of a security, the trading unit of an Order, which may be the integer multiple of the Lot Size.
- Negotiable Series of Securities:** is a series of securities free of a full ban or any restriction imposed by the issuer, the Holders or a provision of law in respect of transfer for the entire series of securities, such series of securities may not be subject to cancellation by a notary or a destruction procedure nor is the full series subject to any right that would limit free trading thereof.
- Negotiated Transaction:** A Transaction as specified in Section 22 of Chapter 6 of Part II in the Regulations on Trading.
- Net Position:** The difference between the long and short positions in respect of an Exchange Product on a Position Account associated with a Trading Account ID.
- New Client Account:** An account specified in the KELER Rules as a ‘temporarily consolidated account’, which serves the sole purpose of performing the derivative transactions of clients who do not yet have a Trading Account ID in the Trading System.
- Non-persistent Order:** A non-persistent Order that will be voided from the Order Book once the particular security is Technically Halted or Suspended.
- On Behalf:** During Order entry it indicates that the Order was entered by the trader on behalf of another trader of the same Exchange Member.
- Open Position:** The definition, content, and termination conditions of Open Positions are specified in the KELER Rules.
- Opening Day:** An Exchange Day specified in the Product List as the day of opening an Instrument.
- Opening of an Underlying Product:** In the Commodities and Derivatives Sections exercise on the day of settlement of an Options transaction with the opening of the appropriate positions in the Underlying Product specified by the Exchange Rules and KELER Rules as “settlement by opening a futures position”.
- Opening Price:** **On the Spot market in the Continuous Trading with Auctions and in the Auction Trading Models, and in the Derivatives and Commodities Sections:** The Price of the first transaction in an Exchange Product on a particular Exchange Day excluding Negotiated Transactions. If no transaction is concluded in a particular Exchange Product on a particular Exchange Day (excluding Negotiated Transactions), the Opening Price cannot be established.
On the Spot market in the Continuous Auction Trading Model: The first Price between the first transaction or the first Price Without Turnover bid Quote in an Exchange Product on a particular Exchange Day excluding Negotiated Transactions. If no transaction is concluded or no Price Without Turnover bid Quote is entered in a particular Exchange Product on a particular Exchange Day (excluding Negotiated Transactions), the Opening Price cannot be established.
- Operational risk:** Operational risk is the probability of loss due to inadequately established or applied business procedures, man-made errors, system deficiencies and the external environment. Financial and business risks are not covered by operational risks.
- Operational risk management:** Operational risk management shall mean the systematic identification and assessment of operational risks, followed by the development, implementation and ongoing monitoring of measures to manage the identified risks.

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

- Option Class:** According to class, Options may be American or European. In case of an American option the option holder may exercise the call or the put at any date before the Option matures. In case of a European option the option holder may only exercise the call or the put on the day the Option matures.
- Option Premium:** The value of an Option. This is the subject matter of trading, i.e. Price determination.
- Option Series:** A single Strike Price for a single Options Instrument.
- Option Type:** According to type, there are CALL or PUT Options.
CALL options are transactions where the buyer (the Option Holder) acquires the right from the seller (the Option Writer) against payment of the Option premium to purchase the subject matter of the Option at strike (exercise) Price at in the future.
PUT options are transactions where the buyer (the Option Holder) acquires the right from the seller (the Option Writer) against payment of the Option premium to sell the subject matter of the Option at Strike (exercise) Price at in the future.
- Order Activation:** The event when a Stop Order or Trailing Stop Order becomes an Active Order, or the OCO Order becomes a Market Order.
- Order Book:** Electronic records continuously accessible to Exchange Members designed to systematically capture and structure the Orders that can be entered for each Board of a Section and for each Instrument Group; can be an Order Book, a Spread Order Book, or an Auction Order Book.
- Order Closing a Position:** An Order entered in the Derivatives and Commodities Sections with 'closing' identified as the Direction of its Position.
- Order Direction:** Can be 'bid' (to buy) or 'offer' (to sell).
- Order Opening a Position:** An Order entered in the Derivatives and Commodities Sections with 'opening' identified as the Direction of its Position.
- Order Parameter:** The collective name of the Validity Restrictions, Trading Restrictions and Execution Restrictions that can be set when entering an Order.
- Order with Better Price:** In the case of bids, the Order with the higher Price, and in the case of offers, the Order with the lower Price.
- Order with Worse Price:** In case of bids, the Order with the lower Price, and in case of offers, the Order with the higher Price.
- Outstanding capital:** In the case of an Annuity Debt Security, the value at a given point of time, established at the time of the floatation of the security, in the document containing the individual data of the floatation.
- Overall Volume:** Quantity determined in case of an Iceberg Order that implies the total volume of the Order.
- Own Exchange:** An exchange in a foreign country at which a Cross Member has the trading licence and which has concluded a cross membership agreement with the Exchange.
- Own Law:** The law governing a security in accordance with the place of issue.
- Peak Quantity:** In case of an Iceberg Order, it is the quantity that can be observed in the Order Book in the Continuous Trading phase.

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

- Pending Order:** An Order in the Derivatives Section that does not meet the terms of the particular trading period and/or the Price limits.
- Person in Management Position:** Senior officers (Board Directors), members of the Supervisory Board of the Exchange and any person defined as such in the Charter or the Bylaws of Organization and Operation of the Exchange or in the Articles of Association of the Budapest Stock Exchange.
- Person Responsible for Publication:** Persons who are obliged by a relevant Exchange Rule to publish information or to make disclosures.
- Persistency:** Order Parameter that determines the duration of the Order.
- Persistent Order:** Persistent Order that remains in the Order Book in case of a Technical Halt or a Suspension of a given security.
- Physical Delivery:** Delivery under a futures transaction at maturity or upon exercising an Option in the Derivatives Section, or at the due date of the Structured Product in the Equities Section in a manner defined as „physical security delivery” of the Underlying Product in the KELER Rules.
- Position Account:** An account which is defined as such in the general terms of service of KELER KSZF (KELER CCP) and held by KELER KSZF for the Clearing Member for the clearing of guaranteed transactions and for the registration of open interests.
- Post-Trading Phase:** Trading phase succeeding the Main Trading Phase, during which transactions cannot be concluded.
- Pre-Trading Phase:** Phase preceding the Main Trading Phase, during which transactions cannot be concluded.
- Price:** In respect of the basic denomination of securities other than debt securities, the Price is a value expressed in a currency specified in the Product List, which defaults to Hungarian Forints. In respect of debt securities, the Price is a positive ratio expressed as a percentage of the basic denomination, calculated to 4 decimal points, excluding Accrued Interest. In respect of Derivative Products, the Price is a value calculated individually according to the 'Method of Price Determination' set forth in the Product List.
- Price Without Turnover Quote:** A type of Quote that can be entered in the Continuous Auction Trading Model only in the Pre-call phase and strictly without specification of quantity.
- Principle of the Delivery Cost Sharing:** In the Commodities Section, the division of delivery costs related to settlement between the buyer and the seller, as specified in the Product List.
- Product List:** A list containing a description of Exchange Products.
- Public Bid:** A Public Bid made under the legal regulations in effect concerning the acquisition of control in public companies.
- Public Order Book:** Systematic Orders in the Order Book that are visible for all traders.
- Public Transaction:** Securities offered to the public as regulated by the CMA (excluding Exchange listing), in the value of at least HUF one hundred million (100,000,000).
When applying the present Regulations, the legal consequences prescribed by the Regulations may only be associated with the implementation of successful Public Transactions. A Public Transaction shall be deemed successful if the total value of equities sold and available for consideration reaches HUF one hundred million (100,000,000).

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

When applying the present Regulations, in the course of calculating the total value of a Public Transaction, transactions taking place between:

- a) the Issuer and natural or legal persons belonging to the Issuer's sphere of interest;
 - b) the Issuer and natural or legal persons belonging to the sphere of interest of shareholders with an interest of not more than 25% in the Issuer;
 - c) shareholders with an interest of not more than 25% in the Issuer and those natural or legal persons that belong to the Issuer's sphere of interest; or
 - d) shareholders with an interest of not more than 25% in the Issuer and natural or legal persons that belong to their sphere of interest
- may not be taken into consideration.

When calculating the total value of a Public Transaction, the phrase "natural or legal persons belonging to the Issuer's sphere of interest or shareholders with an interest of not more than 25% in the Issuer" shall especially mean affiliates as they are defined by the CMA and close relatives as they are defined by the Civil Code.

When calculating the size of interest in the Issuer, indirect interest shall also be taken into consideration.

Publication Guide: Rules set forth in a resolution by the Exchange under the authorization given in these Bylaws, which are in addition to the provisions hereof and are designed to ensure that the person responsible for publication fulfills the obligation to publish information.

Quote: A two-sided Order entered by a Market Maker.

Random-end: Closure of the Call phase at a random time within a given time interval.

Rated Investment Asset: Any security, corporate bond, mortgage bonds and any structured or derivative product which underlying product is solely one abovementioned investment asset listed on the Exchange or on any trading platforms operated by the Exchange with the exception of the BETa Market, and the investment assets of the above categories for which the listing has been requested in an application by the issuer thereof after the receipt of the application and until the publication of the Exchange's decision on rejection. An investment asset shall be Rated Investment Asset if the Exchange classified any investment asset as such.

Record Date: Whoever holds the security at the end of that day shall be entitled to exercise the rights in respect of the due date specified in KELER Rules.

Reference Price: For each security, the Reference Price is always the value based on the Price of the last executed transaction. In case of introducing a new security to the Exchange, the Reference Price is the Listing Price determined in accordance with the Regulations on Listing, Continued Trading and Disclosure.

Request for Delisting: A legal instrument signed by an Issuer and containing its representation made to initiate the delisting of a security series.

Reference Price of the Dynamic Price Range: The Price of the last executed transaction in a particular security.

Reference Price of the Static Price Range: The last Auction Price generated on the given day in a particular security. In absence of such an Auction Price, it implies the Base Price of the security.

Regulated information: The term with the meaning ascribed thereto in Paragraph 116 of Subsection 1 of Section 5 of the CMA.

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

- Regulation:** Means the present General Terms of Service of the Exchange.
- Residual Value Trading:** Resumption of trading in a Structured Product after the suspension of trading by reason of reaching the barrier.
- Risk:** The possibility of damage caused by various sources of danger due to the vulnerability of material and immaterial assets.
- Settlement Account:** Private identification number of an Exchange Member.
- Settlement Date:** The day defined in the KELER Rules as 'SD'.
- Settlement Day:** The day defined as such in the KELER Rules.
- Settlement Location:** This expression implies KELER Ltd. and KELER CCP Ltd.
- Settlement Price:** The Price that forms the basis for calculating the liabilities and claims of Exchange Members with trading rights in the Derivatives and Commodities Sections against KELER as such arise from the movement of the daily Prices of futures Instruments and Option Series; a value that also serves as a basis for determining the Reference Price and the Clearing Spread.
- Settlement Price Committee:** A body that can be set up to determine and manage Settlement Prices.
- Settlement Price Manual:** This manual contains the Settlement Price definitions to be used by the Settlement Price Committee for each Contract, the method of determining the Settlement Price, and the Rules of Procedure of the Settlement Price Committee.
- Shareholder Certification:** Certificate(s) of deposit and in case of registered shares the extract from the book of shares.
- Shareholder Verification:** Procedure to determine the right of disposition over a given security, to verify shareholders.
- Spot Market:** Market involving the Equities Section and the Debt Securities Section.
- Settlement Price at Maturity:** In the case of futures Contracts, the Settlement Price of the Instruments of particular futures products calculated by the Exchange in a manner and at the date specified in the Product List.
In the case of Option Contracts, the Settlement Price of a particular Option Series calculated by the Exchange in a manner and at the date specified in the Product List based on the Price of the Underlying Product, regardless of the Option Premium.
- Sponsored Access (SA):** An agreement through which the Exchange member enables some of its clients (including acceptable partners as well) to directly forward orders to the Exchange Trading Systems under the Exchange member's own trading ID, bypassing the Exchange member's internal electronic trading systems.
- Spread:** The maximum difference between the bid and offer Prices of Active Quotes that a Market Maker is contractually bound to quote simultaneously for an Exchange Product in trading.
- Spread Order:** A composite Order for buying and selling a Spread Product.
- Spread Product:** An Exchange Product that involves buying and selling two different Instruments of a futures Contract, or Options Series for two different Instruments of an options Contract, or two Options Series of a single Instrument of an options Contract.

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

Spread Common Leg: In the case of different Spread Products, the identical maturity that forms each Spread.

Spread Long Leg: In the case of different Instruments, the later maturity. For identical Instruments, the Option Series with the higher Strike Price.

Spread Short Leg: In the case of different Instruments, the earlier maturity. For identical Instruments, the Option Series with the lower Strike Price.

Stand-By Exchange Trading System: The central computer system with the same functionality as that of the Exchange Trading Systems but operating in a place geographically separated from the place of operation thereof, for conducting Stock Exchange automatic trading, and the related communication network.

Stand-by Trading Workstation: Front-end trading software running on the personal computers owned by the Exchange and installed at the Seat of the Exchange, enabling connection to the Exchange Trading Systems.

Standard Quote: An Order type that can be entered in the Pre-trading phase, in the Pre-call phase and also in the Call phase of the Continuous Auction Trading Model even without specifying the quantity.

Static Price Range: In respect of a given security, Dynamic Price Range implies a deviation from the Reference Price of Static Price Range determined in percentage.

Stop Limit: **In the Equities and Debt Securities Sections:**
In the Continuous Trading with Auctions and Auction Trading Models, the Price given when applying a Stop, Trailing Stop or OCO Order; when a transaction is concluded at this Price or better, the Stop Order and the Trailing Stop Order becomes an Active Order, in case of OCO Order becomes Market Order. In the Continuous Auction Trading Model, the Stop Limit is the Price given when applying a Stop Order, Trailing Stop Order or OCO Order; the Stop Order, Trailing Stop Order becomes an Active Order or OCO Order becomes Market Order when a bid or offer Quote is entered to the Order Book at a better Price (in case of stop bid the higher price, in case of stop offer the lower price).

In the Derivatives and Commodities Sections:

A limit Price given when setting a Stop Limit Order or Stop Market Order; the Stop Order becomes an Active Order if, on the given Exchange Day, in the last transaction immediately preceding the Order entry or after the Order entry, a transaction is concluded at the limit Price (Stop Limit) or better.

Strike Price: A Price specified when a particular Option Series is listed or opened, at which the Option writer shall sell to or buy from the Option holder the Underlying Product. In the case of a Structured Product, a price based on which the Issuer of the Structured Product performs its settlement obligations specified in the final terms.

Structured Product: A promissory note produced in the form of documents or electronic data that qualifies as a security under Own Law, through which the investor obtains a right to claim monies or make other claims depending on the value of a previously specified Underlying Product against the Issuer when due (event, condition, termination, maturity or periodic maturity). The Issuer undertakes that when due (event, condition, termination, maturity or periodic maturity) it shall fulfil the investor's claim for monies or other claim depending on the value of a previously specified Underlying Product (E.g. certificates and structured notes are considered as Structured Products).

Sub-clearing Member: a non-clearing Exchange Member who has concluded a Contract with a General Clearing Member for the clearing and settlement of trades concluded in that Section under KELER Rules.

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

Supervision: Magyar Nemzeti Bank acting in the capacity of supervising the financial intermediary system.

Supervisor: Exchange employee defined as such in Section 2.2. in the Regulations on Trading.

Supervisor Password: A secret password used by the trader when logging in at the Supervisor.

Suspension: In respect of Exchange Products, the act of suspending trading of an Exchange Product as required by law and the Regulations on Listing, Continued Trading and Disclosure.
In respect of individual Exchange Members, Suspension of the right to trade as specified in the Exchange Membership Regulations.

System Access Point: The physical point of connection, specified in the Connectivity Agreement, through which an Exchange member connects to the Exchange Trading Systems, and thus can access the Exchange Trading Systems. In the event that such a point is not specifically determined in the Connectivity Agreement, it is the Ethernet port of the active network element (router) handling the termination of the telecommunication lines at the Exchange member's site.

System Opening Hours: The period of time determined and published in a resolution by the Exchange, during which the Trading System is available for Trading and Complementary Activities.

Technical Halt: Halt in the trading of a security following a trading restart because of a fault in the Trading System or a modification of trading parameters (such as the Base Price), or in particularly justified cases, in order to ensure uninterrupted trading.

Theoretical Settlement Price: The value defined as such in the Settlement Price Manual.

Tick Between Strikes: The minimum difference between the Strike Prices of an Option Series, as specified in the Product List.

Tick Size: The smallest change in Price specified for an Exchange Product in the Product List.

Total Value: A value calculated in respect of Exchange Products. For other securities, it is the result of multiplying the quantity specified for the basic denomination by Price (HUF). For Derivative Contracts it is the result of multiplying the Contract size by Price and quantity.

Trade-at-Close indicator: Order parameter determines whether the Order will participate in the Trade-at-Close trading or not.

Trade-Matching Algorithm: A pre-defined principle and method of calculation that specifies the manner of coupling (matching) Orders to create a transaction as well as the quantity and Price at which a transaction is concluded.

Trading Account ID: In the Derivatives and Commodities Sections, a unique ID that the party entering the Order must provide in order to specify whether the transaction is to be settled on its House Position Account (linked to the given Trading Account ID) or on a client's Individual Client Position Account. A Trading Account ID may be a House Account, a Client Account, or a New Client Account.
The services associated with the Trading Account ID are described in the User's Guide in detail.

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

- Trading Algorithm:** Software operating on the basis of the main parameters determined by an Exchange member or a client of an Exchange member, which in response to market information, generates automated orders towards the Exchange Trading Systems.
- Trading Committee:** The panel representing the interests of the Exchange Members, regulated in the order under the title "Order on the representation of interests"
- Trading Model:** A predetermined construction of Exchange trading rules and trading phases, a trading environment with well-defined frame of trading rules.
- Trading Restriction:** An Order Parameter that can be filled in optionally when entering an Order, which defines the trading phase where the Order is considered valid.
- Trading System Operator:** In the case of the MMTS, it is the Exchange. In the case of the Xetra-T7 Trading System, it is Wiener Börse AG (Austria, 1014 Vienna, Wallnerstrasse 8).
- Transaction Class:** A term defined as 'identical-type exchange transaction class' in the KELER Rules.
- Transaction Outside the Clearing Spread:** A futures transaction where the Price of a transaction in an Instrument is at greater variance with the Clearing Median Price than the Clearing Spread.
- Translisting:** A term with the meaning ascribed thereto in the CMA.
- Translisting Day:** Delisting Date of equity series subject to Translisting.
- Underlying Product:** An index, a security, a foreign currency, a rate of interest, a commodity product, a Derivative Product, or any other asset with variable value which serves as the basis of Contracts, or other Structured Products.
- Underlying Security:** A security deposited with a Custodian against which the Custodian issues a depository receipt that qualifies as a security under its Own Law, or a security whose purchase is authorized by a security representing membership rights.
- User's Guide:** A detailed manual and user's guide for the Exchange member's Trading System.
- Volatility Interruption:** Trading phase for the purpose of controlling and handling the Price movements. It contains a Call phase with a pre-determined maximum time length and, if possible, a with a Price determination sub-phase.
- Volume Weighted Average Spread:** For a given transaction size, the difference between the volume weighted bid and offer Average Prices in the Order Book, calculated on the basis of Orders visible in the Order Book at the time being.
- Website:** The website of the Exchange.
- WKN Number:** Number for identifying a particular series of security in the Trading System.
- XETRA- and XETRA-T7 exam:** An examination about the use of the XETRA AND XETRA-T7 trading system and the knowledge of the exchange trading rules, organised by the Stock Exchange.
- Yield:** For debt securities earning fixed interest or issued at a discount (e.g. bonds, T-bills), a percentage value calculated to 4 decimal points according to the standard convention of yield calculation in effect.

6 Interpretative Principles

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

- 6.1 Rules of the Regulation shall be interpreted in accordance with the law of Hungary (especially with the Civil code, the CMA and the ISA) as well as with the law of the European Union.
- 6.2 Any interpretation of the Regulation shall be in line with the general principles of legal interpretation, with professional standards, and with common practice.
- 6.3 The provisions of the Regulation are binding, and deviations are only allowed in the cases specified in the Regulation; any issues not specifically provided herein shall be handled in accordance with the statutory regulations in effect
- 6.4 Each affected party shall exercise the rights and perform the obligations arising from the Regulation in good faith.
- 6.5 Each affected party shall cooperate when exercising their rights arising from the Regulation.
- 6.6 Each affected party shall exercise the rights and perform the obligations arising from the Regulation in accordance with the general interest of the market.
- 6.7 Abuse of rights arising from the Regulation is prohibited for each affected party.
- 6.8 Unless provided otherwise, the burden of proof in a dispute shall lie with the party interested in having a statement accepted as true in said dispute.
- 6.9 Any references included in the books of the Regulation shall be meant and applied within the given book.
- 6.10 Capitalized terms in the Regulation shall have the meaning as defined in the Definitions included in this book of the Regulation, and terms not defined therein shall have the meaning associated thereto in Exchange Rules or in applicable laws.
- 6.11 The time limits prescribed in this Regulation in days for making legal statements or to do or not to do certain other acts shall not include the day from which the period runs. A time limit specified in weeks, months or years shall expire on the day that, by definition or number, corresponds to the day from which the period runs. If there is no such day during the last month, the time limit shall expire on the last day of the month. If the last day of the time limit is a public holiday, the time limit shall expire on the following working day.

7 Limitation of Liability

- 7.1 Related to this Regulation the Exchange shall only be liable for contractual damages caused wilfully, or damages to life, physical integrity or health.
- 7.2 No claim for damages or indemnity may be made against the Exchange for loss or damage due particularly to:
- a) any direct and/or indirect damage arising from an Issuer's, Exchange Member's or trader's failure to comply with or apply an Exchange Rule,
 - b) any software error arising from a failure of software installed in the trading systems of the Exchange, save for the scope of liability indicated in Section 7.17.1.
 - c) any damage caused by force majeure,
 - d) any direct and/or indirect damage caused by and/or resulting from an outage of the Exchange's trading systems beyond the control of the Exchange.
- 7.3 Save for the scope of liability indicated in Section 7.1. no claim may be made against the Exchange for indirect or consequential damages (including especially for damages arising from harming business reputation, missed income, missed savings, or claims of third parties) or for potential

**THE GENERAL TERMS OF SERVICE
OF THE BUDAPEST STOCK EXCHANGE LTD.**

missed income or profits of the Issuer, the Exchange Member, or the agents or the proxies of the latter.

- 7.4 Expiry of claims against the Exchange, unless a shorter time is defined by law, is 1 year after the occurrence of the event triggering the claim for damages. In the case of damage caused with a criminal act no statute of limitations applies beyond 1 year until the lapse of criminal liability.
- 7.5 No claim for damages may be made against the Exchange, provided the Exchange has acted in compliance with Exchange Rules.

8 Entry Into Effect

The Regulation shall enter into force subsequent to the approval of the Supervision, by the resolution of the Budapest Stock Exchange Ltd.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

**BOOK TWO
REGULATIONS
ON LISTING AND CONTINUED TRADING**

**REGULATIONS FOR LISTING, CONTINUED TRADING AND
DISCLOSURE**

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

TABLE OF CONTENTS

PART I: GENERAL PROVISIONS	30
CHAPTER 1: PURPOSE, SUBJECT MATTER, FUNDAMENTAL PRINCIPLES, EFFECT OF THE PRESENT BOOK	30
CHAPTER 2: DEFINITION OF BASIC TERMS	31
CHAPTER 3: INVESTMENT ASSETS ELIGIBLE FOR LISTING ON THE EXCHANGE	32
2 INVESTMENT ASSETS ELIGIBLE FOR LISTING ON THE EXCHANGE	32
3 THE SUBJECT MATTER OF TRADING IN THE SECTIONS	33
CHAPTER 4: DECISION MAKING POWERS AND THE LIABILITY OF THE EXCHANGE	35
4 DECISION MAKING POWERS FOR THE PURPOSES OF THE REGULATIONS ON LISTING AND CONTINUED TRADING AND THE LIABILITY OF THE EXCHANGE	35
PART II: RULES OF LISTING AND CONTINUED TRADING FOR SECURITIES ELIGIBLE FOR QUOTING IN THE EQUITIES AND DEBT SECURITIES SECTIONS	36
CHAPTER 1: CONDITIONS FOR LISTING SECURITIES ON THE EXCHANGE, THE RULES OF PROCEDURE FOR LISTING	36
5 GENERAL PRINCIPLES OF LISTING SECURITIES ON THE EXCHANGE	36
6 LISTING EQUITIES ON THE EXCHANGE	40
7 LISTING BONDS ON THE EXCHANGE	43
8 LISTING MORTGAGE BONDS ON THE EXCHANGE	43
9 LISTING INVESTMENT NOTES ON THE EXCHANGE	43
10 LISTING DEBT SECURITIES ISSUED BY INTERNATIONAL FINANCIAL ORGANIZATIONS ON THE EXCHANGE	43
11 LISTING GOVERNMENT BONDS ON THE EXCHANGE	44
12 TERMS OF LISTING COMPENSATION NOTES	44
13 LISTING DEPOSITORY RECEIPTS ON THE EXCHANGE	44
14 LISTING STRUCTURED PRODUCTS ON THE EXCHANGE	44
REGULATIONS FOR LISTING, CONTINUED TRADING AND DISCLOSURE	26

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

15	THE LISTING PROCEDURE	46
16	MODIFYING THE PRODUCT LIST UPON REQUEST OF THE ISSUER	56
CHAPTER 2: CONTINUED TRADING		59
17	GENERAL ISSUER OBLIGATIONS IN CONNECTION WITH CONTINUED TRADING	59
18	REGULAR DISCLOSURE	62
19	EXTRAORDINARY REPORTING REQUIREMENT	64
20	OTHER REPORTING REQUIREMENTS	65
21	RULES OF DISCLOSURE AND PUBLICATION	67
22	REVIEW OF CLASSIFICATION AND RECLASSIFYING EQUITIES ON THE EXCHANGE, DECATEGORISATION	68
23	SUSPENSION OF TRADING ON THE EXCHANGE	71
24	RULES OF PUBLICATION AND ANNOUNCEMENTS: DELETED	72
25	THE NOTIFICATION OBLIGATION OF THE ISSUER OF UNDERLYING SECURITIES: DELETED	72
CHAPTER 3: DELISTING SECURITIES		73
26	DELISTING A SECURITY	73
CHAPTER 4: OTHER PROVISIONS		80
27	THE "T" SEGMENT: DELETED	80
28	SANCTIONS APPLIED BY THE EXCHANGE	80
29	LEGAL REMEDY	84
PART III: RULES OF LISTING AND DELISTING EXCHANGE PRODUCT ELIGIBLE FOR QUOTING IN THE DERIVATIVES SECTION		86
CHAPTER 1: REQUIREMENTS OF LISTING DERIVATIVE PRODUCTS ON THE EXCHANGE, THE RULES OF PROCEDURE FOR EXCHANGE LISTING		86
30	GENERAL PRINCIPLES OF LISTING DERIVATIVE PRODUCTS	86
31	OPENING DERIVATIVE PRODUCTS	88

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

32	GENERAL PRINCIPLES OF DELISTING DERIVATIVE PRODUCTS	89
33	CLOSING DERIVATIVE PRODUCTS	91
	PART IV: LISTING AND DELISTING RULES FOR PRODUCTS ELIGIBLE FOR LISTING IN THE COMMODITIES SECTION	92
	CHAPTER 1: LISTING REQUIREMENTS FOR COMMODITIES, LISTING PROCEDURE ON THE EXCHANGE	92
34	GENERAL PRINCIPLES OF LISTING COMMODITIES ON THE EXCHANGE	92
35	GENERAL PRINCIPLES OF DELISTING A COMMODITY	93
	CHAPTER 2: CONDITIONS FOR LISTING COMMODITY BASED DERIVATIVE PRODUCTS ON THE EXCHANGE (HEREINAFTER DERIVATIVE PRODUCTS), THE RULES OF PROCEDURE FOR LISTING	94
36	GENERAL PRINCIPLES OF LISTING DERIVATIVE PRODUCTS ON THE EXCHANGE	94
37	OPENING DERIVATIVE PRODUCTS	96
38	GENERAL PRINCIPLES OF DELISTING DERIVATIVE PRODUCTS	96
39	CLOSING DERIVATIVE PRODUCTS	98
	PART V: MISCELLANEOUS PROVISIONS	99
	CHAPTER 1: CLOSING PROVISIONS	99
40	REGULATIONS FOR PENDING CASES	99
41	TRANSITIONAL PROVISIONS	99
42	OTHER PROVISIONS	100
	ANNEXES	102
	ANNEX 1: DELETED	102
	ANNEX 2: PRODUCT LIST INFORMATION TO BE FILLED IN BY THE APPLICANT	102
1.	INFORMATION TO BE FILLED IN BY APPLICANTS THAT APPLY FOR HAVING EQUITIES LISTED	102
2.	INFORMATION TO BE FILLED IN BY APPLICANTS THAT APPLY FOR HAVING INVESTMENT NOTES LISTED	102

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

3. INFORMATION TO BE FILLED IN BY AN APPLICANT REQUESTING A STRUCTURED PRODUCTS LISTED	103
4. INFORMATION TO BE FILLED IN BY APPLICANTS THAT APPLY FOR HAVING DEBT SECURITIES (BONDS, MORTGAGE BONDS, GOVERNMENT SECURITIES) LISTED	103
5. INFORMATION TO BE FILLED IN BY APPLICANTS THAT APPLY FOR HAVING COMPENSATION NOTES LISTED	104
6. INFORMATION TO BE FILLED IN BY APPLICANTS THAT APPLY FOR THE LISTING OF DEPOSITORY RECEIPTS AND SECURITIES REPRESENTING MEMBERSHIP RIGHTS (OTHER THAN SHARES) WHICH AUTHORIZE THE PURCHASE OF SHARES OR OTHER SECURITIES REPRESENTING OWNERSHIP INTEREST IN COMPANIES.	104
ANNEX 3: THE PRINCIPLES OF THE ANALYSIS REGARDING THE CLASSIFICATION OF EQUITIES	105

PART I: GENERAL PROVISIONS

**CHAPTER 1:
PURPOSE, SUBJECT MATTER, FUNDAMENTAL PRINCIPLES, EFFECT OF THE
PRESENT BOOK**

1.1 Purpose of the Present Book

1.1.1 Book Two of the General Terms of Service of the Budapest Stock Exchange Ltd. - Regulations on Listing and Continued Trading (hereinafter: Regulations on Listing and Continued Trading) are designed to ensure orderly and transparent trading in the marketplace organized and operated by the Exchange and the disclosure of wide ranging and identical information to investors about Exchange Products and the Issuers of securities quoted on the Exchange.

1.2 Subject Matter of the Present Book

1.2.1 The subject matter of the present Book is to specify the rights and obligations of the Exchange and the persons subject hereto in connection with the specification of the rules relating listing and continued exchange trading and to set forth the related rules of procedure in line with the purpose also mentioned above.

1.3 Fundamental Principles of the Present Book

1.3.1 The present Regulations on Listing and Continued Trading require that a wide array of issuer information be disclosed to the public as a condition precedent to eligibility for trading on the Exchange, in order to ensure that information is equally accessible to investors.

1.3.2 The principles to be applied concerning the application and interpretation of the present Book are set out in Section 6. of Book One – Introductory and Interpretative Provisions.

1.4 Effect of the Present Book

1.4.1 The personal scope of the present Book applies to the Exchange, the officials and employees of the Exchange, the members of the different Sections, the Issuers of the various Exchange Products, those applying for the issue of various Exchange Products, and, in the event that the Regulation so provide, the Issuers of various Underlying Securities.

**CHAPTER 2:
DEFINITION OF BASIC TERMS**

The terms in the present Book indicated with capital letters shall have the meaning defined in the definitions set out in Book One - Introductory and Interpretative Provisions.

CHAPTER 3: INVESTMENT ASSETS ELIGIBLE FOR LISTING ON THE EXCHANGE

2 Investment Assets Eligible for Listing on the Exchange

2.1 Investment Assets may be listed on the Exchange in the Equities, Debt Securities, Derivatives and Commodities Sections defined in the Regulations on Exchange Membership in the categories and markets set out below.

2.2 Equities Section Securities eligible for listing in the Equities Section

2.2.1 Equities Market

2.2.1.1 Equities Prime Market

- a) Equities
- b) Other securities representing membership rights
- c) Depository receipts

2.2.1.2 Equities Standard Market

- a) Equities
- b) Other securities representing membership rights
- c) Depository receipts

2.2.1.3 Equities T Market

- a) Equities
- b) Other securities representing membership rights
- c) Depository receipts

Equities may not be listed on the Equities T Market – with the exception of new securities series issued by Issuers listed on the Equities T Market –, however, Issuers already listed on the Equities T Market – if they do not request their reclassification under Section 22.2.1 or Section 22.2.2 – may remain on this Market for the entire term of their continuous trading.

2.2.1.4 Other securities

- a) Compensation notes

2.2.2 Structured Products Market

2.2.2.1 Investment notes

2.2.2.2 Depository receipts

2.3 Debt Securities Section

2.3.1 Investment assets eligible for listing in the Debt Securities Section

- a) Debt securities
 - Government securities
 - Bonds

- Mortgage bonds

2.4 Derivatives Section

2.4.1 Investment Assets eligible for listing in the Derivatives Securities Section

2.4.1.1 Futures market

- a) Standardized futures products

2.4.1.2 Options market

- a) Standardized options products

2.4.1.3 The following contract types in the investment assets specified under section 2.4.1 are eligible for listing in the Derivatives Section

- a) Equity Contracts: A contract for the derivative market where the Underlying Product is a single stock.
- b) Index based Contracts: A contract for the derivative market where the Underlying Product is an index.
- c) Foreign Exchange based Contracts: A contract for the derivative market where the Underlying Product is a foreign exchange.
- d) Interest based Contracts: A contract for the derivative market where the Underlying Product is a debt security or an interest rate.

2.5 Commodities Section

2.5.1 Assets Eligible for Listing in the Commodities Section

- a) any article of commerce, movable and tangible things produced or used for sale or barter, including natural resources that can be utilized in the same way as things, exclusive of financial instruments as well as,
- b) derivative products composed from aforementioned.

3 The Subject Matter of Trading in the Sections

3.1 Equities and Debt Securities Sections

3.1.1 The subject matter of trading in the Equities and Debt Securities Sections is a cash transaction in securities listed in the particular Section to be settled in line with KELER Rules.

3.2 Derivatives Section

3.2.1 The subject matter of trading in the markets of the Derivatives Section:

3.2.1.1 The subject matter of trading in the futures market is a futures transaction in an Instrument of a futures Contract quoted in the Derivatives Section, which involves a commitment matched to a future change in the value of the Instrument involved and is to be settled in line with KELER Rules.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

3.2.1.2 The subject matter of trading in the options market is an options transaction in an Instrument of a Series of an options Contract, which is an agreement whereby the Option holder acquires the right to purchase or sell the Underlying Product of the Options Contract at the Strike Price in the future by making a unilateral statement and the Option Writer commits itself against receipt of the Options Premium to purchase or sell the Underlying product at the Strike Price under the terms set forth in the relevant sections of the Regulation. Such transactions are settled in line with KELER Rules.

3.2.1.3 In the event of trading in Spread Products in the future or options markets, the subject matter of trading is a composite exchange transaction, which is created by selling and buying simultaneously two different Instruments of a Futures Contract or two different Instruments in a particular Option Series of an Options Contract, or identical quantities in two different Option Series of a single Instrument of an Options Contract.

3.3 Commodities Section

3.3.1 The subject matter of trading in the Commodities Section of the different markets:

3.3.1.1 On the commodity spot market, the subject matter of trading is a spot transaction in a commodity quoted in the Commodities Section, which is to be settled in line with Exchange Rules and KELER Rules.

3.3.1.2 On the commodity futures market, the subject matter of trading is a futures transaction in an Instrument of a futures Contract quoted in the Commodities Section, which involves a commitment matched to a future change in the value of the Instrument involved and is to be settled in line with Exchange Rules and KELER Rules.

3.3.1.3 On the Commodity Options Market, the subject matter of trading is an options transaction in an Instrument of a Series of an options Contract, which is an agreement whereby the option holder acquires the right to purchase or sell the Underlying Product of the Options Contract at the Strike Price in the future by making a unilateral statement and the Option Writer commits itself against receipt of the Options Premium to purchase or sell the Underlying Product at the Strike Price under the terms set forth in the relevant section of the Regulation. Such transactions are settled in line with Exchange Rules and KELER Rules.

**CHAPTER 4:
DECISION MAKING POWERS AND THE LIABILITY OF THE EXCHANGE**

4 Decision Making Powers for the Purposes of the Regulations on Listing and Continued Trading and the liability of the Exchange

4.1 The Board has the power to decide on the following issues:

- a) evaluating appeals against the resolutions of the work organisation of the Exchange;
- b) applying the delisting sanction (28.4.5.);
- c) all issues in the Exchange work organization's authority that the Board reserves the competence to decide on.

4.1.1 The Board decides the issues listed in Section 4.1 by passing a resolution.

4.1.2 The resolutions regarding the issues listed in Section 4.1 shall be disclosed to the public in line with the provisions of the Regulations on Official Publications at least two (2) days before they take effect, unless otherwise provided in an Exchange Rule.

4.2 In issues where the Board is not competent, the Exchange's work organization has the authority to decide by Exchange (BSE) resolution, particularly on the following matters::

- a) decision regarding to the listing and delisting process;
- b) specifying and modifying the Product List;
- c) specifying the scope and content of data sheets for submission to the Exchange by Issuers;
- d) interpretation of specific provisions of the Regulations on Listing and Continued Trading;
- e) formulation of recommendations regarding the execution of specific provisions;
- f) applying sanctions with the exception of the delisting sanction (28.4.5.).

4.2.1 The rules of decision-making in issues within the competence of the work organization of the Exchange, in particular which employee of the Exchange is entitled to make decisions, as well as the rules of delegation and substitution are contained in the Regulation of the Budapest Stock Exchange Regarding Organisational and Operational Rules..

4.2.2 The decisions regarding the matters listed in Section 4.2 shall be disclosed to the public in line with the provisions of the Regulations on Official Publications at least one (1) day before they take effect, unless otherwise provided in an Exchange Rule.

4.3 Liability of the Exchange:

The principles to be applied concerning the application and interpretation hereof of the present Book are set out in Section 6. of Book One – Introductory and Interpretative Provisions.

**PART II: RULES OF LISTING AND CONTINUED TRADING FOR SECURITIES
ELIGIBLE FOR QUOTING IN THE EQUITIES AND DEBT SECURITIES
SECTIONS**

**CHAPTER 1:
CONDITIONS FOR LISTING SECURITIES ON THE EXCHANGE, THE RULES OF
PROCEDURE FOR LISTING**

5 General Principles of Listing Securities on the Exchange

5.1 A security is listed on the Exchange by inclusion in the Product List upon an application for listing submitted by the Applicant. For the listing procedure, those provisions of this General Terms of Service shall be applied which were in effect on the date the Supervision or the competent foreign supervisory authority received the prospectus prepared for the listing on the exchange. The Applicant shall certify the date of receipt by the Supervision upon request by the Exchange. If a prospectus is not required for the listing, those provisions of this General Terms of Service shall be applied for the listing procedure which were in effect on the date the Exchange received the application for listing.

5.2 Product List

5.2.1 The Product List contains a description of each Exchange Product.

5.2.2 Unless otherwise provided in the Regulations on Listing and Continued Trading, the description of each security is given in the Product List by specifying the following features:

- a) Security name;
- b) Issuer;
- c) Security type;
- d) Method of producing the security;
- e) Security code;
- f) Listing Date;
- g) First Day of Trading;
- h) Ticker symbol;
- i) Amount of securities listed on the Exchange (number);
- j) Trading Unit;
- k) Currency of trading;
- l) Tick;
- m) Trading Time;
- n) Listing Price.

5.2.2.1 In the case of investment notes issued by open-end investment funds, the Product List does not contain the feature specified in Section 5.2.2 i)

5.2.3 The description of each equity is given in the Product List by specifying the following features in addition to those in Section 5.2.2:

- a) Market;

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- b) Equity class;
- c) Dividend rights;
- d) Face value;
- e) Maturity;
- f) Date of issue;
- g) Maturity Day.

5.2.3./A The description of each Depository Receipt, as well as the description of those securities representing membership rights (other than shares) which authorize the purchase of a share or other security representing ownership interest in companies are given in the Product List by specifying the following features in addition to those in Section 5.2.2.

- a) Market;
- b) Underlying security name;
- c) Security code of the underlying security;
- d) Underlying security issuer;
- e) Underlying security face value;
- f) Exchange rate of the security and the underlying security.

5.2.4 The description of each investment note is given in the Product List by specifying the following features in addition to those in Section 5.2.2:

- a) Name of custodian;
- b) Custodian's head office;
- c) Maturity;
- d) Date of issue;
- e) Maturity Day;
- f) Face value.

5.2.4.1 In the case of investment funds issued on an investment fund of indefinite maturity, the Product List does not contain the feature specified in Section 5.2.4 e).

5.2.5 The description of each Structured Product is given in the Product List by specifying the following features in addition to those in Section 5.2.2:

- a) Structured Product type
- b) Face value
- c) Maturity Day
- d) Maturity
- e) Name of the Underlying Product
- f) Security code of the Underlying Product
- g) Type of the Underlying Product
- h) Currency of the Underlying Product
- i) Relevant market of the Underlying Product:
- j) Strike Price
- k) Barrier
- l) Residual Value Trading
- m) Maximum yield rate
- n) Exchange proportion
- o) Bonus rate:
- p) Discount rate:

- q) Type of earning interest
- r) Interest rate
- s) Interest payment dates
- t) Capital repayment
- u) Method of Settlement
- v) Order Limit
- w) Trading Halt Limit

5.2.6 The description of each debt security is given in the Product List by specifying the following features in addition to those in Section 5.2.2:

- a) Maturity;
- b) Date of issue;
- c) Maturity Day;
- d) Type of earning interest;
- e) Interest rate;
- f) Interest payment dates;
- g) Capital repayment;
- h) Face value
- i) Method of price setting.

5.2.6.1 The feature specified in sub-section k) of Section 5.2.2 need not be provided for debt securities.

5.2.6.2 The features specified in sub-sections d) -f) of Section 5.2.6 need not be provided for discount securities.

5.2.6.3 In the case of Annuity debt securities, in addition to those set out in Sections 5.2.2 and 5.2.6, the Trading List contains the development in time of the outstanding capital of that security.

5.2.7 The description of compensation notes is given in the Product List by specifying the following features in addition to those in Section 5.2.2;

- a) Initial face value of the security.
- b) Current face value of the security.
- c) In the case of compensation notes, the specification of the feature under 5.2.2. i) is not required.

5.2.8 First day of trading – maybe the Listing Date or any consecutive Exchange Day, taking into account the provisions laid down in Section 15.5.6.2.1.1.

5.2.9 When securities are listed:

- a) Features listed in sub-sections 5.2.2 g) -n) and in sub-section 5.2.6 i) maybe specified after Listing Date, but shall be given no later than the First Day of Trading.

5.2.10 Whenever securities are listed as set forth in Section 15.5.6.2.2:

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

5.2.10.1 The First Day of Trading may be determined later on under the Regulations on Listing and Continued Trading.

5.2.10.2 When securities are listed according to Section 15.5.6.2.2, the features listed in sub-sections 5.2.2 a) - f) of the Product List shall be specified and completed by:

- a) Sub-sections 5.2.3 b), and d) for equities;
- b) Sub-sections 5.2.3./A b)-d) for securities described in Section 5.2.3./A;
- c) Sub-sections 5.2.4 c) – f) for investment notes, and Sub-sections 5.2.4 c), d) and f) for investment notes issued on an investment fund of indefinite maturity;
- d) Features selected from Section 5.2.5 by the Exchange, for Structured Products;
- e) Section 5.2.6 for debt securities.

All other features of the given security series may be specified after Listing Date, but shall be given no later than the First Day of Trading, taking into account the provisions in Section 5.2.9.

5.2.11 Unless an Exchange Rule provides otherwise, the features of the Product List may be modified – in accordance with the Regulations on Listing and Continued Trading – after the First Day of Trading, except for those listed in sub-sections 5.2.2 f), g) and:

- a) Sub-sections 5.2.3 b) and c) for equities;
- b) Sub-section 5.2.4 d) for investment notes;
- c) Subsections 5.2.5 a) e) m) o) p) for Structured Products;
- d) Sub-section 5.2.6 b) for Debt Securities.

In case the Issuer of a Structured Product requested Residual Value Trading in the product, the feature defined in Subsection 5.2.5 l) may not be modified after the First Day of Trading.

5.2.12 The Product List, with the exception of securities affected by the provisions in Subsection 15.7, is specified and modified by a resolution issued by the Exchange. The Exchange may prescribe additional Product List features beyond those listed in Sections 5.2.2 to 5.2.7, or waive certain listed terms.

5.2.13 Unless an Exchange Rule provides otherwise, the decisions specifying or modifying the Product List shall be disclosed to the public at least one (1) Exchange Day before they take effect in line with the rules of the Regulations on Official Publications.

This provision does not apply to the following cases:

- a) Features set forth in sub-sections 5.2.2 i), l) and n) will be automatically specified in line with the provisions hereof on the First Day of Trading at the latest;
- b) Resolution on the modification of the features specified in sub-sections 5.2.5 j) k) shall be disclosed on the effective day of the resolution thereon at the latest.

5.3 Exchange products are delisted by removal from the Product List as provided in Sections 26 and 32.

5.4 General terms of listing securities on the Exchange

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 5.4.1 An application from listing may only seek to list a complete series of securities on the Exchange.
- 5.4.2 Terms regarding the securities series specified in the application for listing:
- a) The securities have been issued under Hungarian law or in the case of foreign securities under the law of the jurisdiction where the head office of the Issuer or the place of issue is located;
 - b) Unless otherwise regulated by a provision of law or an Exchange Rule, a base prospectus approved by the Supervision (or a competent authority of the member states of the European Union) including the relevant final terms or a valid prospectus regarding listing on the recognised market is available and its publication has been approved by the Supervision (or a competent authority of the member states of the European Union);
 - c) The series of securities is a negotiable series of securities.
- 5.4.3 Terms regarding an Issuer of securities:
An Issuer shall
- a) accept the Exchange Rules as binding upon itself;
 - b) accept and observe KELER Rules;
- 5.4.4 Unless the Regulations on Listing and Continued Trading provide otherwise, the documents and information specified for the particular series of securities in these Regulations on Listing and Continued Trading shall be attached to an application for listing.
- 5.4.5 The Deed of Foundation of an Issuer, or in the case of a Depository Receipt the Deed of Foundation of the Issuer of an Underlying Security (if the Underlying Security is an equity) may not contain provisions contrary to the terms hereof.
- 5.4.6 Issuers shall accept a Depository Receipt issued by KELER Zrt. in its capacity of a depository or with reference thereto as a certificate of title to the Issuer's securities.
- 5.4.7 Unless otherwise regulated by a provision of law or an Exchange Rule, Applicants shall submit to the Exchange and publish the Prospectus in due time as set out in Section 15.4.2.4 b), base prospectus and relevant final terms – as an appendix to their request for listing – as set out in Section 5.4.2. b) (hereinafter: Exchange Prospectus).
- 5.4.8 Applicants shall submit a declaration, as an appendix to their request for listing, in which they ensure that both they and their securities to be listed meet the requirements set forth in the relevant laws, especially in the Commission Delegated Regulation (EU) 2017/568.
- 5.5 General conditions for initiating trade in securities
Statements by KELER Zrt. and KELER KSZF Zrt. specifying that the security is accepted for account keeping and recording, as well as for exchange settlement (in case of securities generated abroad, for exchange settlement).

6 Listing Equities on the Exchange

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 6.1 In addition to the applicable provisions of Section 5 the following terms shall also be taken into account when equities are listed on the Exchange.
- 6.2 Equities may be listed – in principle – on the Equities Prime Market and Equities Standard Market, subject to the general requirements of each Market, with the exception that if an Issuer’s equity is listed on the T Market, the Issuer’s new securities series may be listed on the T Market.
- 6.3 Further listing requirements for Equities Prime Market
- 6.3.1 The value of security series to be listed may not be below HUF five billion (5,000,000,000) in terms of market value.
- 6.3.2 **Minimum Free Float**
At the time of listing the security series, the requirements for the minimum free float are:
- 6.3.2.1 A minimum of 25% of the securities in the series to be listed shall constitute the free float.
- 6.3.2.2 To meet the required Free Float minimum – in case the ration falls short of 25% - the market value of freely floating securities shall be at least HUF two (2) billion.
- 6.3.2.3 If the security series does not meet the requirements listed in sub section 6.3.2.1 and 6.3.2.2 than the security series shall be held by at least five hundred (500) investors with ownership evidenced at the time of listing.
- 6.3.2.4 The requirement related to the number of shareholders need not be examined for Issuers that apply for listing securities that are already listed at a regulated market and are found to pass the category tests performed using the trading data of that market.
- 6.3.3 The Issuer of the securities (taking its legal predecessor into consideration as well) shall have three full business years, certified by an auditor, with the exception that the Exchange may deviate from the condition set forth in this Section in cases deserving exceptional consideration, in particular, if a regulated real-estate investment company issuer’s real-estates were owned (in fee simple) by its affiliated companies for at least three years, with the condition that this deviation shall not be detrimental to the investors’ interests.
- 6.3.4 The Issuer shall make a Public Transaction that refers to the equity series to be listed. If at listing the Issuer fails to make a Public Transaction, it may request to postpone the Public Transaction and the Exchange shall decide the case in a resolution. In case of a postponement, the Public Transaction shall be made within a year of the Listing Date at the latest. If the Issuer fails to make the Public Transaction within the available time, the Exchange – acting at the recommendation of the Committee of Issuers of the Exchange – may decide to reclassify the equity series into Standard Market pursuant to Section 22.3.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 6.3.5 Only common shares may be admitted to the Equities Prime Market.
- 6.3.6 Issuers must prepare the Corporate Governance Report in accordance with the Corporate Governance Recommendations issued by the Exchange and disclose it in line with the Regulations on Official Publications prior to the Listing Date.
- 6.3.7 Security series of Issuers under bankruptcy protection may not be admitted to the Equities Prime Market.
- 6.3.8 By the Issuers, whose series of securities is already listed on one or more regulated markets the Exchange may dispense with criteria prescribed for Public Transactions in order to be assigned to Equities Premium.
- 6.4 Further listing requirements for Equities Standard Market
- 6.4.1 The Market Value of the securities series to be listed shall be at least 250 (two hundred and fifty) million HUF.
- 6.4.2 Minimal Free Float
The minimal requirements for free float – which shall be certified – at the time of the listing of the securities series:
- 6.4.2.1 The free float of the securities series to be listed shall be at least 10%.
- 6.4.2.2 If the free float is less than 10%, it is sufficient to be at least 100 (one hundred) million HUF of Market Value of the securities in Free Float in order to meet the minimal Free Float requirements.
- 6.4.2.3 If the securities series to be listed does not meet either condition set out in Sections 0 or 0, then it is sufficient that the securities series is held by at least 100 (one hundred) Holder.
- 6.4.2.4 In the case of Issuers for which the securities series applied for listing has already been listed on a regulated market, and the securities complies with their categorisation based on the trading data of the respective, the fulfilment of the requirements regarding the the Holders number shall not be examined.
- 6.4.3 The Issuer of the Securities (taking into account the legal predecessor) shall have at least one complete and audited business year with that the Exchange may deviate from the condition set forth in this Section in cases deserving exceptional consideration, in particular, if a regulated real-estate investment company issuer's real-estates were owned (in fee simple) by its affiliated companies for at least one year, with the condition that this deviation shall not be detrimental to the investors interests.
- 6.4.4 In order to list a securities series on the Equities Standard Market, the Issuer is not obliged to conclude a Public Transaction regarding the securities series to be listed.
- 6.5 Further listing requirements for Equities in Equities T Market

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

6.5.1 As a general rule, no listing may be made on the Equities T Market, however, Issuers have already been listed on the Equities T Market – if they do not request their reclassification under Section 22.2.1 or Section 22.2.2 – may remain listed on this Market for the full term of their continuous trading, and new securities series issued by Issuers listed on the Equities T Market may be listed on the T Market without further requirements other than under Section 5 have been defined for equities to be listed in Equities T Market.

6.6 Further requirements for listing securities that represent membership rights

6.6.1 Relating to the Exchange listing of securities representing membership rights (other than shares) the provisions set forth in Section 5 and in Section 6.3, 6.4 and 6.5 shall apply.

6.7 Assigning common share series issued by the same Issuer

6.7.1 Common share series issued by the same Issuer may jointly fulfill the requirements set out in Sections 6.3 and 6.4.

6.8 Assigning share series of different share types or share classes issued by the same Issuer

6.8.1 In case of share series of different share types or share classes issued by the same Issuer, the Exchange may decide on categorising the different share series in the same Market – taking into account the general characteristics and the rights embodied in them –, in which case, the share series of different share types or classes shall jointly comply with the conditions stipulated in Sections 6.3 and 6.4.

7 Listing Bonds on the Exchange

7.1 There are no extra requirements in addition to those set forth in Section 5 regarding the listing of bonds on the Exchange.

8 Listing Mortgage Bonds on the Exchange

8.1 There are no extra requirements in addition to those set forth in Section 5 regarding the listing of bonds on the Exchange.

9 Listing Investment Notes on the Exchange

9.1 The listing of investment notes shall be subject to the provisions set forth in Section 5.

10 Listing Debt Securities Issued by International Financial Organizations on the Exchange

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 10.1 There are no extra requirements in addition to those set forth in Section 5 regarding the listing of debt securities issued by international financial institutions on the Exchange.

11 Listing Government Bonds on the Exchange

- 11.1 Of the listing requirements set forth in Section 5.4, the listing of government bonds shall be subject to the terms set forth in Sections 5.4.1, 5.4.2, 5.4.3, 5.4.4, 5.4.6, and the provisions in Section 5.5.

12 Terms of Listing Compensation Notes

- 12.1 Of the listing terms specified in Section 5.4, compensation notes shall be subject to the application of the terms set forth in subsections 5.4.1, 5.4.2, 5.4.3, 5.4.4, 5.4.6, and the provisions in Section 5.5.
- 12.2 Compensation notes are listed as a series and any series that get listed after the initial series will not be differentiated in the course of trading.
- 12.3 In the case of compensation notes, statements from KELER Zrt. and KELER KSZF Zrt. are required, to the effect that the settlement of the exchange trading in the compensation note of the given series is ensured.

13 Listing Depository Receipts on the Exchange

- 13.1 For Depository Receipts to be listed, the following additional rules shall apply:
- 13.1.1 When Depository Receipts are listed, the series of securities to be listed shall be considered to comprise all the Depository Receipts issued by a Depository against the Underlying Securities.
- 13.1.2 When Depository Receipts are listed, the requirements governing the listing of the Underlying Securities shall apply.

14 Listing Structured Products on the Exchange

- 14.1 For the listing of Structured Products, the conclusion of a market maker agreement shall be required in addition to the listing requirements set forth in Section 5. The Exchange, at its discretion, may waive the requirement to conclude market maker agreement for certain Structured Products.
- 14.2 In case a barrier in accordance with Subsection 5.2.5 k) has been set at the listing of a Structured Product:
- a) the Issuer shall make the following irrevocable pledge: upon noticing that it had reached the barrier, it shall immediately request the Exchange to suspend and

delist the Structured Product concerned. An exception to that rule is if k) reaching the barrier pursuant to Subsection 5.2.5 does not bring about the termination of the Structured Product. At the listing of the product the Issuer shall also irrevocably undertake full responsibility for whatever damage occurs due to any delay in filing the above request in the period between reaching that barrier and the suspension of trade.

- b) in case Residual Value Trading in the product has been requested by the Issuer (in a statement made during or subsequent to the listing process), the Issuer shall guarantee that:
 - a. The product exists and is tradable after the barrier has been reached;
 - b. Settlement of the product is possible on the fifth Exchange Day from reaching the barrier;
 - c. It shall initiate Residual Value Trading after reaching the barrier in accordance with the relevant provisions of the Regulations;
 - d. It shall notify the Exchange and publish in accordance with the Regulations on Official Publications the Residual Value immediately after reaching the barrier (but no later than by 12:00 am on the second Exchange Day following the day of suspension due to reaching the barrier).

- 14.3 Should the type of the Underlying Product set forth in point 5.2.5 g) of the Structured Product be a commodity, the amount set forth in point 5.2.2 i) of the security listed on the Exchange shall not exceed the 2.500.000 (two million five hundred thousand) pieces neither during the listing process nor during the entire course of the continued trading.

15 The Listing Procedure

15.1 Securities are listed on the basis of an application submitted in writing by the Applicant.

15.2 The application and the attached declarations must be duly signed and submitted in original on specific forms provided by the Exchange. Other appendices must be attached in original or in plain copies. Documents written in languages not officially approved by the Supervision must be accompanied by authenticated translations into English or Hungarian.

15.3 Securities may be listed under:

- a) the general listing procedure;
- b) the simplified listing procedure, or
- c) a unique agreement.

15.4 The general listing procedure

15.4.1 The contents of the application for listing

15.4.2 Applications for listing shall be submitted with the following content and with Section 5.2.9 taken into account.

15.4.2.1 The application for listing shall contain the following data:

- a) The name of the Applicant;
- b) the Applicant's registered head office;
- c) the Applicant's mailing address, telephone number, facsimile number and e-mail address;
- d) the data specified in a)-c) must also be submitted in the case of the Issuer if the Applicant and the Issuer are not the same.
- e) As regards the security intended for listing:
 - description;
 - specification;
 - face value;
 - security code;
- f) description of any other regulated market(s) where the Applicant has listed its securities, or intends and has decided to list the securities;
- g) an application for listing securities representing membership rights, as well as Depository Receipts shall contain the category in which the Applicant wishes to have to securities quoted
- h) Ask for the first trading day;
- i) the language approved by the Supervision which the Applicant intends to use during the Listing Procedure;
- j) any other data the competent authority requires.

15.4.2.2 An application for listing shall contain the Issuer's following declarations:

- a) that the securities to be listed are Negotiable securities;

- b) whether or not the Issuer is aware of any contractor agreement that limits the freely negotiable nature of the series of securities, identifying any information available to that effect, and that;
- c) the Issuer accepts the Exchange Rules as binding upon itself;
- d) the Issuer accepts and observes the terms set forth in KELER Rules;
- e) the Issuer accepts Depository Receipts issued by KELER Zrt. in its capacity of a depository or with reference thereto as a certificate of title to the Issuer's securities;
- f) the listing of new securities will be initiated as required in the Regulations on Listing and Continued Trading if securities incorporating identical rights with securities on the Product List are issued as part of capital increase or a tap issue;
- g) which of the languages approved by the Supervision the Issuer intends to use to perform its obligation to provide information and to keep in contact with the Exchange during the continued trading of its securities;
- h) declaration of Issuers not under the scope of the CMA or the CISA on which EU member state's legal regulations they follow with regard to fulfilment of disclosure obligations, with short description of the pertaining obligations (submitted on data sheet(s) issued by the Exchange);
- i) in case a barrier as per Subsection 5.2.5 k) is set at the listing of a Structured Product, all declarations in accordance with Section 14.2, with the exception of cases when, reaching the barrier pursuant to Subsection 5.2.5 k) does not incur the termination of the Structured Product.

15.4.2.3 Other documents for inclusion in the application for listing:

- j) one copy of the Exchange Prospectus of the securities;
 - aa) by indicating the relevant bylaws and provisions of the Regulation supported by documents, the Applicant is obliged to justify its decision of not enclosing an Exchange Prospectus.
- b) a declaration that following the approval of the Exchange Prospectus, the Applicant does not consider it necessary to amend or supplement the data included in the Exchange Prospectus, nor is it in possession of any information with reference to which it should feel obliged to inform the Exchange regarding the listing procedure;
- c) in the case of an Issuer of a Depository Receipt – if the Underlying Securities are equities – the Deed of Foundation of the Issuer of the Underlying Security;
- d) the permission provided for by the Supervision (or the relevant authority of any of the European Union Member States) to publish the Prospectus prepared for the listing of the whole of the securities series on the regulated market, or a certificate of the existence of such a permission.
- e) if an investment firm is involved in the listing procedure, a joint statement by the Applicant and the investment firm that the investment firm acts on behalf of the Applicant during the listing procedure;
- f) a declaration naming the Issuer's investor relations officer (name, postal address, telephone number, e-mail address), responsible for maintaining contact with the Exchange and the investors during the listing procedure;
- g) if the Issuer and the Applicant of the securities to be listed are not the same, the name of the Applicant's investor relations officer, responsible for maintaining contact with the Exchange during the listing procedure;
- h) an application for listing investment notes shall contain the resolution of the Supervision which decides on the registration of the relevant investment fund;

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- i) based on Appendix 2, the Applicant shall submit the data in the Product List relevant to the securities to be listed;
- j) a power of attorney, if another authorized person acts on behalf of the Issuer or Applicant during the listing process.

15.4.2.4 Other requirements relating to the application for listing

- a) In line with the provisions of the Regulations on Official Publications, the Issuer shall disclose a statement on which language (or languages) approved by the Supervision it intends to use to perform its obligation to provide information during the continued trading of its securities.
- b) In line with the Regulations on Official Publications, the Applicant shall disclose the Exchange Prospectus, together with its supplement(s) or amendment(s) (if any) in the language approved by the Supervision at least two (2) Exchange Days before the start of trading on the Exchange.
- c) In line with the provisions of the Regulations on Official Publications, and using the language approved by the Supervision
 - the Issuer of the shares shall disclose the effective Deed of Foundation of the Issuer;
 - In the case of a Depository Receipt to be listed on the Exchange – if the Underlying Security is an equity – the Applicant shall disclose the Deed of Foundation of the Issuer of the Underlying Security;
- d) If an Issuer submitted the information specified in 15.4.3.2 a) and c) to the Exchange, it shall be obliged to disclose them in a language accepted by the Supervision in accordance with the Regulations on Official Publications at least one Exchange Day prior to the commencement of trading.
- e) The Issuer shall disclose the declaration and the data form(s) specified in Section 15.4.2.2 h) at least one Exchange Day prior to the commencement of trading.
- f) In case admission is sought to Equities Prime Market, the Issuer must disclose its report prescribed in Section 6.3.6 at least one Exchange Day prior to the commencement of trading.
- g) Deleted

15.4.3 Data, declarations, documents and information to be submitted for trading to start in listed securities

15.4.3.1 Taking into account the provisions in Section 5.2.9, the following shall be submitted before trading may start in listed securities:

- a) A description of the series of securities to be listed, additional information about the security to be listed:
 - a. number of securities by denomination;
 - b. serial number of the securities series;
 - c. total face value of the series;
 - d. data of issues and offerings before listing on the Exchange, which are not presented in the Exchange Prospectus;
- b) Method of producing the securities;
- c) In the event of a change in the Deed of Foundation in effect of the Issuer, or - in the case of a Depository Receipt – of the Issuer of an Underlying Security, a copy of the documents to justify the contents of the application for the registration of change (provided the Underlying Security is an equity);

- d) Statements by KELER Zrt. and KELER KSZF Zrt. specifying that the security is accepted for account keeping and recording, as well as for exchange settlement (in case of securities generated abroad, for exchange settlement);
- e) A declaration of the issuer shall be attached to the application for listing regarding any credit rating of the Issuer, the security to be listed or the eventual guarantor. The declaration shall contain the credit rating of the Issuer, of the security to be listed, or of the guarantor and the name of the rating agency.
- f) A declaration of the Issuer shall be attached to the application for listing on any market arrangements regarding the security to be listed. The declaration shall contain the following data of the market maker agreement, if there is any:
 - e. Name(s) of the market maker(s);
 - f. Settlement time of the market maker obligation within trading hours;
 - g. Price range;
 - h. Minimum offer obligation;
 - i. Time limit of the market maker obligation.

15.4.3.2 If the listing of a security was applied for in the Equities Prime Market or Standard Market, or an Issuer of an Equity listed on the T Market applies for listing a new securities series issued by this issuer, the Issuer shall provide the following data in addition to those in Section 15.4.3.1:

- a) Circle of owners
 - aa) Free float specifications of the Issuer of a Security representing membership rights and those of the Issuer of an Underlying Security (if the Underlying Security is an equity), number of owners, ownership structure along with a list as per the Register of Shares and description of shareholders with more than 5% interest in registered capital, with their percentage holdings by each class of shares identified, handled on a fact sheet determined by the Exchange Regulation;
 - ab) Free Float of the securities series, number of owners, ownership structure, with a list and description of shareholders with more than 5% interest in securities series, with their percentage holdings, handled on a fact sheet determined by the Exchange Regulation;
- b) With the exception of the Issuers, whose series of securities is already listed on one or more regulated markets, in the case of an application for the listing of a share, legal status record of the Issuer, not older than thirty days or a decision on the modification of the form of operation; court order on the conversion from private to public form of operation regarding Section 52 (2) of the Company Act, or the official copy of the company records with the fact of the modification of the form of the operation, not older than thirty days.
- c) In the case of an application for the listing of a share, name and address of the share registrar of the Issuer;
- d) If listing to the Equities Premium has been requested, the fact that a Public Transaction has taken place shall be proved by a declaration of the Issuer on that the Public Transaction complies with the conditions as defined by the Regulations on Listing and Continued Trading or a petition addressed to the Exchange requesting that it should dispense with a Public Transaction.
- e) In case admission is sought to Equities Prime Market, documents verifying the fulfilment of the listing conditions prescribed in Section 6.3.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- f) If listing to the Equities Standard Market has been requested, the documents that verify the fulfilment of the conditions as defined in Section 6.4.
- 15.5 Unless otherwise provided in the Regulations on Listing and Continued Trading, the rules of deciding on listing shall be as follows:
- 15.5.1 The Exchange may disclose the fact that an application for listing has been submitted.
- 15.5.2 The Exchange issues a decision on listing within thirty (30) days of receipt of an application that complies in full with the Regulations on Listing and Continued Trading by taking into account the following:
- 15.5.2.1 The time needed to submit missing documentation shall be added to the period allowed for evaluating an application for listing.
- 15.5.3 In the case of an ordinary listing procedure, the application for listing shall include the documents specified in Section 15.4.3, taking into account the provisions of Section 5.2.9. This does not apply to decisions on listing as defined in Section 15.5.6.2.2.
- 15.5.4 The Exchange examines whether or not submitted applications meet the listing requirements in ten (10) Exchange Days by considering the following:
- 15.5.4.1 If a document which should be integrated with the application – listed in Sections 15.4.2.2 and 15.4.2.3 – has not (or not completely) been submitted, the Exchange will instruct the Applicant to submit any missing documents, which the instruction shall specify item by item.
- 15.5.4.1.1 Applicants shall submit the missing documents within ten (10) Exchange Days of receipt of the related instruction.
- 15.5.4.2 After missing documents are received or upon the expiration of the deadline specified above, the Exchange makes a decision about the Application based on the documents available to it (with special regard to the approval, rejection of the application for listing, or the cancellation of the Listing Procedure).
- 15.5.5 When securities that represent membership rights or Depository Receipts are listed, their Exchange market is determined by taking into consideration the Issuer's request in the following way: if the listing was requested on the Equities Prime Market and the Supervision opens a market surveillance procedure - in connection with the Public Transaction - before the Exchange makes a decision determining the First Day of Trading, then the Exchange shall categorize the equity series concerned as Equities Standard Market.
- 15.5.6 The Exchange passes a decision on listing and the commencement of trading based on the examination of content of the application for listing.
- 15.5.6.1 The Exchange notifies the Applicant/Issuer and any investment firm(s) participating in the listing of the decision of the Exchange and publishes the decision in line with the provisions of the Regulations on Official Publications.

15.5.6.2 Approving an application for listing

- 15.5.6.2.1 The Exchange approves the application for listing only in the event that it complies with all the applicable requirements of the Regulations on Listing and Continued Trading. The Listing Date and the First Day of Trading are specified in a resolution.
- 15.5.6.2.1.1 No more than ninety (90) days may elapse between the Listing Date and the First Day of Trading. The earliest possible date for the First Day of Trading may be the first Exchange Day which follows the publication of the decision on listing in line with the provisions of the Regulations on Official Publications.
- 15.5.6.2.2 In the event that an Applicant cannot attach to its application the information and documents specified in Section 15.4.3, the Exchange may issue a decision on the listing of the affected series of securities by setting the Listing Date. The security series is added to the Product List according to the Section 5.2 based on the decision on listing, without the commencement of the trading, therefore First Day of Trading is not set.
- 15.5.6.2.2.1 A decision on listing shall identify all the requirements to be fulfilled before trading may start in the given series.
- 15.5.6.2.2.2 Once the requirements for the commencement of trading are fulfilled, the Exchange will set the First Day of Trading in a decision to be published in line with the provisions of the Regulations on Official Publications.
- 15.5.6.2.2.3 A maximum of ninety (90) days may be allowed for the fulfilment of the terms of the commencement of trading.
- 15.5.6.2.2.4 Upon a failure to fulfil the terms, the Exchange issues a decision to reject listing and delists the security by removing it from the Product List.
- 15.5.6.2.3 The security is added to the Product List in line with the provisions in Section 5.2 after the approval of the application for listing.

15.5.6.3 Suspending a listing procedure

- 15.5.6.3.1 In case a procedure to amend or supplement the Exchange Prospectus is initiated before the Supervision (or a competent authority of the Member States of the European Union) prior to the commencement of trading, the Exchange suspends the listing procedure until the amendment(s) or supplement(s) to the Exchange Prospectus is submitted to the Exchange.
- 15.5.6.3.2 The Exchange may – for good cause – suspend the listing procedure keeping in mind the interests of the investors.
- 15.5.6.3.3 The Exchange passes a decision on the suspension or the abandonment of the suspension.

15.5.6.3.4 In the event of suspension, the period of time allowed for the listing procedure is extended by the length of the suspension.

15.5.6.4 Rejecting an application for listing

15.5.6.4.1 An application for listing is rejected if

- a) it fails to comply with statutory requirements or with the Exchange Rules, or
- b) the Exchange reasonably assumes that listing the security jeopardizes fair and safe trading or is contrary to the interest of investors, or
- c) if the technical conditions for the trading or the settlement are not given;
- d) if the Supervision (or a competent authority of the Member States of the European Union) withdraws its permission to publish the Prospectus prepared for listing on the regulated market.

15.5.6.4.2 The Exchange shall attach an explanation to decisions containing a rejection.

15.5.6.5 The Exchange has the discretion to pass a decision on listing by deviating from the provisions hereof in unique cases deserving special consideration.

15.5.7 Special rules regarding the listing of shares issued by an Issuer who is a private company limited by shares at the time of submission of the application for listing:

15.5.7.1 For the listing of shares issued by an Issuer who is a private company limited by shares at the time of submission of the application for listing, Sections 15.4 – 15.5.6.5 above shall be applied with the deviations described in this Section 15.5.7.

15.5.7.2 Decision on the listing of shares issued by an Issuer who is a private company limited by shares at the time of submission of the application for listing, and the decision on the commencement of trading in these shares, – with the exception provided in Section 15.5.7.16 – happens in two separate procedures, by issuing two separate resolutions. In the first step, the Issuer who is a private company limited by shares may apply for the Exchange listing of its shares. Then, the Issuer may apply for the commencement of trading in its shares only after the resolution on Exchange listing has been issued, within 90 (ninety) days after the Listing Date, in a separate procedure, provided the Issuer complies with the additional requirements detailed below. In cases that deserve exceptional consideration, the Exchange may extend the 90 (ninety)-day deadline mentioned above.

15.5.7.3 If the securities to be listed are shares issued by an Issuer who is a private company limited by shares, the general meeting resolution on the modification of the Issuer's form of operation to public company limited by shares shall be attached to the application for listing, as well as the minutes of the general meeting passing this resolution. These minutes shall contain the fact that the above resolution was passed by the general meeting with at least a majority defined in the Civil Code.

15.5.7.4 The application for listing does not have to contain the request on the specification of the First Day of Trading, but it may contain the Applicant's request on the specification of the Listing Date.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 15.5.7.5 The application for the commencement of trading in the Issuer's shares shall contain the request on the specification of the First Day of Trading.
- 15.5.7.6 The application for listing of shares issued by an Issuer who is a private company limited by shares shall be treated in terms of evaluation deadlines and submission of missing documentation in accordance with general rules.
- 15.5.7.7 In justified cases, the Exchange may diverge from the Listing Date specified by the Applicant and set a different Listing Date for the securities.
- 15.5.7.8 Following the decision approving the listing of shares issued by an Issuer who is a private company limited by shares, the shares will be included in the Product List in accordance with Section 5.2, without Exchange trading to commence in the shares.
- 15.5.7.9 If the Issuer is a private company limited by shares at the time of submission of the application for listing, the legal status record of the Issuer certifying the modification of the Issuer's form of operation, not older than 30 (thirty) days, shall in all cases be attached to the application for the commencement of Exchange trading in the Issuer's shares. The request on the specification of the First Day of Trading shall also be included in the application. In addition, the Issuer shall have a Prospectus effective on the first Exchange Trading day – approved by the Supervision not earlier than 12 months – to commence the Exchange trading. If the prospectus is not effective on the first Exchange trading day specified by the Issuer, the Issuer shall attach an effective Prospectus to the application for the commencement of Exchange trading. In all other respects the conditions specified in Section 15.4.3 shall be met, and the documents listed thereof shall be attached to the application.
- 15.5.7.10 The Exchange shall evaluate the application for the commencement of Exchange trading in the Issuer's shares within 3 (three) Exchange Days after the submission of the application. If the application or any of its attachments was failed to be submitted or its content does not comply with the requirements of the Regulations on Listing and Continued Trading, the Exchange calls for the Applicant in writing to submit the missing documentation within 3 (three) Exchange Days after the receipt of the call. The Exchange's call shall specify item by item the missing information or documentation the Applicant should submit. In case the submission of missing documentation is necessary, the Exchange decides on the application for the commencement of Exchange trading in the Issuer's shares within 3 (three) Exchange Days after the receipt of the missing documentation, or within 3 (three) Exchange Days after the expiration of the deadline for submitting the missing documentation.
- 15.5.7.11 In the resolution approving the Exchange trading of the shares, the Exchange specifies the First Day of Trading and all Product List features that had not been defined in the resolution deciding on the Exchange listing of the shares. The earliest possible date for the First Day of Trading may be the first Exchange Day which follows the publication of the decision on commencement of Exchange trading in line with the provisions of the Regulations on Official Publications. Should the above condition not hold, or in other justified cases, the Exchange may diverge from the First Day of

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

Trading specified by the Applicant and set a different First Day of Trading for the shares.

15.5.7.12 The provisions of Section 15.5.6.2.1.1 regarding the maximum time interval between the Listing Date and the First Day of Trading shall not be applied in the case of shares issued by an Issuer who is a private company limited by shares at the time of submission of the application for listing.

15.5.7.13 Should the Applicant fail to submit the application for the commencement of Exchange trading in the shares of the Issuer who is a private company limited by shares at the time of submission of the application for listing by the deadline specified in Section 15.5.7.2 or by the extended deadline specified by the Exchange, or should the application fail to comply with the provisions of the Regulations on Listing and Continued Trading, the Exchange removes the share series from the Product List in accordance with Section 26.2.7, without specifying the First Day of Trading and any other Product List features that may be missing.

15.5.7.14 Listing as specified in Section 15.5.6.2.2 is not possible with respect to the shares of an Issuer who is a private company limited by shares at the time of submission of the application for listing.

15.5.7.15 Deleted

15.5.7.16 Instead of Section 15.5.7.2 – 15.5.7.14, general listing procedure set out in Sections 15.4 - 15.5.6.5 shall be applied, if an Issuer who is a private company limited by shares at the time of submission of the application for listing submits the court order on the conversion from private to public form of operation regarding Section 52 (2) of the Company Act, or the official copy of the company records containing the fact of the modification of the form of the operation, not older than thirty (30) days, upon and with the application for listing and commencement of trading. In this latter case, the Issuer shall submit the documents stipulated by Section 52 (3) of the Company Act immediately after the Listing Date and publish the court order regarding Section 52 (3) of the Company Act. in line with the rules of Regulations of Official Publications.

15.6 Simplified listing procedure

15.6.1 Simplified listing procedures will be applied for:

- a) bonds, investment notes, Structured Products, mortgage bonds and for additional series following the listing of an initial series issued in the framework of an issuing program;
- b) in the case of investment notes, additional series subsequent to the first series of investment notes under the same investment fund;
- c) securities of an Issuer granting identical rights to those on the Product List (identical series) or the securities not in the same series as the securities on the Product List but of the same type of securities – including securities that are transitionally differentiated – as part of:
 - j. capital increase, or
 - k. a supplementary issue (tap);
- d) the conversion of part of an existing series into one on the Product List;

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- e) mergers between two listed public companies or upon consolidation into an Issuer on the Exchange;
- f) additional series in case the Exchange has approved listing the first series of a serial issue.

The exchange listing relating to Subsections c), d) and e) above shall be completed by modifying the product list. This process shall be governed by the relevant regulations of Section 16, but the provisions of the present Section 15.6 shall be applied only if and only to the extent to which Section 16 refers to them.

15.6.2 Requirements of content in applications for simplified listing:

- a) the name of the Applicant;
- b) as regards the security intended for listing:
 - l. description;
 - m. specification;
 - n. face value;
 - o. security code
- c) in case the Applicant and the Issuer are not the same, the data specified in a) shall be submitted regarding the Issuer of the securities intended for listing;
- d) number of securities by denomination;
- e) serial number of the securities series;
- f) description of any other regulated market(s) where the Applicant has listed its securities, or intends and has decided to list the securities;
- g) ask for the first trading day;
- h) any other data the competent authority requires.

15.6.2.1 Applications for listing government securities shall contain the following data:

- a) the issue price;
- b) the interest (discount) and its method of calculation);
- c) date of maturity of the security and the redemption method;

15.6.2.1.1 Prior to listing on the Exchange, the Issuer of the government security shall notify the Exchange of the items specified in Sections 15.6.2 b) and 15.6.2.1 b), c) by delivering to the Exchange the documentation and the description of the structure of government securities on issue, according to laws regarding listing on regulated markets. The Issuer of government securities shall send notice of the items specified in Section 15.6.2 d) and 15.6.2.1 a) on the business day after the issue the latest.

15.6.2.2 Applications for listing compensation notes shall also contain the following data:

- a) the number of the Act (or decision) authorizing the issue;
- b) the method of production;
- c) two specimen copies of any non-dematerialized securities to be listed.

15.6.2.3 The Issuer's application for listing further securities after the initial issue under a bond or mortgage bond issuing program shall also contain the following data:

- a) the manner and date of issue;
- b) the size of the issue, and the total value of the securities of the same series issued in the framework of the issue program, at nominal value;

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- c) issue price, a description of allocation;
- d) specification of the interest on the bond.

15.6.2.4 In addition to those specified in Section 15.4.3.1, the declarations and documents listed in Sections 15.4.2.2 and 15.4.2.3 need only be provided if they have not already been submitted to the Exchange. Meeting the requirements under Section 15.4.2.4 is a pre-requisite for listing.

15.6.3 Rules of the decision on listing in a simplified procedure

15.6.3.1 If simplified listing procedures are applied, the decision on listing shall be made in line with the provisions in Section 15.5.

15.7 Listing procedure under a unique agreement. The rules of a unique agreement:

15.7.1 The Exchange may conclude a unique agreement with Issuers and may deviate from Exchange Rules by providing alternative

- a) listing and delisting rules, and
- b) fees for payment.

15.7.1.1 After concluding such an agreement, the Exchange announces in a decision the securities series listed under the scope of the agreement in line with the provisions of the Regulations on Official Publications.

15.7.1.2 Agreements shall provide the liability of the Issuer of the securities for announcing the offering of the securities by flotation on the Exchange to investors.

15.7.2 The Exchange announces any additional information required for exchange trading in line with the provisions of the Regulations on Official Publications.

15.7.3 The Exchange may conclude with the Issuer, after the listing procedure, in the course of the continued trading, a unique/individual agreement in line with Section 15.7.1 points a) and b), jointly or separately as well.

16 Modifying the Product List upon Request of the Issuer

16.1 The modification of the Product List for equities and for other securities representing membership rights

16.1.1 The Product List may be modified under Section 16.1 in the following cases:

- a) In the event the Issuer's authorized body passes a resolution on capital increase (or reduction) and in doing so resolves to increase (or reduce) the face value of securities already included in the Product List.
- b) In the event that the Issuer's authorized body passes a resolution on capital increase (or reduction) by issuing securities carrying the same rights as those already listed on the Exchange (of the same series) including securities that are transitionally differentiated (or withdraws securities already listed on the

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

Exchange), or decides on the conversion of securities already listed on the Exchange.

- c) In the event that the Issuer's authorized body passes a resolution on a face value change not affecting the total face value of a series (split or reverse split) or on modifying, splitting or replacing denomination units.
- d) In the event that the Issuer's authorized body passes any resolution which requires a modification of the Product List not defined above.

16.1.2 The Issuer shall request that the Exchange modify the Product List in the cases specified in Section 16.1.1 The request shall be subject to the following deadlines:

- a) In the cases specified in Subsections 16.1.1 b) and c) and , the Issuer shall be obliged to ensure that (with regard to the Exchange procedural deadlines and the procedures required for obtaining the documents for modifying the Product list) the Product list is modified accordingly in 90 (ninety) days following the receipt of the pertaining registration court decision, or in the case of securities issued abroad, 90 (ninety) days from getting cognisance of an equivalent legal act. If, due to the Issuer's negligence, the Product List modification is not completed by the deadline specified above, the CEO or the Board may apply the sanctions specified in Section 28 against the Issuer.
- b) In the case specified in Section 16.1.1 c), such change shall come into effect no earlier than the date specified in the KELER Rules. Only modified, split or new denominations may be traded on the Exchange starting from the date specified by the KELER Rules.
- c) In the case specified in Section 16.1.1 d), the Issuer shall request the modification of the Product List at least 10 (ten) Exchange Days following the day on which the circumstances giving rise to the change occur (or the day on which the change comes into effect). If, due to the Issuer's negligence, the request is not submitted by the deadline specified above, the CEO or the Board may apply the sanctions specified in Section 28 against the Issuer.

16.1.3 The application under 16.1.2 shall contain the following data and documents:

- a) number and date of the resolution (if any) by the Issuer's authorized body that results in a change in the Product List and exact definition of the Product List feature(s) to be amended;
- b) If the amount of registered capital has changed, the amount of capital increase (reduction);
- c) If the face value of the listed securities has changed: the extent, type and technical procedure for changing face value;
- d) If the listed securities are withdrawn or cancelled, a declaration (by the Issuer, the custodian or KELER Ltd., etc.) stating the withdrawal/cancellation;
- e) If the given Product List item is included in the companies register, the registration court decision registering the fact that gives rise to the Product List modification (for a foreign security, an equivalent verifying document);
- f) for securities with aggregate denomination, verification of the exchange of securities and of the cancellation of withdrawn securities;
- g) In the event of an increase in capital under 16.1.1 b), the data and documents specified in Sections 15.6.2 a), b), c), d), g), and h), in Sections 15.4.2.3 j), b), d), i), j) and in Sections 15.4.3.1 a), b) and d).

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 16.1.4 The formality requirements under 15.2 shall apply to the application under 16.1.2
- 16.1.5 Other requirements under 15.4.2.4 b) shall apply to the application under 16.1.2.
- 16.2 The modification of the Product List for securities not representing membership rights
- 16.2.1 If an Issuer's authorized body
- a) issues securities granting identical rights to those on the Product List (identical series), including securities that are transitionally differentiated, as a tap issue, or;
 - b) reduces the amount of securities already issued and listed on the Product List, or;
 - c) passes any resolution which requires a modification of the Product List,
- it shall be bound to request that the Exchange modify the Product List.
- 16.2.2 The Issuer shall be obliged to ensure that (with regard to the Exchange procedural deadlines and the procedures required for obtaining the documents for modifying the Product list) the Product List is modified accordingly in 90 (ninety) days following the Issue Date or the date the amount of securities was reduced (or the date of other change). Issuers of Structured Products shall request the modification of the Product List in 1 (one) Exchange Day of the change in the Product List features defined in Subsections 5.2.5 j) and k). If, due to the Issuer's negligence, the Product List modification is not completed by the deadline specified above, the CEO or the Board may apply the sanctions specified in Section 28 against the Issuer.
- 16.2.3 Applications under 16.2.1 shall contain the following data and documents:
- a) number and date of the resolution (if any) by the Issuer's authorized body that results in a change in the Product List and exact definition of the Product List feature(s) to be amended;
 - b) the manner and date of issue;
 - c) the size of the issue, and the total value of the securities of the same series issued in the given program, at nominal value;
 - d) the data and documents specified in Sections 15.6.2 a), b), d), e), g) and h), in Sections 15.4.2.3 j), b), d), h), i), j), and in Sections 15.4.3.1 a), b), d);
 - e) all declarations in accordance with Subsection 14.2 b), in case a Product List feature defined in Subsection 5.2.5 l) of a Structured Product is modified.
- 16.2.4 The formality requirements under 15.2 shall apply to the application under 16.2.1.
- 16.2.5 Other requirements under 15.4.2.4 b) shall apply to the application under 16.2.1.
- 16.3 Rules of the Decision on the Modification of the Product List upon Request of the Issuer
- 16.3.1 If Product List modification procedures are applied at the Issuer's request, the decision on the modification of the Product List shall be made in line with the provisions in Section 15.5.

**CHAPTER 2:
CONTINUED TRADING****17 General Issuer Obligations in Connection with Continued Trading****17.1 Relations with the Exchange and the investors**

17.1.1 Issuers shall send documents and notices by mail/courier delivery or as a facsimile or e-mail to the Exchange, unless otherwise provided in an Exchange Rule. In justified cases, the Exchange may require that certain documents or notices be sent to the Exchange in original copies or signed electronically. The Issuer shall continuously ensure their availability on the contacts they have specified. The Issuer shall publish any modification regarding the contacts on the Website with an immediate effect but not later than one (1) Exchange Day. The Issuer shall answer the emails of the Exchange – emails from bse.hu domains – within the period the Exchange set out or, failing this, not later than eight (8) Exchange Days, furthermore the Issuer shall receive the phone calls of the Exchange to the number they specified during the Exchange Days and shall also take care about the continuous receipt of the mails sent to their official postal address. If the Issuer could not perform the obligations set out in this Section due to reasons beyond their control, the Issuer could not be held liable until the exceptional circumstances are not ceased. Upon the request of the Exchange, the Issuer shall prove that the exceptional circumstances have occurred from reasons beyond their control.

17.1.2 Languages

17.1.2.1 In order to meet its obligations regarding regular, extraordinary and other announcements, the Issuer shall disclose information in accordance with the Regulations on Official Publications in at least one of the languages approved by the Supervision. In the event that the Issuer specifies more than one of the languages approved by the Supervision, it shall publish its announcements in all the languages specified.

17.1.2.2 Issuers listed on or reclassified to Equities Prime Market are required to select English as their (or one of their) reporting languages.

17.1.2.3 Modification of the language approved by the Supervision, chosen to meet the Issuer's obligation regarding keeping contact with the Exchange and providing information, can only be made in accordance with the provisions of the Regulations on Listing and Continued Trading.

17.1.3 The Issuer shall ensure that every investor receive the same substantial information necessary to form a judgement of the Issuer's present and expected future position, as well as of its securities listed on the regulated market.

17.1.4 Issuer shall develop and apply procedures that ensure the fulfilment of regular, extraordinary and other disclosure obligations in accordance with Exchange rules.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 17.1.5 Issuers shall invite the Exchange to its press conferences or discussions with the press at the time such are announced and shall deliver any materials released to the press simultaneously to the Exchange.
- 17.1.6 Issuers of equities shall invite the Exchange to participate in their General Meetings and shall give the floor to the representative of the Exchange at such meetings.
- 17.1.7 Issuers shall report to the Exchange any change in the person or representative responsible for exchange relations within one (1) Exchange days.
- 17.1.8 If an Issuer issues securities granting identical rights to those on the Product List as a tap issue or capital increase, or redeems/retires or otherwise reduces the amount of securities listed on the Exchange, it shall be obliged to request, in accordance with the Regulations on Listing and Continued Trading, the modification of the Product List according to Section 16, and the listing of the new securities in the series in the case of capital increase or tap issue.
- 17.1.9 Issuers of equities shall publish the final amount of dividend at least two (2) Exchange Days preceding the Ex-Coupon Day. The earliest Ex-Coupon Day may be the third Exchange Day following the General Meeting resolving on the amount of dividend.
- 17.1.10 Additional Requirements for the Issuers of Investment Notes:
- 17.1.10.1 In the event, there is a change in the person of the fund manager while its investment notes are offered on the Exchange, the new fund manager shall make the representations required under these Regulations on Listing and Continued Trading.
- 17.1.10.2 Volume data of investment notes – the actual number of investment notes – issued by open-end investment funds shall be submitted by fund managers for the last distribution day on which net asset value has been determined and which has also been an exchange trading day. The fund manager shall submit the volume data to the Exchange by 5:00 pm on the day when the net asset value was determined.
- 17.2 Issuers shall continue to abide by the following requirements all the time:
- 17.2.1 The provisions in Sections 5.4.2 c), 5.4.3, 5.4.5, 5.4.6 and 5.5. The issuer of the Structured Product is obliged to comply with the obligations under 14.1 (market maker contract) at all times during continued trading.
- 17.2.2 The issuer of equities, or, in the event of listing a Depository Receipt – if the Depository Receipt is a share –, the issuer of an underlying security shall take into account the provisions hereof in the case of eventual amendments, if any, to their Deed of Foundation.
- 17.2.3 If an issuer has control over another issuer on the Exchange, such issuer may neither initiate nor support any amendment to the Deed of Foundation of the controlled issuer that runs contrary to the rules of the Exchange.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 17.2.4 Unless otherwise provided in the Exchange Rules or by law, the Issuer shall abide by the disclosure obligations as soon as the decision on listing is published by the Exchange and until Delisting Date.
- 17.3 Issuer's disclosure liability
Issuers shall be liable for the damages arising from a failure to comply with the disclosure requirements under the provisions of this Regulation and the related laws.
- 17.4 Use of Registered Trademarks
- 17.4.1 With the exception of Issuers listed on the Equities T Market, the Exchange grants the license to equity issuers for the use of the figures (Figures) representing the BSE logos and the BSE word mark (trademark registration numbers: 219 616, 219 617, 219 663) - registered for the Exchange as trademark owner - as of the date of commencement of trading of the Issuer's equities on the Exchange. The Issuer may use the BSE logos and the BSE word mark only and exclusively as part of the Figures, this license does not cover the independent or any other form of use of the BSE logos and the BSE word mark.
- 17.4.2 The Issuer may solely use those English and Hungarian versions of the Figure which is respective to the market on which the equities issued by the Issuer are categorised under the Exchange Rules in effect at any given time ("Equities Prime" or "Equities Standard" categories). If the equities are reclassified to another category (Prime or Standard), the Issuer is entitled to use the Figures of the corresponding market after the entry into force of the Exchange resolution deciding on the reclassification.
- 17.4.3 The use of the Figures is permitted in the general business of the Issuer, in particular the Issuer may use the Figures in any means and manner of communication, correspondence, advertising with third parties, on its website, events and other display surfaces. The Exchange explicitly encourages frequent and diverse use of Figures.
- 17.4.4 The use of the Figures is free of charge for the Issuer.
- 17.4.5 The above license is not an exclusive right to use for the Issuer.
- 17.4.6 The Exchange represents and warrants that no third party has any the right regarding the of the Figures, the BSE word mark and the BSE logos that prevents or restricts the licensed use.
- 17.4.7 The Issuer may not assign this license to a third party.
- 17.4.8 The above license and right to use shall terminate if the equities issued by the Issuer are delisted, become invalid or reclassified to Equities T Market, on the date of the delisting, invalidity, or reclassification. The license and right to use shall also terminate, if the Exchange imposes decategorisation sanction on the Issuer, on the date of entry into force of the decision of the Exchange. With the cessation of the decategorisation sanction, the issuer has the right to use the trademarks again.
- 17.4.9 The above license authorizes the Issuer only the right to use the Figures as described above, the issuer is not obliged to use them and may abandon the use at any time without justification, or start to use them again at any time within the above limits.

18 Regular Disclosure

18.1 Financial reports and other regular reporting obligations

18.1.1 Issuers under the scope of the CMA and the CISA shall disclose their financial reports and other regular reporting obligations in line with the Regulations on Official Publications, in accordance with the relevant provisions of the CMA, the CISA and other pertaining laws by the deadline prescribed therein.

18.1.2 Issuers not under the scope of the CMA and the CISA shall disclose their financial reports and other regular reporting obligations in line with the Regulations on Official Publications, in accordance with the pertaining laws of the home member state defined in Directive 2004/109EC of the European Parliament and of the Council by the deadline prescribed therein.

18.2 Corporate Governance Report

Issuers of equities falling within the scope of the Civil Code shall publish in accordance with the Regulations on Official Publications the Corporate Governance Report consistent with the "Corporate Governance Recommendations" issued by the Exchange along with the publication of their annual report. In accordance with Section 6.3, Issuers seeking admission to Equities Prime Market must disclose their Corporate Governance Report prior to listing in accordance with the provisions contained in Section 15.4.2.4 f).

18.3 Corporate action timetable

Issuers with security series in Equities Prime Market shall disclose a corporate action timetable by January 1 of each year (or by the first day of their financial year in case it is not January 1st) containing at least the following dates:

- a) the disclosure date of the annual report;
- b) the date of the press conference at which the annual report is presented;
- c) the date of the annual general meeting;
- d) the disclosure date of the quarterly/half-yearly financial reports;
- e) the disclosure date of preliminary financial results if applicable.

In case specific dates are not available at the beginning of the financial year, the calendar weeks on which the event is expected to occur must be given as a minimum. The timetable must be amended as soon as the specific date is set.

18.4 Data provision obligations

In addition to the disclosure obligations specified in Sections 18.1 and 18.2 above, Issuers shall provide information to the Exchange in the following subjects:

- a) shareholder structure, voting rights, treasury shares;
- b) management, strategic employees;
- c) selected financial data.

Information under this Section must be submitted on data sheets issued by the Exchange. The Exchange is entitled to publish such information on its website or disclose it in other manners.

18.5 Other provisions

Issuers, whose series of securities is already listed on one or more regulated markets may apply that/those other market(s) provisions concerned to satisfy requirements set out in Sections 18.2 and 18.3.

19 Extraordinary Reporting Requirement

- 19.1 Issuers under the scope of the CMA and the CISA shall fulfil their disclosure obligations regarding extraordinary reporting in accordance with the relevant provisions of the CMA and the CISA and other pertaining laws, and disclose the reports in accordance with the Regulations on Official Publications.
- 19.2 Issuers not under the scope of the CMA and the CISA shall fulfil their disclosure obligations regarding extraordinary reporting in accordance with the pertaining laws of the home member state defined in Directive 2004/109EC of the European Parliament and of the Council, and disclose the reports in accordance with the Regulations on Official Publications.
- 19.3 deleted
- 19.4 In addition to the obligation set forth in Section 19.2, Issuers of Structured Products shall disclose, in accordance with the Regulations on Official Publications, the following information:
- a) Notification of the Court of Registration on the completion of the winding up procedure.
 - b) In the case of a liquidation procedure initiated against the Issuer, the day of the publication of the final decision on the liquidation of the Issuer in the Company Gazette.
 - c) Any change in credit rating.
 - d) Any decision, transaction in connection with a change in the registered capital and the registration of the change by the Court of Registration.
 - e) A change in the method of calculating yield; or for an interest-bearing Structured Product the method of calculating interest and the interest rate for variable rate Structured Products;
 - f) The data of the market maker contract listed in sub-section 15.4.3.1 f), and any changes therein;
 - g) Any change of the Underlying Product due to a corporate event if the change affects the price of the Structured Product;
 - h) Change in the product list features specified in sub-sections 5.2.5 j) and k);
 - i) Any decision by the issuer resulting in the termination of the Structured Product;
 - j) The exact amount of the Residual Value, in case Residual Value Trading has been requested for the product. The Issuer must publish the exact amount of Residual Value immediately after reaching the barrier defined in Subsection 5.2.5 k) (but no later than by 12:00 am on the second Exchange Day following the day of suspension due to reaching the barrier).
- 19.5 The Issuer shall disclose inside information as soon as possible in accordance with MAR.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

20 Other Reporting Requirements

20.1 deleted

20.1.1 deleted

20.2 An Issuer of equities, and, if the underlying security is an equity, an Issuer of an underlying security, shall publish all written proposals available at the convening of the General Meeting and the subsequently completed written proposals in the time required by law, in accordance with the Regulations on Official Publications;

20.3 An Issuer of equities, or in the case of a Depository Receipt an Issuer of an underlying security – if the underlying security is an equity – shall publish in line with the provisions of the Regulations on Official Publications within one (1) Exchange Day its Deed of Foundation upon any amendment thereto after receipt of the court order verifying registration and shall ensure that the delivered copy is a complete version with all amendments inserted.

20.4 Issuers shall report to the Exchange and publish in line with the provisions of the Regulations on Official Publications any change in the person or the contact information of the officer or representative responsible for investor relations within one (1) Exchange Day.

20.5 deleted

20.6 In the event that an Issuer, in connection with the public offering and the listing, Delisting or Translisting of its securities on a regulated market makes regular or extraordinary disclosures of information or data, such Issuer shall simultaneously publish such information in the language approved by the Supervision, identical to the language used in its previous announcements, in line with the provisions of the Regulations on Official Publications.

20.7 In the event that an Issuer wishes to modify the language chosen regarding its obligation to provide information on continued trading, such Issuer shall publish this information in line with the provisions of the Regulations on Official Publications at least thirty (30) days prior to the change.

20.8 deleted

20.9 deleted

20.10 deleted

20.11 deleted

20.12 deleted

20.13 In the case of government securities, ÁKK Zrt. shall report to the Exchange any change in the terms of the security concerned, with special regard to the terms of issue, as well

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

as any significant circumstances that have a direct influence on their secondary market, at the latest by 10:00 a.m. on the next working day and to publish it in line with the provisions of the Regulations on Official Publications.

20.14 deleted

20.15 deleted

20.16 Issuers of equity series in the Equities Prime Market shall notify the Exchange within one (1) Exchange Day upon their filing for bankruptcy and upon receipt of the bankruptcy order of the court.

21 Rules of Disclosure and Publication

21.1 Rules of disclosing regulated information specified by laws or Exchange Regulations for Issuers

21.1.1 Disclosure specified by laws or Exchange Regulations for Issuers of the regulated information in manners not specified in the Regulations on Official Publications may not precede the publication thereof in accordance with the Regulations on Official Publications, unless the disclosure is not possible for technical or other unavoidable reasons as specified in the Regulations on Official Publications.

21.2 Rules of disclosing other reports

21.2.1 Issuers shall use their best effort to ensure that third party publication of information covered by other reporting obligations is simultaneous with the publication thereof in accordance with the Regulations on Official Publications.

21.2.2 Disclosure obligation specified in Section 20.2 is governed by the disclosure rules set forth in Section 21.1.

21.3 An intermediary procured by an Issuer in its effort to perform the disclosure obligations under the law or the regulation of any exchange relevant to the Issuer shall not qualify as a third party for the purposes of this Section 21.

21.4 Disclosure obligations of Issuers of Underlying Securities

21.4.1 As regards this chapter, unless provided otherwise by an Exchange Rule, disclosure obligations of Issuers apply to Issuers of Underlying Securities as well.

21.4.2 In the event that the obligations specified in this section to provide information concerning Underlying Securities are fulfilled, the Issuer of a security representing membership rights issued on the Underlying Security is under no obligation to provide information.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

22 Review of Classification and Reclassifying Equities on the Exchange, Decategorisation

22.1 The Exchange is responsible for deciding on the reclassification or decategorisation of equities.

22.2 Cases of reclassification upon request by the Issuer

22.2.1 Reclassification from Equities T or Standard Market to Equities Prime Market upon request by the Issuer

22.2.1.1 Issuers may request the reclassification of their equities from Equities T or Standard Market to Equities Prime Market. Reclassification shall be subject to the fulfilment of the provisions set forth in Section 2 of Annex 3 during two complete revision cycles prior to the submission of the request for reclassification.

22.2.1.2 For the reclassification, Issuers shall submit to the Exchange and disclose in accordance with the Regulations on Official Publications the following information:

a) If the period that has elapsed since listing the Issuer's series of securities is shorter than three (3) years, an analysis of the financial and business position of the Issuer covering the three business years shall be attached unless the analysis is included in the Exchange Prospectus. The Exchange may deviate from the condition set forth in this Section in cases deserving exceptional consideration, in particular, if a regulated real-estate investment company issuer's real-estates were owned (in fee simple) by its affiliated companies for at least three years, with the condition that this deviation shall not be detrimental to the investors' interests.

a) The Issuer shall submit information on its ownership structure, a statement on the number of shareholders, as well as the size of the free float at Market Value.

22.2.1.3 Another precondition for the reclassification of equities from Equities T Market or Equities Standard Market to Equities Prime Market shall be the execution of a Public Transaction with reference to the equity series that is requested to be reclassified, with the exception, if the Issuer has previously certified the execution of the Public Transaction to the Exchange. The Issuer shall declare that the transaction, which is the ground for the reclassification, is in accordance with the conditions set out in Regulations on Listing and Continued Trading. The Public Transaction requirement may be waived by the Exchange based on the recommendation of the Committee of Issuers.

22.2.1.4 Equity series of Issuers under bankruptcy procedure may not be reclassified to the Equities Prime Market. Issuers shall notify the Exchange within one (1) Exchange Day upon their filing for bankruptcy and upon receipt of the bankruptcy order of the court.

22.2.1.5 Equity series of Issuers having overdue payments towards the Exchange may not be reclassified to the Equities Prime Market.

22.2.2 Reclassification from Equities T Market to Equities Standard Market at the Issuer's request

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 22.2.2.1 The Issuer may request the reclassification of its equities from Equities T Market to Equities Standard Market. For the reclassification, the terms and conditions set out in Section 3 of Annex 3 shall be met for two complete revision cycles prior to the submission of the request for reclassification.
- 22.2.3 In case of reclassification into a higher category pursuant to Sections 22.2.1 and 22.2.2 above, the date of reclassification shall be the first Exchange Day from the day of the publication of the Exchange's resolution approving reclassification.
- 22.2.4 Reclassification at the Issuer's request from Equities Prime Market to Equities Standard Market
- 22.2.4.1 Issuers may request the reclassification of their equities from Equities Prime Market to Equities Standard Market. If that occurs, at least thirty (30) days shall pass between the date of the Exchange's affirmative decision on reclassification and the earliest possible date of reclassification.
- 22.2.5 Issuers may not apply for reclassification of their equities from any of the higher categories to Equities T Market.
- 22.2.6 In the case of reclassification proceedings that start on the basis of a request, the Exchange shall make a decision and make it publicly available in compliance with the Regulations on Official Publications within 30 (thirty) days of receiving the request.
- 22.3 Reclassification of equities from Equities Prime Market to Equities Standard Market in the absence of a Public Transaction
- 22.3.1 If in the case of a postponement defined in Section 6.3.4 an Issuer fails to carry out a Public Transaction that refers to the equity series to be listed within the set time limit, the Exchange may – acting at the recommendation of the Committee of Issuers of the Exchange – decide to reclassify the equity series concerned into the Equities Standard Market. In such a case the date of reclassification may only fall beyond 30 (thirty) days after the Exchange's resolution on reclassification.
- 22.3.2 The resolution shall be passed 13 (thirteen) months within the Listing Date and it shall be made public in compliance with the Regulations on Official Publications.
- 22.4 A review of the classification of equity series in Equities Prime and Standard Markets
- 22.4.1 The Exchange will perform a review as set forth in Annex 3 hereto of the classification of equity series in Equities Prime and Standard Markets twice a year within thirty (30) days of the last day of the respective period. The periods subjected to the review last between March 1st and August 31st and between September 1st and February 28th or 29th.
- 22.4.2 Newly listed equity series shall be first subjected to the review conducted regarding the series of equities after the first complete period spent in Equities Prime or Standard Markets.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 22.4.3 The Exchange shall publish the result of its reclassification reviews in line with the provisions of the Regulations on Official Publications within 30 (thirty) days of the period under review and shall give direct written notification thereof to the Issuers affected in case of a category change.
- 22.4.4 If a particular series of securities is listed in the relevant, Equities Prime or Standard Market, for less than 2 years and fails to fulfil the terms hereof during two consecutive review cycles, or a particular series of securities is listed in the relevant, Equities Prime or Standard Market, for more than 2 years and fails to fulfil the terms hereof during three consecutive review cycles, the Exchange will automatically reclassify the series into that Equities Market of which conditions the given equities series in compliance with and will at the same time make arrangements to set the date when reclassification takes effect. At least thirty (30) days shall pass between such effective date and the date of a decision to that effect. If an Issuer issued multiple ordinary equity series, the Exchange will review the different ordinary equity series jointly regarding compliance with the terms and conditions of the Regulations on Listing and Continued Trading. In case of share series of different share types or share classes issued by the same Issuer, the Exchange may decide on reviewing the different share series jointly – taking into account the general characteristics and the rights embodied in them – whether they comply with the conditions set out in the Regulations for Listing, Continued Trading and Disclosure.
- 22.4.5 Issuers may not request reclassification within 1 (one) year from the date of the resolution on reclassification from Equities Prime Market to Equities Standard or T Market or from Equities Standard Market to Equities T Market.
- 22.5 Rules included in this Section 22 are also applicable in connection with securities representing membership rights in the event that the Underlying Security is an equity.
- 22.6 Reclassification of equity series in Equities Prime Market in case of bankruptcy
- 22.6.1 Issuers of equity series in Equities Prime Market shall notify the Exchange within one (1) Exchange Day upon their filing for bankruptcy. The Exchange resolves on the reclassification of the equity series to Equities Standard Market on the day following the receipt of such notification.
- 22.6.2 The Exchange shall disclose the resolution regarding the reclassification in accordance with the Regulations on Official Publications and notify the affected Issuer thereon.
- 22.6.3 The date of reclassification must fall beyond 15 (fifteen) days after the Exchange's resolution on reclassification.
- 22.6.4 Issuers may not request the reclassification of their equity series within one (1) year of the date of the resolution on the reclassification from Equities Prime Market to Equities Standard Market.
- 22.7 Reclassification of equity series in Equities Prime or Standard Market due to the application of sanctions

- 22.7.1 Equity series may also be reclassified from Equities Prime Market to Equities Standard Market, or from Equity Standard Market to Equity T Market as a result of applying a sanction in accordance with Section 28.4.3, along the procedural rules specified therein.
- 22.8 Decategorisation of equity series in Equities Prime, Equities Standard or Equities T Market due to the application of sanctions
- 22.8.1 Equity series in Equities Prime, Equities Standard or Equities T Market may be decategorised (i.e. removed from the category system) as a result of applying a sanction in accordance with Section 28.4.4, along the procedural rules specified therein.
- 22.9 Assigning common share series issued by the same Issuer to market
- 22.9.1 Common share series issued by the same Issuer may jointly fulfill the requirements of this Section 22.
- 22.9.2 Common share series issued by the same Issuer shall not be assigned to different categories.
- 22.10 Assigning share series of different share types or share classes listed by the same Issuer
- 22.10.1 In case of share series of different share types or share classes listed by the same Issuer, the Exchange may decide on categorising the different share series in the same Market – taking into account the general characteristics and the rights embodied in them –, in which case, the share series of different share types or classes shall jointly comply with the conditions stipulated in Section 22.
- 22.10.2

23 Suspension of Trading on the Exchange

- 23.1 The Exchange Products shall continuously meet the criteria of the decent, transparent and fair trading.
- 23.2 The Exchange may suspend the trading in an Exchange Product, if it does not meet the requirements set out in the Exchange Rules, unless such suspension would seriously jeopardise the interests of the investors or the orderly operation of the market. The provisions of the relevant laws apply to the process of the Exchange on the suspension of the trading or on the removal of the suspension of the trading.
- 23.3 The Exchange may suspend trading in a particular security in the following cases:
- a) in the cases set forth in point 23.2, or
 - b) in the cases specified under law, or
 - c) if an Underlying Product or Underlying Security is suspended, however or, in the case of a Structured Product, the Issuer shall be obliged to require the suspension of the trading in the Structured Product in the abovementioned cases, or

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- d) By request of the Structured Product Issuer, if the price of the Underlying Product reaches the barrier specified in Section 5.2.5 k).
- 23.4 If the reason for suspension ceases to exist, or the Supervision requests the restoration of the trading during the suspension, the Exchange restores the trading.
- 23.5 The CEO or the Board of Directors as a second instance authority issues a decision or resolution on the suspension of the trading provided by the Exchange or restoration of the trading unless otherwise provided under law.
- 23.6 The time of suspension and of restoring trade shall be specified in the related decision or resolution in a manner to prevent putting Exchange trading and settlement at risk and to make sure that such a measure matches the recognizable interests of the parties while the previous aspect is also taken into account.
- 23.7 Issuers are obliged to pay the fees vis-a-vis the period of suspension of trading in their securities.
- 23.8 If reaching the barrier referred to in Subsection 5.2.5 k) brings about the termination of the Structured Product, the issuer of the Structured Product is obliged to request the suspension of trading in and delisting of the Structured Product from the Exchange without delay via e-mail, facsimile or telephone (with the condition, that any request made on telephone by the Issuer shall be subsequently confirmed via e-mail or fax) as soon as it becomes aware of reaching the barrier referred to in Subsection 5.2.5 k).
- 23.8.1 Based on this request, the Exchange shall take immediate steps to suspend the trading of the Structured Product. The Exchange shall not be held liable for transactions occurring between the event specified in Section 23.3 d) and the suspension, except if it is proven that the Exchange has not complied with the Exchange Regulation and has failed to exercise due care with regard to the suspension.
- 23.8.2 In case Residual Value Trading has been requested for the product by the Issuer, the Exchange shall resume trading at the request of the Issuer after the notification and disclosure obligations set in Subsections 14.2 d) and 19.4 j) are fulfilled by the Issuer by the prescribed deadline.
- 23.8.3 In case the notification and disclosure obligations set in Subsections 14.2 d) and 19.4 j) are not fulfilled by the Issuer by the prescribed deadline, the Exchange shall not ensure Residual Value Trading for the product. In this event, liability for all legal consequences arising from the lack of Residual Value Trading shall be borne by the Issuer.
- 24 Rules of Publication and Announcements: deleted**
- 25 The Notification Obligation of the Issuer of Underlying Securities: deleted**

**CHAPTER 3:
DELISTING SECURITIES**

26 Delisting a Security

26.1 General principles

26.1.1 The Exchange may delist the Exchange Product that does not meet the requirements of the Exchange Rules, unless such delisting would seriously jeopardise the interests of the investors or the orderly operation of the market. The provisions of the relevant laws apply to the delisting process of the Exchange. Delisting a security involves removal from the Product List.

26.1.2 In the case of Sections 26.1.6 a), m) and p) delisting takes place without a decision by the Exchange.

26.1.3 Unless otherwise provided herein:

a) Whenever securities get delisted, the Last Day of Trading in the security shall be determined. The period between the Last Day of Trading and Delisting Date may not be less than the settlement cycle provided in KELER Rules. This provision shall not apply in case the delisting of a Structured Product is requested on the ground of reaching the barrier set in Subsection 5.2.5 k).

b) The length of the period between the date of publishing as required in the Regulations on Official Publications the decision by the Exchange on removal from the Product List and the Last Day of Trading shall be at least one (1) full Exchange day. The Exchange, at its discretion, may waive the application of this provision based on reasonable grounds.

26.1.3.1 For the purposes of this Chapter 3, periods elapsing between two dates shall be calculated net of the two relevant dates determined by the pertaining provision.

26.1.4 The Board may pass decisions on having a security delisted in a manner that deviates from the rules set forth in Chapter 3 in issues that deserve exceptional consideration. This provision may not be applied in case the deviation conflicts with statutory provisions.

26.1.5 No claim for compensation of whatsoever form shall be made against the Exchange on the grounds of delisting of a security from the Product List.

26.1.6 A series of securities will get removed from the Product List in the cases and among the conditions set forth below in this section:

a) when securities issued for a specific term reach maturity;

b) if the Issuer verifies the repurchase, recall, redemption or the fulfillment of the conditions of the withdrawal of a complete series of fixed term securities before maturity;

c) upon conversion of a series of securities if the rights associated with the series are modified, at the request of the Issuer;

- d) if the Issuer winds up or is liquidated with or without legal successor, except in the case provided herein;
- e) in case of equity series as set forth in Section 26.2;
- f) when delisting is applied as a sanction as set forth in Section 28.4.5;
- g) At the Issuer's request, when the Underlying Product of a Structured Product ceases to exist; or if the Issuer verifies the repurchase of a complete series before maturity and applies for delisting;
- h) for Structured Products, in the occurrence of the termination cases defined in the final terms; at the request of the Issuer;
- i) for Structured Products, at the Issuer's request, on the ground of reaching the barrier set in Subsection 5.2.5 k);
- j) when the Underlying Product of a Depository Receipt ceases to exist, at the request of the Issuer;
- k) upon noncompliance with a decision on listing referred in Section 15.5.6.2.2;
- l) when the settlement of the exchange transactions in the given security is not ensured and the settlement is not ensured until the expiry of the suspension of the given security;
- m) the temporary differentiation of the security is terminated;
- n) in the case of investment notes issued by open-end investment funds, upon the final termination of continuous issue, based on the notification by the fund manager or the depository describing the circumstances of the termination of continuous issue;
- o) in the case of investment notes issued by open-end investment funds, if it is requested by the fund manager, on the date specified in the request, except if listing on the regulated market is mandatory by law;
- p) if the Supervision provides the removal of the shares concerned from the Product List;
- q) upon the adoption of the court order regarding Section 52 (6) of the Company Act.

26.1.6.1 In case the Issuer resolves to wind up in accordance with the Civil Code or its Domestic Law (when there is no successor company), it shall request the Exchange to remove its securities series from the Product List within 3 (three) Exchange Days of the commencement date of the wind up procedure.

26.1.6.2 In case a liquidation procedure (or an equivalent legal procedure in accordance with its Domestic Law) is initiated against the Issuer (when there is no successor company), it shall request the Exchange to remove its securities series from the Product List within 3 (three) Exchange Days of the commencement date of the liquidation procedure.

26.1.6.3 Upon the adoption of the court order regarding Section 52 (6) of the Company Act, the Issuer shall request the Exchange to remove its securities series from the Product List within 3 (three) Exchange Days from the reception of the court order.

26.1.7 Taking into account the provisions in 26.1.3 a), the Last Day of Trading shall be determined as follows:

- a) when fixed term securities reach maturity, it will be the day set by KELER Zrt.;
- b) upon conversion of a series of securities, it shall be the day specified by KELER Zrt.;
- c) when the term specified in the document of incorporation of an Issuer expires or when some other condition of termination materializes, it will be the Exchange Day that precedes wind-up or termination date by the number of days as there are in the settlement cycle specified in the applicable KELER Rules plus one day;
- d) after the transformation of an Issuer in any form whenever exchange trading in the series of securities of the Issuer affected by the transformation is ensured, it will be the date of the swap set in the decision on transformation;
- e) when an Underlying Product ceases to exist, it will be the third Exchange Day after receipt by the Exchange of the Issuer's Request for Delisting;
- f) in the case described in sub-section 26.1.6 i), the Last Day of Trading shall be
 - a) the day of receiving the request as specified in sub-section 23.8, in case Residual Value Trading has not been requested by the Issuer for the product;
 - b) the second Exchange day following the day of receiving the request as specified in sub-section 23.8, in case Residual Value Trading has been requested by the Issuer for the product.In case of Residual Value Trading in fixed term Structured Products, the Last Trading Day may not be later than the day set forward in sub-section 26.1.7 a).
- g) upon repurchase, recall, redemption or withdrawal by the Issuer of a series of fixed term securities before maturity or the repurchase, recall, redemption or withdrawal of a Structured Product, the day following the Exchange's receipt of the notification on the closing of the repurchase, recall, redemption or withdrawal, or if the conditions of the withdrawal occurs, the day specified by the Issuer in the request for delisting according to the withdrawal procedure.

26.1.7.1 The Exchange has the power to determine the Last Day of Trading in a case by case decision in the instances not specified in this section.

26.1.8 The Delisting Date shall be determined, contrary to the provisions in Section 26.1.3, according to the following:

- a) in the case of open-end investment funds, the day following the receipt of the notification in Section 26.1.6 n) by the Exchange.
- b) in the case described in sub-section 26.1.6 i), the Delisting Date shall be the Last Trading Day as set forward in sub-section 26.1.7 f) b).
- c) In case of Translisting, the Delisting Date shall be the Translisting Day assigned by the Issuer with regard to Section 26.2.2.1.2.
- d) In case of Delisting, the Delisting Date shall be the Delisting Date assigned by the Issuer with regard to Section 26.2.3.1.2.
- e) In case of Automatic Delisting the day determined in KELER Rules.
- f) In the case of wind up or liquidation of the Issuer (with or without legal successor) the day determined by the Exchange, which, in case of equity Delisting, may not be later than the invalidation day of the equity series.
- g) In case of the adoption of the court order regarding Section 52 (6) of the Company Act, the day following the decision by the Exchange on delisting.

26.1.9 Repealed

26.2 Delisting of equity series

26.2.1 Cases of equity Delisting:

- a) Translisting;
- b) Delisting;
- c) Extraordinary procedure;
- d) Automatic Delisting of equity series;
- e) Delisting of equity series in case of the wind up or liquidation (with or without legal succession) or the adoption of the court order regarding Section 52 (6) of the Company Act
- f) Delisting due to the non-compliance with conditions necessary for the commencement of trading, defined in the decision on listing.

26.2.2 Translisting of equity series

26.2.2.1 Equity series listed on the Product List shall be Translisted based on the notification of the Issuer.

26.2.2.1.1 Documentation necessary for Translisting (content of notification):

- a) Notification of the Issuer regarding the Translisting of its equity series containing data of the securities (name and ISIN code) and the planned day of Translisting (Translisting Day);
- b) Resolution of the Issuer on Translising in compliance with the pertaining legal regulations;
- c) Contact details of the regulated market on which the equity series are traded;
- d) Declaration of the Issuer stating that no Delisting, Translisting (or any other equivalent procedure) is underway on the regulated market specified in Section 26.2.2.1.1 c).

26.2.2.1.2 In case a minimum of 7 (Seven) Exchange Days do not elapse between the receipt of the Issuer's notification by the Exchange and the Translisting Day assigned by the Issuer, the Exchange calls on the Issuer to assign a new Translisting Day.

26.2.2.2 Execution of Translisting

26.2.2.2.1 No more than 5 (Five) Exchange Days may elapse between the receipt of the notification sent by the Issuer and the issuance of the Exchange resolution regarding the Translisting.

26.2.2.2.2 Upon receipt of the Translisting notification, the Exchange immediately verifies through the website of the European Securities and Markets Authority (ESMA) or other official list of regulated markets and securities listed thereon whether the equity series to be Translisted are in fact traded on another regulated market.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

26.2.2.2.3 In case the notification submitted by the Issuer complies with Article 63 (3) of the CMA, the Exchange executes the Translisting in accordance with the pertaining provisions of the CMA.

26.2.3 Delisting of equity series

26.2.3.1 Equity series listed on the Product List shall be Delisted based on the notification of the Issuer.

26.2.3.1.1 Documentation necessary for Delisting

- a) Notification of the Issuer regarding the Delisting of its equity series containing data of the securities (name and ISIN code) and the planned day of Delisting (Delisting Date);
- b) Resolution of the Issuer on Translisting in compliance with the pertaining legal regulations.

26.2.3.1.2 The Delisting Date may not be earlier than the 61st (Sixty first) Exchange Day from the submission of the notification. In case the Issuer assigns an earlier Delisting Date, the Exchange shall call on the Issuer to assign another Delisting Date in compliance with the pertaining provisions of law, and shall not execute the Delisting as long as a proper Delisting Date is assigned by the Issuer in accordance with the pertaining provisions of law.

26.2.3.2 Execution of Delisting

26.2.3.2.1 The Exchange resolves on the execution of Delisting within 5 (Five) Exchange Days of the submission of the Delisting notification.

26.2.3.2.2 In case it can be ascertained from the documentation that all conditions contained in Article 63 (3) of the CMA are fulfilled, the Exchange resolves on the Last Day of Trading and the Delisting Date and removes the equity series from the Product List.

26.2.3.2.3 In case it cannot be ascertained from the documentation that all conditions contained in Article 63 (3) of the CMA are fulfilled, the Exchange notifies the Issuer in a resolution of such fact and does not execute the Delisting as long as the appropriate documentation is not received.

26.2.4 Delisting a security upon request (extraordinary procedure)

26.2.4.1 In the event that all the shares of a listed public company are acquired by a single shareholder, the Exchange issues a resolution to have the equity series delisted within three (3) Exchange Days upon receipt in full of the related Request for Delisting and the Shareholder Certification.

26.2.5 Automatic Delisting

26.2.5.1 The Exchange removes the equity series without specific Request for Delisting if investor(s) making a Public Bid has/have taken steps to exercise its/their call option to

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

acquire the remaining portion of shares as specified in the regulation in force concerning the acquisition of control in public companies.

26.2.5.1.1 The Exchange issues a resolution to have the share series removed from the Product List as of the Day following the day specified in the notice of KELER Zrt.

26.2.6 Delisting of equity series in case of the wind up or liquidation (with or without legal succession) and upon the adoption of the court order regarding Section 52 (6) of the Company Act

26.2.6.1 In case of wind up or liquidation (with or without legal succession) of equity Issuers, and upon the adoption of the court order regarding Section 52 (6) of the Company Act, the provisions contained in Sections 26.1.6.1, 26.1.6.2 and 26.1.6.3 shall be adequately applied.

26.2.6.2 In case the Issuer of equities resolves to transform into, merge or demerge with another company (when there is a successor company) in accordance with the Civil Code or the Issuer's Domestic Law, the Issuer shall request the delisting of the equity series within 10 (Ten) Exchange Days of the final decision of the Issuer's authorized body resulting in the transformation of the Issuer, complying with the pertaining provisions of law.

26.2.6.3 The Exchange decides on the requests specified in Section 26.2.6 by way of resolution. The Last Day of Trading and the Delisting Date are set in accordance with Sections 26.1.7 and 26.1.8.

26.2.6.4 In case the Issuer fails to submit a Request for Delisting specified in Section 26.2.6, the Exchange resolves on the delisting and – at his discretion – may impose sanctions on the Issuer in accordance with the provisions of Section 28.

26.2.7 Delisting of equity series due to non-compliance with conditions necessary for the commencement of trading

26.2.7.1 Should, following the Exchange's decision approving the Exchange listing, the Issuer fail to submit the documents specified in Section 15.4.3 necessary for the commencement of trading by the deadline specified in Section 15.5.7.2 (or by the extended deadline specified by the Exchange), and thus no First Day of Trading will be specified and the shares will not be introduced into Exchange trading, the Exchange decides on the delisting of the equity series.

26.2.7.2 In case the Exchange rejects the application for the commencement of trading, and thus no First Day of Trading will be specified and the shares will not be introduced into Exchange trading, the Exchange decides on the delisting of the equity series.

26.2.7.3 The Exchange specifies the Delisting Date in a resolution. As in this case trading in the equity series has not commenced, no Last Day of Trading is specified.

26.2.8 Suspension of the Translisting or Delisting process

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 26.2.8.1 The Exchange may suspend the Translisting or Delisting procedure only in case it comes to his attention that the execution of the underlying corporate resolution on Translisting or Delisting was suspended by a final and binding ruling of the court. The suspension shall be terminated and the procedure shall continue if it comes to the attention of the Exchange that the suspension of the execution of the underlying corporate resolution on Translisting or Delisting was terminated by a final and binding ruling of the court. The Issuer shall immediately notify the Exchange on the circumstances determined in this Section, and shall be liable for the lack or any delay of such notification.
- 26.2.8.2 The Exchange decides on the suspension and the termination thereof by way of resolution.
- 26.2.8.3 The deadline set for the Translisting and Delisting process is extended by the length of suspension period.
- 26.2.9 The resolution of the Exchange on the removal of the share series from the Product List must be sent to the Issuer and disclosed in accordance with the Regulations on Official Publications.

**CHAPTER 4:
OTHER PROVISIONS**

27 The "T" Segment: deleted

28 Sanctions Applied by the Exchange

28.1 In the event of non-compliance with or delays in the performance of the obligations set forth herein, the Exchange, or the Board – according to Section 4 – may impose sanctions on the Issuer by way of a decision containing an explanation.

28.2 In the event of a violation hereof the following sanctions may be applied.

- a) warning,
- b) pecuniary fine,
- c) reclassification of the Issuer's equity series from Equities Prime Market to Equities Standard Market, or from Equities Standard Market to Equities T Market,
- d) decategorisation of the Issuer's securities from Equities Prime, Equities Standard or Equities T Market,
- e) delisting the Issuer's securities.

28.3 When sanctions are imposed, a graduated approach shall be applied for determining which individual sanction and to what amount shall be applied. Accordingly, a more severe sanction is usually applied if the Issuer received a less severe sanction earlier thereof. When sanctions are applied, the severity of the violation (e.g. the size of the disadvantage inflicted upon other market participants by and the reason for the violation, etc.), the frequency of violations by the Issuer and the moral and property damages suffered by the Exchange and Issuers shall be taken into account when determining the type and the degree of the sanction to be imposed. The Exchange may deviate from the graduated approach, in particularly justified cases, especially in order to protect the interests of the investors. Therefore, the Exchange may impose more or less severe sanctions than it is specified under the Regulations for Listing, Continued Trading and Disclosure. When imposing sanctions, the Exchange takes into account the sanctions that the Supervision has already imposed for the same infringement. The Exchange is not obliged to impose sanction if the Supervision has already imposed sanction for the same infringement. If there is a suspicion that the Issuer is infringing the laws, the Exchange shall notify the Supervision without undue delay.

28.3.1 If the Exchange considers the application of a sanction to be necessary, the Exchange shall notify the Issuer in advance, which shall include the brief summary of the facts, the Exchange Rules establishing the application of the sanction, the notification on the possibility of application of the sanction without indicating the type and the extent of the planned sanction, furthermore a request to the Issuer for determine the cause of the infringement specified by Exchange. The Exchange shall send the notice to the email address of the contact person provided by the Issuer.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 28.3.2 The Issuer may make observations within 5 (Five) Exchange Days of the sending of the e-mail to determine the cause of the infringement specified by Exchange, or to comment on the application of the sanction.
- 28.3.3 The notifications described above shall be sent solely by e-mail, and they will not be sent to the recipient by post. The provisions of Section 17.1.1 shall also apply mutatis mutandis to these notices, provided that the Exchange is entitled to apply a sanction even if the Issuer's reply does not arrive within the deadline specified in Section 28.3.2 above, but if the Issuer was not able to comment on the notice sent by the Exchange within a timely manner for reasons beyond its control, the Exchange examines the Issuer's comments after the obstacle has been ceased and, if necessary, may modify the sanction applied. At the request of the Exchange, the Issuer shall prove that the obstacle has occurred for reasons beyond its control. The Exchange shall be entitled to impose a sanction on the Issuer if it has improperly referred to the existence of an obstacle.
- 28.3.4 After considering all circumstances of the case, in particularly justified cases, the Exchange may, at the Issuer's request, grant the Issuer the opportunity to explicate its position regarding the planned sanction at a personal meeting, but the Exchange shall not be required to provide such opportunity.
- 28.3.5 If the Issuer eliminates the reasons for the sanction and certifies that fact to the Exchange within the deadline specified in Section 28.3.1, the CEO or the Board of Directors may take this fact into account when applying the sanction.
- 28.3.6 The CEO and the Board of Directors shall be entitled, prior to imposing a sanction, to disapply the Issuer's notification pursuant to Section 28.3.1 and to decide on applying a sanction without prior notice in a justified and urgent case, in particular, in order to protect the interests of the investors. In this case, the Issuer also has the right to appeal under Section 29.
- 28.4 Individual sanctions
- 28.4.1 Warning
- 28.4.1.1 The Exchange may issue a warning to an Issuer upon a minor violation of an Exchange Rule or in case an Issuer fails to meet its obligation to effect payment of a fee or a penalty by the deadline set in the instruction to pay.
- 28.4.1.2 Warnings shall include a reminder of the applicability of more severe sanctions in the future.
- 28.4.1.3 The Exchange publishes the fact of the warning by publishing the related decision as required in the Regulations on Official Publications.
- 28.4.2 Pecuniary fine
- 28.4.2.1 The Exchange may impose a pecuniary fine on Issuers for a breach of a material Exchange Rule or the failure to perform the obligations set forth in an Exchange Rule

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

despite a warning to do so within two years from the date of the resolution of the warning. The Exchange may refrain from imposing a pecuniary fine and applies a warning in particular if:

- a) the infringement of the Exchange Rule does not cause significant detriment of interests;
- b) the infringement of the Exchange Rule has been ceased in a time that it is not capable to cause detriment of interests anymore and a significant detriment of interests was not caused;
- c) the infringement of the Exchange Rule affects only a lower range of investors and market participants.

28.4.2.2 A penalty of HUF 100,000 to HUF 5,000,000 may be imposed.

28.4.2.3 Penalties shall be paid to the account of the Exchange within eight (8) days of the decision containing the penalty taking final force and effect. Overdue penalty payments shall be subject to payment by the issuer of default interest according to pertaining rules of the Civil Code.

28.4.2.4 The Exchange publishes decision containing the instruction to pay the pecuniary fine as required in the Regulations on Official Publications.

28.4.3 Reclassification of the Issuer's equities series from Equities Prime Market to Equities Standard Market, or from Equities Standard Market to Equities T Market

28.4.3.1 The Exchange has the power to reclassify an Issuer's securities from Equities Prime Market to Equities Standard Market or from Equities Standard Market to Equities T Market upon material breach of Regulations or obligations if the decategorisation of the Issuer's securities is not justified evaluating all circumstances. The Exchange may reclassify the securities of an Issuer particularly if the Issuer has an outstanding balance with the Exchange greater than 500.000,- HUF (five hundred thousand Hungarian Forints) and this debt is undisputed and became overdue more than 60 days ago.

28.4.3.2 The Exchange shall disclose the resolution regarding the reclassification in accordance with the Regulations on Official Publications and notify the affected Issuer thereon.

28.4.3.3 The Exchange determines the effective date of the reclassification, which cannot be earlier than the third (3rd) Exchange Day following the date of the resolution.

28.4.3.4 Issuers may not request the reclassification of their equity series to Equity Premium or Standard Market within one (1) year of the date of the resolution on the reclassification from Equities Prime Market to Equities Standard Market, or from Equities Standard Market to Equities T Market.

28.4.4 Decategorisation of the Issuer's securities from Equities Prime, Equities Standard or Equities T Market

28.4.4.1 The Exchange has the power to decategorise an Issuer's securities from Equities Prime, Equities Standard or Equities T Market (i.e. remove them from the category

system) upon material breach of the Regulations or obligations. The decategorisation may be applied according to the graduated approach if the Issuer has been already sanctioned with pecuniary fine in the last 2 years prior to its breach of Regulations or obligations. The decategorisation may be imposed in particularly justified cases—especially due to the protection of the investors’ interests – even if the Issuer has not been sanctioned with pecuniary fine before. The Exchange imposes decategorisation sanction on the Issuer in particular if:

- a) the Issuer does not fulfil its disclosure obligation within 60 days after the deadline specified in a legally binding decision by the Supervision or Court;
- b) the Issuer has an outstanding balance with the Exchange greater than 1.000.000,- HUF (one million Hungarian Forints) and this debt is undisputed and became overdue more than 60 days ago.

28.4.4.2 The Exchange determines the effective date of the decategorisation, which cannot be earlier than the fifth (5th) Exchange Day following the date of the resolution on the decategorisation.

28.4.4.3 The minimum length of the decategorisation is six (6) months starting from the effective date of the decategorisation.

28.4.4.4 Within eight (8) Exchange Days preceding the end of the decategorisation period the Exchange investigates whether the Issuer complies with the conditions specified in Section 28.4.4.5, and the Exchange decides via a resolution either on the termination or on the extension of the decategorisation.

28.4.4.5 The decategorisation of the Issuer’s securities may be terminated after the decategorisation period has elapsed in case all of the conditions listed below are met by the Issuer:

- a) during the decategorisation period the Issuer has eliminated all violations of regulations or obligations triggering the decategorisation sanction;
- b) neither the Exchange nor the Supervision has applied any further sanctions against the Issuer due to violations of regulations or obligations during the decategorisation period;
- c) the Issuer has no overdue payments towards the Exchange.

In case the Issuer meets all of the above conditions, the Exchange terminates the decategorisation of the Issuer’s securities via a resolution, and reclassifies equity series belonging to Equities T or Equities Standard Market prior to the decategorisation to their category prior to the decategorisation. The Exchange reclassifies equity series belonging to the Equities Prime Market prior to the decategorisation to Equities Standard Market. In this case, the securities may be reclassified from Equities Standard Market to Equities Prime Market only if they meet all conditions specified in Section 22.2.1.

28.4.4.6 The Exchange determines the effective date of the termination of the decategorisation and the simultaneous reclassification of the securities, which cannot be earlier than the second (2nd) Exchange Day following the date of the resolution on the termination of the decategorisation.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

28.4.4.7 In case the Exchange, within eight (8) Exchange Days preceding the end of the decategorisation period, concludes that the Issuer fails to comply with the conditions specified in Section 28.4.4.5, the Exchange may extend the decategorisation by an additional period of six (6) months. The extension of the decategorisation may be ordained any number of times.

28.4.4.8 In the resolution deciding on the decategorisation, the Exchange also ordains the modification of the trading model applied during the trading of the Issuer's securities from "Continuous trading with auctions Trading Model" to "Auctions Trading Model" in accordance with the provisions of the Code of Trading, to become effective simultaneously with the decategorisation.

28.4.4.9 In the resolution deciding on the termination of the decategorisation, the Exchange also ordains the modification of the trading model applied during the trading of the Issuer's securities from "Auctions Trading Model" to "Continuous trading with auctions Trading Model" in accordance with the provisions of the Code of Trading, to become effective simultaneously with the termination of the decategorisation.

28.4.5 Delisting an Issuer's securities

28.4.5.1 The Board has the power to remove an Issuer's securities from the Product List upon particularly material or recurring breach of Regulations or obligations. The delisting may be imposed in accordance with the graduated approach if the Issuer has been already sanctioned with decategorisation in the last year prior to its breach of Regulations or obligations. The delisting may be imposed in particularly justified cases – especially due to the protection of the investors' interests – even if the Issuer has not been sanctioned with decategorisation before.

28.4.5.2 The Board may delist the Issuer's series of securities related to the default or all the securities of the Issuer and shall in doing so take into consideration the provisions hereof in particular if:

- a) decategorisation sanction was imposed on the Issuer and within two years after applying the first decategorisation the Issuer was sanctioned by decategorisation again (including the extension of decategorisation) and imposing decategorisation would be justified for the third time;
- b) the Issuer has an outstanding balance with the Exchange greater than 3.000.000,- HUF (three million Hungarian Forints) and this debt is undisputed and became overdue more than 60 days ago.

28.4.5.3 A period of at least ninety (90) days shall pass between the publication of the decision by the Board on delisting and the day at which delisting actually occurs.

29 Legal Remedy

29.1 Case by case decisions of the CEO may be appealed by the party affected by a decision in a petition to the Board of Directors. The Board of Directors may in its capacity of second instance authority review the decisions of the CEO. No redress within the Exchange organization is possible against decisions by the Board of Directors.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 29.2 Reasoning of decisions fully approving the applications may be omitted. Decisions partly or fully rejecting applications and official decisions made at the Exchange's own initiative must be reasoned. Decisions shall be published in line with the provisions in Exchange Rules and shall be delivered to the party entitled to appeal them in a manner enabling the accurate identification of the date of receipt.
- 29.3 A party entitled to appeal a decision may do so within fifteen (15) days after receipt of a decision in an appeal addressed to the Board of Directors but to be submitted to the CEO.
- 29.4 Any failure to meet the deadline for appeal shall be deemed to constitute deprivation of the right to appeal without the right to file for postponement after certification of incapacity and the appeal may not be pursued in merit. The CEO rejects overdue appeals.
- 29.5 The Board of Directors shall review appealed decisions at its next meeting.
- 29.6 Reversing the decision of the CEO requires a simple majority of the votes by Board directors present at the Meeting of the Board of Directors.
- 29.7 First and second instance decisions take final force and effect on the day following the last day of the deadline for appealing, if no appeal is filed, and on the day after the decision is delivered or communicated, respectively.
- 29.8 Except for first instance decisions imposing a pecuniary fine, all decisions are immediately enforceable and an appeal shall not delay the enforceability of the decision.
- 29.9 A final decision imposing a pecuniary fine is enforceable.

**PART III: RULES OF LISTING AND DELISTING EXCHANGE PRODUCT
ELIGIBLE FOR QUOTING IN THE DERIVATIVES SECTION**

**CHAPTER 1:
REQUIREMENTS OF LISTING DERIVATIVE PRODUCTS ON THE EXCHANGE,
THE RULES OF PROCEDURE FOR EXCHANGE LISTING**

30 General Principles of Listing Derivative Products

30.1 A new Derivative Product is listed by addition to the Product List.

30.1.1 A new Instrument of a Contract shall be one that belongs to a listed Contract and has a period before maturity that has not been open for trading under the Contract yet.

30.1.2 A new Strike of and Options Contract shall be one that becomes tradable only once the number of Strikes in the given Contract is increased.

30.2 Product List

30.2.1 The Product List contains a description of each futures, options and Spread Products.

30.2.2 The Product List contains a description of each futures and options Product as follows:

30.2.2.1 The Product List specifies the following terms in the description of each futures and options product – excluding futures and options products with a one week maturity:

- a) Underlying Product;
- b) Contract name;
- c) Contract size;
- d) Method of price setting;
- e) Tick;
- f) Tick value;
- g) Maturity months;
- h) Opening date;
- i) Closing date;
- j) Maturity Date;
- k) unless otherwise provided herein, the method of calculating Settlement Price at Maturity;
- l) Method of Delivery;
- m) Daily Clearing Spread
- n) Ticker symbol
- o) Trading hours
- p) Trading Unit
- q) First Day of Trading

30.2.2.2 The Product List specifies the following terms in the description of each futures and options product with a one week maturity:

- a) Underlying Product;
- b) Contract name;

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- c) Contract size;
- d) Method of Price Setting;
- e) Tick;
- f) Tick value;
- g) Maturity week;
- h) Opening Day;
- i) Closing Day;
- j) Maturity Date;
- k) unless otherwise provided in the Regulations on Listing and Continued Trading, the method of calculating the Settlement Price at Maturity;
- l) Method of delivery;
- m) Daily Maximum Price Spread;
- n) Ticker symbol;
- o) Trading hours;
- p) Trading Unit;
- q) First Day of Trading.

30.2.3 In addition to specifying the items listed in sections 30.2.2.1 and 30.2.2.2, the Product List contains the following additional parameters for futures Contracts:

- a) Clearing Spread

30.2.4 In addition to specifying the items listed in Section 30.2.2.1 and 30.2.2.2, the Product List contains the following additional parameters for Options Contracts

- a) Option Class
- b) Number of Strikes;
- c) Tick Between Option Series;
- d) Method of Exercise.

30.2.4.1 The Contract name of and Options Contract shall also include reference to Option Type.

30.2.5 The Product List specifies the following terms in the description of Spread products:

- a) Spread Product name;
- b) Spread Product size;
- c) Method of price setting;
- d) Tick;
- e) Tick value;
- f) Spread Months;
- g) Opening Date;
- h) Closing Date;
- i) Trading Unit;
- j) First Day of Trading.

30.2.6 Unless otherwise provided herein, the First Day of Trading shall be the Listing Date or any Exchange Day thereafter.

30.2.7 The Exchange decides by resolution on specifying and modifying the Product List.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 30.2.8 Except for the sections listed below, the terms of the Product List may be modified in line with the provisions hereof:
- a) sub-sections 30.2.2.1 a) and q);
 - b) sub-sections 30.2.2.2 a) and q).
- 30.2.9 Except for the terms set forth in sections 30.2.2.1 e) f) and n), 30.2.2.2 e) f) and n) and in 30.2.5 the terms of the Product List may only be modified upon prior approval by KELER Zrt.
- 30.2.10 Unless otherwise provided in an Exchange Rule, decisions concerning the specification and modification of the Product List shall be published in line with the provisions of the Regulations on Official Publications at least two (2) days before being entered into force. This provision shall not apply to the subsections of 30.2.2.1 m), 30.2.2.2 m) and 30.2.3 a), where the measures may take effect before the decision containing them is published.
- 30.3 Conditions of listing Derivative Products
- 30.3.1 Listing and adding new Derivative Products to the Product List shall be subject to the following terms:
- a) The Derivative Product corresponds to a Contract of the types defined in Section 2.4.1.3;
 - b) The technical conditions of trading in Derivative Products exist;
 - c) Settlement of transactions in Derivative Products is ensured;
 - d) More than half of the Minimum Number of Exchange Members in the Derivatives Section specified in the Regulations on Exchange Membership has the right to trade in the particular Derivative Product as of the First Day of Trading.
- 30.3.2 Additional rules for listing a new Instrument
- 30.3.2.1 When a new Instrument is listed, the description of the Contract in the Product List will only be modified in terms of sub-sections 30.2.2.1 g) and h), 30.2.2.2 g) and h), and as far as the terms of the Instrument specified in sub-section 30.2.2.1 q) and 30.2.2.2 q) is concerned.
- 30.3.3 Additional rules for listing a new Options Series
- 30.3.3.1 When a new Strike is listed, the description of the options Contract in the Product List will only be modified in terms of sub-section 30.2.4 b), and as far as the terms of the Strike specified in sub-sections 30.2.2.1 q) and 30.2.2.2 q) is concerned.
- 31 Opening Derivative Products**
- 31.1 Each Derivative Product will open automatically on the First Day of Trading.
- 31.2 Additional rules for opening a new Instrument:

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 31.2.1 The Instruments in the Product List will open automatically on the First Day of Trading in a new Contract
- 31.2.2 The Instruments of a Contract will open automatically on Opening Date.
- 31.3 Additional rules for opening Strikes:
- 31.3.1 The Strikes of open Instruments will open automatically on the First Day of Trading in a new options Contract.
- 31.3.2 The Strikes of the Instrument will open automatically on the First Day of Trading in a new options Instrument.
- 31.3.3 The Strikes of open options Instruments will open as follows:
- a) In the event the Option Series with the Strike Price identical to the Closing Price or the Settlement Price of the Underlying Product of the Option Series rounded to the Tick between Options Series is not open, the particular Options Series will open on the next Exchange Day.
 - b) Options Series in addition to those opened in line with section 31.3.3 a) will be opened as set forth in the Product List, unless they are already open.
 - c) No Option Series with a different Strike Price may open.
- 31.4 Additional rules for opening Spread Products
- 31.4.1 On the Opening Day specified in the Product List Spread Products will be opened automatically.
- 31.4.2 Spread Products may not be listed during trading hours on a trading day.

32 General Principles of Delisting Derivative Products

- 32.1 The Exchange may delist the Derivative Product that does not meet the requirements of the Exchange Rules, unless such delisting would seriously jeopardise the interests of the investors or the orderly operation of the market. The Exchange also delists the Derivative Product which is based on or connected to a delisted Exchange Product. The provisions of the relevant laws apply to the delisting process of the Exchange. Derivative Products are delisted by removal from the Product List.
- 32.2 Unless otherwise provided in the Regulation:
- a) The Exchange decides by resolution on delisting Exchange Products and removing them from the Product List.
 - b) When the Delisting Date of an Exchange Product is set, the Last Day of Trading in the Product shall also be specified. The period between the Last Day of Trading and Delisting Date shall correspond as a minimum to the number of days in the settlement cycle provided in KELER Rules.
 - c) The length of the period between the date of publishing, as required in the Regulations on Official Publications, the decision on delisting from the Product List and the Last Day of Trading shall be at least two (2) days.

32.3 Derivative Products are delisted if:

- a) The Underlying Product ceases to exist or becomes non-negotiable;
- b) A corporate action specified in the Code of Trading materializes and triggers the delisting of a Derivative Product from the Product List;
- c) The Exchange issued a decision to that effect;
- d) The number of traders fails to reach the minimum set forth in section 30.3.1 d) for more than three (3) months;
- e) The settlement of the Product is not ensured;
- f) The technical conditions for trading in the particular Derivative Product are not given;
- g) The Derivatives Section ceases to exist;
- h) The Supervision provides the delisting of the Derivative Product.

32.3.1 Except for the cases in subsections 32.3 c) and d), whenever a Derivative Product is delisted, the Last day of Trading shall be set in line with Exchange Rules, failing which the later Day of Trading of the particular event occurring and the delivery of information thereof to the Exchange shall be taken as the Last Day of Trading.

32.3.2 In the event that there is an Open Interest in an Instrument or Option Series on the Last day of Trading, such Open Interest shall be managed in line with KELER Rules.

32.3.3 Special rules to govern the cases of delisting specified in sub-sections 32.3 c) and d):

32.3.3.1 Only Contracts with Instruments showing no open interest on the day the decision on delisting is published may get delisted. In addition, the delisting of an Options Contract from the Product List shall also be subject to no open interest in any of the Strikes of any of its Instruments on the day the decision on delisting is published.

32.3.3.2 Only Instruments showing no open interest on the day the decision on delisting is published may get delisted. In addition, the delisting of an Instrument of an Options Contract from the Product List shall also be subject to no open interest in any of the Strikes of any of its Instruments on the day the decision on delisting is published.

32.3.3.3 Only Option Series showing no open interest on the day the decision on delisting is published may get delisted.

32.3.3.4 Instruments showing open interest themselves or including Strikes showing open interest may not get delisted from the Exchange before Delisting Date, but the Exchange has the discretion to decide regarding the Contract that it will not open Instruments that mature at certain dates as such are specified in the Product List.

32.3.4 Special rules concerning spread products

32.3.4.1 Spread Products get delisted if any of the Legs of the Spread Product is delisted,

32.3.4.2 The provisions in sections 32.3.2 and 32.3.3.1 shall not apply to Spread Products.

33 Closing Derivative Products

33.1 Derivative Products close automatically

- a) on the Last Day of Trading in the given Derivative Product, and
- b) on the Closing Date of the given Derivative Product.

33.2 Additional rules of closing Option Series

33.2.1 Except on specific Exchange Days set in the Product List, Option Series that show no open interest at the close of trading on the preceding Exchange Day and that went without a trade that Exchange Day will get closed starting the next Exchange Day – disregarding any series that need to remain open as a minimum by virtue of the provisions of the Product List.

33.3 Additional rules of closing Spread Products

33.3.1 Spread Products may not be closed during trading hours on a trading day.

PART IV: LISTING AND DELISTING RULES FOR PRODUCTS ELIGIBLE FOR LISTING IN THE COMMODITIES SECTION

**CHAPTER 1:
LISTING REQUIREMENTS FOR COMMODITIES, LISTING PROCEDURE ON THE EXCHANGE**

34 General Principles of Listing Commodities on the Exchange

34.1 A commodity is listed on the Exchange by inclusion in the Product List.

34.2 Product List

34.2.1 The Product List contains a description of each commodity.

34.2.2 The description of each commodity is given in the Product List by specifying the following features:

- a) Commodity name;
- b) Basic quantity of the commodity;
- c) Method of Price setting;
- d) Tick;
- e) Tick Value;
- f) Delivery Point;
- g) Basic Quality of Commodity;
- h) Method of Settlement;
- i) Ticker symbol;
- j) Trading time;
- k) Trading unit;
- l) First Day of Trading;
- m) In case of grain products, principle of the Delivery Cost Sharing.

34.2.3 The first day of trading may be the Listing date or any consecutive Exchange Day, unless the Regulations on Listing and Continued Trading provide otherwise.

34.2.4 The Product List is specified and modified by a decision issued by the Exchange.

34.2.5 The terms of the Product List - with the exception of the following items – can be modified even after the First day of Trading, in accordance with the Regulations on Listing and Continued Trading:

- a) Items 34.2.2 a) and l).

34.2.6 Unless an Exchange Rule provides otherwise, the decisions specifying or modifying the Product List shall be disclosed to the public at least 2 (Two) days before they take effect in line with the rules of the Regulations on Official Publications. This does not apply to the provisions set forth in subsection 34.2.2 j), in which case the measure can become effective prior to the publication of the decision.

34.3 General terms of listing commodities on the Exchange

- 34.3.1 Terms regarding the listing of a commodity on the Exchange and the inclusion of a commodity in the Product List:
- a) The commodity corresponds to one of the commodity types specified in 2.5.1.
 - b) The technical conditions of trading in the commodity exist.
 - c) Settlement of transactions in the commodity is ensured.
 - d) More than half of the Minimum Number of Exchange Members in the Commodities Section specified in the Exchange Membership Regulations has the right to trade in the particular Commodity as of the First Day of Trading.

35 General principles of delisting a commodity

35.1 Delisting a commodity involves removal from the Product List.

35.1.1 The Exchange decides on removing commodities from the Product List by resolution.

- 35.2 Unless otherwise provided in the Regulations on Listing and Continued Trading:
- a) The Exchange passes a decision on the commodity's delisting and removal from the Product List.
 - b) Whenever commodities become delisted, the Last Day of Trading in the commodity shall be determined. The period between the Last Day of Trading and the Delisting Date shall correspond as a minimum to a period equal in length to the settlement cycle provided in the Exchange Rules and KELER Rules.
 - c) The length of the period between the date of publishing as required in the Regulations on Official Publications of the decision on removal from the Product List and the Last Day of Trading shall be at least two (2) days.

35.3 The commodity will be removed if:

- a) the commodity ceases to exist or becomes untradeable;
- b) the Exchange passes a decision on delisting;
- c) the number of traders does not reach the quantity specified in 34.3 d) for over three (3) months;
- d) the settlement of transactions in the given commodity is not ensured;
- e) the technical conditions of trading in the given commodity are not given;
- f) the Commodities Section ceases to exist.

35.3.1 Except for the cases in subsections 35.3 b) and c), whenever a commodity is delisted, the Last day of Trading shall be set in line with Exchange Rules, failing which the later Day of Trading of the particular event occurring and the delivery of information thereof to the Exchange shall be taken as the Last Day of Trading.

35.3.2 No claim for compensation of whatsoever form shall be made against the Exchange on the grounds of delisting of a commodity from the Product List.

**CHAPTER 2:
CONDITIONS FOR LISTING COMMODITY BASED DERIVATIVE PRODUCTS
ON THE EXCHANGE (HEREINAFTER DERIVATIVE PRODUCTS), THE RULES
OF PROCEDURE FOR LISTING**

36 General Principles of Listing Derivative Products on the Exchange

36.1 A new Derivative Product is listed on the Exchange by inclusion in the Product List.

36.1.1 A new Instrument of a Contract shall be one that belongs to a listed Contract and has a period before maturity that has not been open for trading under the Contract yet.

36.1.2 A new Strike of an Options Contract shall be one that becomes tradable only once the number of Strikes in the given Contract is increased.

36.2 Product List

36.2.1 The Product List contains the description of each Futures and Options Product.

36.2.2 The description of each Futures and Options Product is given in the Product List by specifying the following features:

- a) Underlying Product;
- b) Contract name;
- c) Contract size;
- d) Method of Price Setting;
- e) Tick;
- f) Tick value;
- g) Delivery Point;
- h) Basic Quality of Commodity
- i) Maturity Months;
- j) Opening Day;
- k) Closing Day;
- l) Maturity Date;
- m) Unless otherwise provided by the Regulations on Listing and Continued Trading, method of calculating Settlement Price at Maturity;
- n) Method of Delivery;
- o) Daily Clearing Spread;
- p) Ticker symbol;
- q) Trading time;
- r) Trading unit;
- s) First Day of Trading
- t) In case of grain products, Principle of the Delivery Cost Sharing.

36.2.3 In addition to those specified in Article 36.2.2, the Product List contains the following additional parameters for futures Contracts:

- a) Clearing Spread

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

- 36.2.4 In addition to specifying the items listed in Article 36.2.2, the Product List contains the following additional parameters for Options Contracts:
- a) Option Class;
 - b) Number of Strikes;
 - c) Tick between Options Series;
 - d) Method of Exercise.
- 36.2.4.1 The Contract name of an Options Contract shall also include reference to Option Class.
- 36.2.5 Unless otherwise provided by the Regulations on Listing and Continued Trading, the First Day of Trading shall be the Listing Date or any Exchange Day thereafter.
- 36.2.6 The Exchange decides on specifying and modifying the Product List by resolution.
- 36.2.7 Except for the sections listed below, the terms of the Product List may be modified in line with the provisions of the Regulations on Listing and Continued Trading even after the First day of Trading:
- a) Sub-sections 36.2.2 a) and r) and for Options Contracts, the provisions in sub-section 36.2.2 b) regarding class.
- 36.2.8 Except for the terms set forth in 36.2.2 e) f) h) p) and 36.2.7, the terms of the Product List may only be modified upon prior approval by KELER Zrt.
- 36.2.9 Unless otherwise provided in an Exchange Rule, decisions concerning the specification and modification of the Product List shall be published in line with the provisions of the Regulations on Official Publications at least two (2) days before being entered into force. This provision shall not apply to sub-sections 36.2.2 n) and 36.2.3, where the measures may take effect before the decision containing them is published.
- 36.3 Conditions of listing Derivative Products
- 36.3.1 Listing and adding new Derivative Products to the Product List shall be subject to the following terms:
- a) The Derivative Product corresponds to a Contract of the types specified in Article 2.5.1;
 - b) The technical conditions of trading in Derivative Products exist;
 - c) Settlement of transactions in Derivative Products is ensured;
 - d) More than half of the Minimum Number of Exchange Members in the Derivatives Section specified in the Regulations on Exchange Membership has the right to trade in the particular Derivative Product as of the First Day of Trading.
- 36.3.2 Additional rules for listing a new Instrument
- 36.3.2.1 When a new Instrument is listed, the description of the Contract in the Product List will only be modified in terms of sub-sections 36.2.2 h) i), and as far as the terms of the Instrument specified in sub-section 36.2.2 r).
- 36.3.3 Additional rules for listing a new Options Series

36.3.3.1 When a new Strike is listed, the description of the Options Contract in the Product List will only be modified in terms of sub-section 36.2.4.1 b), and as far as the terms of the Strike specified in sub-section 36.2.2 r).

37 Opening Derivative Products

37.1 Each Derivative Product will open automatically on the First Day of Trading.

37.2 Additional rules for opening a new Instrument:

37.2.1 The Instruments in the Product List will open automatically on the First day of Trading in a new Contract.

37.2.2 On the First Day of Trading in a new Options Contract, those Instruments in the Product List whose Underlying Product was traded before the First Day of Trading will open automatically.

37.2.3 The Instruments of Futures Contracts will open automatically on the Opening Day.

37.2.4 The Instruments of Options Contracts will open on the Exchange Day after the Opening Day, which is preceded by an Exchange Day on which the first trade in the Underlying Product was concluded.

37.3 Additional rules for opening Strikes:

37.3.1 On the First Day of Trading in a new Options Contract, the Strikes of its open instruments will also open automatically.

37.3.2 On the First Day of Trading in a new Options Instrument, the Strikes of that Instrument will open automatically.

37.3.3 The Strikes of open Options Instruments will open as follows:

- a) In the event that the Option Series with the Strike Price identical to the Closing Price or Settlement Price of the Underlying Product of the Option Series rounded to the Tick between Options Series is not open, the particular Options Series will open on the next Exchange Day.
- b) Options Series in addition to those opened in line with Article 37.3.3 a) will be opened as set forth in the Product List, unless they are already open.
- c) No Option Series with a different Strike Price may open.

38 General Principles of Delisting Derivative Products

38.1 The Exchange may delist the Derivative Product that does not meet the requirements of the Exchange Rules, unless such delisting would seriously jeopardise the interests of the investors or the orderly operation of the market. The Exchange also delists the Derivative Product which is based on or connected to a delisted Exchange Product.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

The provisions of the relevant laws apply to the delisting process of the Exchange.
Derivative Products are delisted by removal from the Product List.

- 38.2 Unless otherwise provided in the Regulation:
- a) The Exchange decides on delisting Derivative Products and removing them from the Product List by resolution.
 - b) When the Delisting Date of a Derivative Product is set, the Last Day of Trading in the Product shall also be specified. The period between the Last Day of Trading and Delisting Date shall correspond as a minimum to the number of days in the settlement cycle provided in the Exchange Rules and KELER Rules.
 - c) The length of the period between the date of publishing as required in the Regulations on Official Publications of the decision on delisting from the Product List and the Last day of Trading shall be at least two (2) days.
- 38.3 Derivative Products are delisted if:
- a) the Underlying Product ceases to exist or becomes non-negotiable;
 - b) a corporate action specified in the Code of Trading materializes and triggers the removal of a Derivative Product from the Product List;
 - c) The Exchange issued a decision to that effect;
 - d) The number of traders fails to reach the minimum set forth in Article 36.3.1 d) for more than three (3) months;
 - e) the settlement of the Product is not ensured;
 - f) the technical conditions of trading in the particular Derivative Product are not given;
 - g) the Derivatives Section ceases to exist;
 - h) The Supervision provides the delisting of the Structured Product.
- 38.3.1 Except for the cases in subsections 38.3 c) and d), whenever a Derivative Product is delisted, the Last Day of Trading shall be set in line with Exchange Rules, failing which the later Day of Trading of the particular event occurring and the delivery of information thereof to the Exchange shall be taken as the Last Day of Trading.
- 38.3.2 In the event, there is Open Interest in an Instrument or Option Series on the Last day of Trading, such Open Interest shall be managed according to KELER Rules.
- 38.3.3 Special rules to govern the cases of delisting specified in sub-sections 38.3 c) and d).
- 38.3.3.1 Only Contracts with Instruments showing no open interest on the day the decision on delisting is published may become delisted. In addition, the delisting of an Options Contract from the Product List shall also be subject to no open interest in any of the Strikes of any of its Instruments on the day the decision on delisting is published.
- 38.3.3.2 Only Instruments showing no open interest on the day the decision on delisting is published may become delisted. In addition, the delisting of an Instrument of an Options Contract from the Product List shall also be subject to no open interest in any of the Strikes of any of its Instruments on the day the decision on delisting is published.
- 38.3.3.3 Only Option Series showing no open interest on the day the decision on delisting is published may become delisted.

38.3.3.4 Instruments showing open interest themselves or including Strikes showing open interest may not become delisted from the Exchange before Delisting date, but the Exchange has the discretion to decide regarding the Contract that it will not open Instruments that mature at certain dates as such are specified in the Product List.

39 Closing Derivative Products

39.1 Derivative Products close automatically

- a) on the Last day of Trading in the given Derivative Product, and
- b) on the Closing Date of the given Derivative Product

39.2 Additional rules of closing Option Series

39.2.1 Except on specific Exchange Days set in the Product List, Option Series that show no open interest at the close of trading on the preceding Exchange Day and that went without a trade that Exchange Day will get closed starting the next Exchange Day – disregarding any series that need to remain open as a minimum by virtue of the provisions of the Product List.

PART V: MISCELLANEOUS PROVISIONS

**CHAPTER 1:
CLOSING PROVISIONS**

40 Regulations for Pending Cases

Pending cases shall be subject to the Regulations on Listing and Continued Trading in force before or taking effect after an amendment, whichever is more favourable for the Issuer.

41 Transitional Provisions

41.1 Issuers not under the force of the CMA shall receive equal treatment with Issuers under the force of the CMA with regard to their disclosure obligations before the publication of the declaration and data sheet(s) prescribed by sub-section 15.4.2.2 h).

41.2 Issuers of equity series that were listed after July 1, 2005, and are in Equities Standard Market on the day when the amendment of present Regulations on Listing and Continued Trading as approved by Resolution 41/2012 of the Management Board enters into force, are obliged to carry out the Public Transaction that refers to the equity series concerned by August 31, 2013 at the latest. If they fail to make a Public Transaction by the set time limit, the Exchange shall reclassify the equity series concerned to Equities T Market as of 1 October, 2013. As for equity series that by August 31, 2013, satisfy the criteria of reclassifying into Equities Prime Market as set forth by Section 22.2.1 and in whose case reclassification is applied for by September 6, 2013 at the latest, the Exchange – acting on the recommendation of the Committee of Issuers – may decide to exempt the Issuers concerned from carrying out the Public Transaction.

41.3 Provisions of Section 17.1.2.2 shall enter into force after January 1, 2014.

41.4 The corporate action timetable prescribed in Section 18.3 must be prepared for the 2014 financial year for the first time.

41.5 For any Issuer of the equity series that were listed on the Exchange prior to 1 January 2019, the rules of review set out in Annex 3 shall be applied as of 1 January 2020, and until that date the rules in effect on 31 December 2018 shall be applied, for the purposes of the review regarding the categorization of equity series. However, if the Issuer of a share series listed prior to 1 January 2019 requests the categorization of the share series to another Market, the Exchange shall act as if the share series were to be listed as a new share series, therefore, in such case, the Exchange shall review the instantaneous compliance with the Market conditions. If the Issuer requests the categorisation of the share series to another Market as described above, then the rules of review stipulated in Annex 3 shall be applied to the Issuer and the share series as of the reception of the request by the Exchange, without any grace period.

42 Other Provisions

42.1 Special proceedings related to the execution of Public Transactions

42.1.1 If during listing an equity series to Equities Prime Market pursuant to Section 15 or its reclassification to Equities Prime Market pursuant to Section 22.2, and before requests are considered by the Exchange, the Supervision opens a market surveillance procedure in connection with a Public Transaction, then

42.1.1.1 in the case of listing, the Exchange shall assign the equities to Equities Standard Market by a decision on listing;

42.1.1.2 in the case of reclassification proceedings, the Exchange suspends the reclassification proceedings until the Supervision has not issued a decision as to the merit of the market surveillance procedure.

42.1.2 In case the Supervision does not establish infringement of legal provisions on banning market manipulation, the Exchange assigns the equity to the market indicated in the Issuer's original request, supposing all other related criteria are satisfied.

42.1.3 If in the course of its proceedings, the Supervision finds infringement of legal provisions banning market manipulation, then the Issuer's equities remain in Equities Standard or T Market and the reclassification proceedings suspended with regard to the market surveillance procedures are terminated without delay.

42.1.4 If during listing an equity series to Equities Prime Market pursuant to Section 15 or its reclassification to Equities Prime Market pursuant to Section 22.2, the Exchange learns from a reliable source that the Transaction fails to satisfy the criteria prescribed by the Regulations on Listing and Continued Trading for Public Transactions then, in the case of listing, the Exchange assigns the equity to Equities Standard Market, and in the case of reclassification, the Exchange rejects the request for reclassification.

42.1.5 If in the case of equities listed or reclassified to Equities Premium Market, the Exchange learns from a reliable source that the Transaction on which reclassification rested did not comply with the provisions of the Regulations on Listing and Continued Trading, or the Supervision has established violation of legal provisions banning market manipulation in connection with the Public Transaction, then the Exchange reclassifies the equity to Equities T or Standard Market – depending on, which Market's conditions are met – without delay.

42.1.6 If it is established retrospectively that the Exchange's decision to reject an Issuer's request to reclassify equities to some other market or, in the course of listing, the Exchange's rejected to assign equities to the market that had been requested by an Issuer, on the basis of facts that have proved to be untrue; or if a decision on violating legal provisions that ban market manipulation are abrogated by the Supervision or a court, or such a decision is amended in such a way that the violation of legal provisions banning market manipulation is not established, then the Exchange is obliged,

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

immediately upon learning about such a development, to assign the equities to the market that was originally requested by the Issuer, supposing all other criteria are met and the Issuer adheres to the original request.

- 42.1.7 If in connection with a Public Transaction the Supervision establishes a violation of the legal provisions that ban market manipulation, or if the Exchange learns from a reliable source that, despite a declaration by the Issuer to that effect, the Public Transaction did not satisfy the criteria for a Public Transaction as defined by the Regulations on Listing and Continued Trading, then the Exchange may apply against the Issuer sanctions that are defined by the Regulations on Listing and Continued Trading and the Exchange has the right to prohibit the Issuer – for the maximum of three years – from requesting the reclassification of equities to a higher category.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

ANNEXES

ANNEX 1: deleted

ANNEX 2: PRODUCT LIST INFORMATION TO BE FILLED IN BY THE APPLICANT

1. Information to be filled in by Applicants that apply for having equities listed

Name of security:	
Name of the Issuer of the security:	
Equity class:	
Security type:	
Method of production:	
Security code:	
Face value:	
Rights to dividends:	
Maturity:	
Date of issue:	
Maturity Day:	

2. Information to be filled in by Applicants that apply for having investment notes listed

Name of security:	
Name of the Issuer and Fund Manager representing the Issuer of the security:	
Name of custodian:	
Head office of custodian:	
Security type:	
Method of production:	
Maturity:	
Date of Issue:	
Maturity date*:	
Security code:	
Face value:	

*With the exception of investment notes issued on investment funds of indefinite maturity.

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

3. Information to be filled in by an Applicant requesting a Structured Products listed

Name of security:	
Issuer:	
Structured Product type:	
Type of security:	
Form of security:	
Code of security (ISIN):	
Face value:	
Maturity day:	
Maturity:	
Name of the Underlying Product:	
Security code of the Underlying Product:	
Type of the Underlying Product:	
Currency of the Underlying Product	
Relevant market of the Underlying Product:	
Strike Price:	
Barrier:	
Residual Value Trading:	
Maximum yield rate:	
Exchange proportion:	
Bonus rate:	
Discount rate:	
Type of earning interest:	
Interest rate:	
Interest payment dates:	
Capital repayment:	
Method of Settlement:	
Order Limit:	
Trading Halt Limit:	

4. Information to be filled in by Applicants that apply for having Debt Securities (bonds, mortgage bonds, government securities) listed

Name of debt security:	
Issuer's name:	
Security type:	
Method of production:	
Maturity:	
Date of issue:	
Maturity date:	
Method of earning interest:	
Interest rate:	
Interest payment dates:	
Capital repayment:	
Security code:	
Face value of the security:	

REGULATIONS OF THE BUDAPEST STOCK EXCHANGE LTD.

In the case of debt securities with annuity, information on the outstanding capital, according to the following:

Date	Amount of the outstanding capital (HUF)
...	...

5. Information to be filled in by Applicants that apply for having compensation notes listed

Name of security:	
Issuer's name:	
Security type:	
Method of production:	
Security code:	
Face value of the security:	
Number of listed securities (units):	

6. Information to be filled in by Applicants that apply for the listing of Depository Receipts and securities representing membership rights (other than shares) which authorize the purchase of shares or other securities representing ownership interest in companies.

Name of security:	
Issuer's name:	
Security type:	
Method of production:	
Security code:	
Name of underlying security:	
Security code of underlying security:	
Name of the Issuer of the underlying security	
Face value of underlying security	
Exchange rate of the security and the underlying security	

**ANNEX 3:
THE PRINCIPLES OF THE ANALYSIS REGARDING THE CLASSIFICATION OF
EQUITIES**

1. When reviewing whether or not a series of securities belong to Equities Prime or Standard Market, the following ratios shall be examined (with the condition that if an Issuer issued multiple ordinary equity series, the Exchange will review the different ordinary equity series jointly or if an Issuer issued multiple share series of different share types or share classes, the Exchange may review the different share series jointly based on the relevant decision of the Exchange which had taken into account the general characteristics and the rights embodied in the different share series regarding the compliance with the following terms and conditions):
 - 1.1. Average capitalization: the product of multiplying the turnover weighted market price of a series of securities with the number of securities that are listed from the series on the last day of the period under review.
 - 1.2. Free Float: shall mean the term specified in Book One – Introductory and Interpretative provisions.
 - 1.3. Free Float Capitalization: the Market Value of the equities in Free Float
2. For securities series in Equities Prime Market, the following ratios shall be examined:
 - 2.1. Average capitalization: at least 5 billion HUF.
 - 2.2. At least 25% Free Float; if this condition is unfulfilled than minimum 2 billion HUF Free Float Capitalization, or at least 500 Holders.
3. For securities series in Equities Standard Market, the following ratios shall be examined:
 - 3.1. Average capitalization: at least 250 million forints.
 - 3.2. At least 10% Free Float; if this condition is unfulfilled than minimum 100 million HUF Free Float Capitalization, or at least 100 Holders.
4. The equity series reviewed may remain in Equities Prime or Standard Market upon meeting the limit values of the ratios set forth in Section 2 or 3, subject to Section 22. During the examination of the free float, the Exchange takes into account the status of the last Exchange Day of the review period.
5. In the case of the Issuer, whose equity series is also listed on other market than the Exchange, the equity series concerned remains in the Equities Premium, if the criteria set above are jointly met via taking into account the performance on the other regulated market(s) and on the Exchange.
6. The Exchange will not review the categorisation of securities series in the Equities T Market ex officio. Any securities series in the Equities T Market shall be reclassified solely on the request of the Issuer, if the equity series meets the conditions set out in Section 2 or 3 - according to Section to 22 - for two complete review cycles preceding the request.

**BOOK THREE
REGULATIONS ON
EXCHANGE MEMBERSHIP**

TABLE OF CONTENTS

I. GENERAL	109
Chapter 1	109
PURPOSE, SUBJECT MATTER, FUNDAMENTAL PRINCIPLES, AND EFFECT OF THE PRESENT BOOK	109
DEFINITION OF BASIC TERMS	110
PART II	111
RULES GOVERNING SECTIONS AND EXCHANGE MEMBERS	111
Chapter 1 DEFINITION OF AND THE RULES OF OPERATING A SECTION	111
2 Definition	111
3 The Termination of a Section	111
4 Decision-Making Powers Granted by the Regulations on Exchange Membership and the Liability of the Exchange	111
Chapter 2 EXCHANGE MEMBERSHIP	114
5 The General Rules of Exchange Membership	114
6 Granting Exchange Membership and the Conditions of Concluding an Exchange Membership Agreement	114
7 The Procedure for Acquiring Exchange Membership and the trading licence	117
9 Suspending or terminating the Trading licence	120
10 Termination of Exchange Membership	123
11 Sanctions Applicable by the Exchange	123
12 Legal Remedy	126
Chapter 3 RIGHTS AND OBLIGATIONS OF AN EXCHANGE MEMBER	128
13 The Rights and Obligations of Exchange Members	128

14	The Procedure for Monitoring Exchange Members	129
15	Disclosure Obligations by Exchange Members	130
16	Effective Forms of Contact Between the Exchange and Exchange Members	131
	Chapter 4 MISCELLANEOUS PROVISIONS	133
	ANNEXES	134
	Annex 1	134
	Traders' examination requirements in the different Sections and Markets	134
	Annex 2 Data to Be Provided by Exchange Members	136

I. GENERAL

Chapter 1

PURPOSE, SUBJECT MATTER, FUNDAMENTAL PRINCIPLES, AND EFFECT OF THE PRESENT BOOK

1.1. Purpose of the present Book

1.1.1. The goal of Book Three of the General Terms of Service of the Budapest Stock Exchange Ltd. – Regulations on Exchange Membership” (hereinafter: Regulations on Exchange Membership) was the development and approval of clear rules that protect the interests of Exchange Members and Investors, regulating the legal relationship between Exchange Members and the Exchange, the procedure of granting membership, and containing the fundamental restrictions of trading that ensure a high level of protection of investor interests and offer guarantees for the smooth flow of uninterrupted trading on the Exchange, and providing the requirements Exchange Members need to comply with in order to achieve the aforementioned goals as well as the information system rules regarding Exchange Members, the monitoring procedures, and the scope of applicable sanctions.

1.2. Subject Matter of the present Book

1.2.1. The subject matter of the present Book is to capture the rights and obligations of the Exchange and of the persons subject to the present Book in connection with the specification of the rules relating to Exchange Members and to record the related rules of procedure in accordance with the purpose also mentioned above.

1.3. Fundamental Principles of the present Book

1.3.1. The principles to be applied concerning the application and interpretation of the present Book are set out in Section 6. of Book One – Introductory and Interpretative Provisions.

1.4. Effect of the present Book

1.4.1. The persons covered by the present Book include the Exchange, the officers and employees of the Exchange, and the members of each Section.

Chapter 2
DEFINITION OF BASIC TERMS

The terms in the present Book indicated with capital letters shall have the meaning defined in the definitions set out in Book One - Introductory and Interpretative Provisions.

PART II
RULES GOVERNING SECTIONS AND EXCHANGE MEMBERS

Chapter 1
DEFINITION OF AND THE RULES OF OPERATING A SECTION

2 Definition

- 2.1 A Section is a unit in trading on the stock exchange which has unique rules based on the subject (product) of trading, the parties holding the trading licence, and the manner of clearing and settlement.
- 2.2 Trading on the Exchange may only be conducted in a Section and according to the rules thereof by holders of the trading licence granted with Exchange membership.
- 2.3 Trading on the Exchange is possible in the following Sections:
- a) Equities Section
 - b) Debt Securities Section
 - c) Derivatives Section
 - d) Commodities Section
- 2.4 Trading in the Derivatives Section is split between the Futures and the Options Markets.
- 2.5 Trading in the Commodities Section is split between the Spot, Futures and Options Markets.
- 2.6 The products eligible for quoting in a Section are specified in the Regulations on Listing and Continued Trading.
- 2.7 The method of trading in each Section is specified in Book 5 – Regulations on Trading.
- 2.8 The method of clearing and settling transactions in each Section is specified in the KELER Rules. In the Commodities Section, the rules of Physical Delivery are specified by the Product List.

3 The Termination of a Section

- 3.1 In the event that the number of Exchange Members in a Section having the trading licence and whose trading licence is not suspended falls short of three, the Exchange has the right to terminate the given Section.

4 Decision-Making Powers Granted by the Regulations on Exchange Membership and the Liability of the Exchange

- 4.1 The Board has the power to decide in the following matters:
- a) evaluating appeals against the resolutions of the work organisation of the Exchange;
 - b) the Board has the power to decide all issues it removes from the competence of the Exchange's work organisation and reserves the right to decide on.
- 4.1.1 The Board decides on the issues set forth in section 4.1 by a resolution.

- 4.1.2 Unless otherwise indicated in an Exchange Rule, decisions on matters specified in section 4.1 must be disclosed to the public in accordance with the Regulations on Official Publications at least two (2) Exchange Days before they enter into force.
- 4.2 In issues where the Board is not competent, the Exchange's work organization has the authority to decide by Exchange (BSE) resolution, particularly on the following matters::
- a) granting Exchange membership and trading licence in a Section, establishment of legal succession;
 - b) suspending the trading licence by the Exchange, limitation of the trading licence by applying the close out status by the method determined in Regulations on Trading restoring the trading licence and termination of the close out status;
 - c) registration or removing of traders;
 - d) terminating Exchange membership and the trading licence;
 - e) applying sanctions.
- 4.2.1 The Exchange's work organisation will resolve the issues set forth in Article 4.2 – with the exception of Article 4.2 c) – by taking a decision within his own authority. However, if the issue involves an application for Admission or the Termination of Membership not approved by the Exchange, the Exchange will also have the right to take a decision also in cases related to Article 4.2. c). The rules of decision-making in issues within the competence of the work organization of the Exchange, in particular which employee of the Exchange is entitled to make decisions, as well as the rules of delegation and substitution are contained in the Regulation of the Budapest Stock Exchange Regarding Organisational and Operational Rules.
- 4.2.2 Unless otherwise indicated in an Exchange Rule, decisions on matters specified in section 4.2 must be disclosed to the public in accordance with the Disclosure Bylaws.
- 4.2.3 The Exchange will carry out an investigation procedure against any Exchange Member on the request by the KELER KSZF Zrt. if the Exchange Member fails to fulfil its obligations to deposit the purchase price. During the proceedings, the Exchange will hear the parties concerned and the KELER KSZF Zrt. There are no further formal procedural rules established. The Exchange notifies the KELER KSZF Zrt. of the completion of the procedure. If applying sanctions are justified, then the Exchange shall decide on imposing sanctions according to Section 11 of the Regulations on Exchange Membership and the termination of the procedure by a resolution.
- 4.2.4 The Exchange may participate in the process of dispute resolution between the Exchange Members which arose from Stock Exchange transaction. The participation is not mandatory for the Exchange.
- 4.2.5 The Exchange may assign the duties specified hereinabove, Section 4.2.3 and 4.2.4 to any employee, unless any party to the proceeding expressly makes an objection.
- 4.3 In individual cases that deserve special consideration, the Board and the Exchange's work organisation are entitled to make a decision that diverges from the provisions of the Regulations on Exchange Membership.
- 4.4 Liability of the Exchange

The principles to be applied concerning the application and interpretation of the present Book are set out in Section 6. of Book One – Introductory and Interpretative Provisions.

**Chapter 2
EXCHANGE MEMBERSHIP**

5 The General Rules of Exchange Membership

- 5.1 Exchange membership is a contractually arranged legal relationship acquired upon fulfilling the conditions set forth in the Regulations on Exchange Membership and following the procedures described hereunder. Exchange Members acquire the rights of membership and the trading licence in their given Section. Exchange Membership could be obtained, according to the conditions set forth in point 5.2.1, only by entities duly licenced by the competent financial supervising authority to provide investment or commodity exchange services and by the MNB acting in connection with the implementation of the monetary policy as primary objective. The Exchange explicitly excludes the possibility of obtaining Exchange Membership for persons or entities, with the exception of MNB, not licensed to provide investment or commodity exchange services.
- 5.2 Exchange membership may not be transferred nor may the rights associated with Exchange membership be assigned to a third party even on a temporary basis. In the event that an Exchange Member ceases to exist and has a legal successor, the legal successor of the Exchange Member will also inherit Exchange membership if the successor complies with the requirements thereof. The Exchange Member shall verify before the Court of Registration of Legal Succession that the legal successor complies with the conditions of Exchange membership in accordance with the procedure conducted for the purposes of acquiring Exchange membership.

5.2.1 Parties eligible for acquiring Exchange membership include

- a) In order to perform the actions necessary when trading Stock Exchange Products, or even one single Stock Exchange Product, the person handling such trade must have the appropriate legal licence, with the exception of MNB, to perform said action in the Equities Section, in the Debt Securities Section, and in the Futures and Options Markets of the Derivatives Section, as well as in the Spot, Futures and Options Markets of the Commodities Section;
- b) Commodity Exchange service provider in the Spot, Futures and Options Markets of the Commodities Section;
- c) Cross members in Sections covered by the relevant agreement on cross membership.

6 Granting Exchange Membership and the Conditions of Concluding an Exchange Membership Agreement

- 6.1 Exchange membership is granted upon the conclusion of an Exchange membership agreement between the Exchange and an Exchange Member.
- 6.2 The Exchange may conclude a contract with an Applicant for Exchange Membership if the applicant meets the following conditions and submits the documents listed hereunder:
- a) an application to join one or more Exchange Sections, specifically stating the name of the Stock Exchange Product/ Product Group the Applicant wishes to trade in,

- b) an official document no more than 15 days old, certifying that the Applicant is a registered company legally operating at the address given as its registered office,
- c) a permit from a competent supervisory or other authority certifying that the Applicant is in possession of a supervisory document or other document of authorization stating that the Applicant is entitled to trade in the given Stock Exchange Product,
- d) when necessary, a certification from a supervisory or other competent authority that the Applicant is entitled to provide services extending beyond national borders,
- e) certification that the Applicant can ensure the clearing of the Stock Exchange Products in the given area.
 - (1) For an Applicant for Clearing Membership, a certification from the Clearing organization of Clearing Membership and of having opened the necessary accounts and having fulfilled all additional conditions for Clearing transactions,
 - (2) An Applicant for Sub-Clearing Membership will need:
 - i. A General Clearing Member's statement that it has concluded a Clearing Contract with the Sub-Clearing Member and that the General Clearing House Member will serve as a guarantor for the transactions of the Sub-Clearing Member, and
 - ii. A statement from the organization handling the Clearing confirming that the General Clearing Member is in fact a clearing member,
- f) an Applicant for Sub-Clearing Membership will submit a declaration from a General Clearing Member for whom it performs the clearing services, in accordance with Article 6.4 of the Regulations on Exchange Membership,
- g) an authorization of at least one Trader dealing with the given Stock Exchange Product or Products – in keeping with Article 8. of the Regulations on Exchange Membership – regarding trading in the given section,
- h) certification issued by the Exchange that proves the conclusion of the prior audit of the Applicant for the Exchange membership according to point 5.15. of Book Four of the Regulation, and which proves that according to the Exchange's assessment, it is expected that the Applicant will be able to meet the requirements set forth in the certification after the commencement of trading,
- i) certification of having paid the annual minimum fee set for the given section,
- j) an official declaration or a statement certifying that the contents of the attached declarations and documents are true and that the Applicant has not left out any information that would be necessary to pass a substantive ruling on the membership application.
- k) Applicants for Exchange membership in the Commodities Section shall set up such internal procedures and apply such contractual obligations towards their contractors (clients) and, if it is necessary towards any General Clearing Members or KELER KSZF, which ensure that upon the application of the position management control measures set forth in Section 317/A. of the CMA and point 22/A of Book Five and following the notice of the Exchange, the Applicant is able to:
 - decrease or close their own open position in the commodity derivatives (traded in the Commodities Section) concerned with the measures, or (depending on the notice of the Exchange) to provide liquidity back into the market with the express intent of mitigating the effects of a large or dominant position, according to point 22/A. 1. c) of Book Five of the Regulation
 - notify and order their clients to decrease or close their open position, or (depending on the notice of the Exchange) to provide liquidity back into the market with the express intent of mitigating the effects of a large or dominant position (while maintaining a binding offer for the commodity derivative

concerned), according to point 22/A. 1. c) of Book Five of the Regulation, furthermore to apply such unilateral measures that ensure the performance of these obligations if their clients fail to perform.

Upon the submission of the application, the Applicant for Exchange membership in the Commodities Section shall submit a declaration on the existence of these internal procedures and contractual obligations.

- 1) Any Exchange Member requesting trading rights in the Derivatives or Commodities Section is obliged to establish and maintain effective contractual relationships with its clients and with any General Clearing Member or the KELER CCP, which ensures that the Exchange Member's client as well as the Exchange Member become directly or indirectly a contractual counterparty to any cleared derivative transaction in case of any cleared derivative transactions cleared by the KELER CCP and concluded by the Exchange Member's client in collaboration with the Exchange Member or directly by the Exchange Member dealing on its own account, moreover which ensure that the provisions of the Commission Delegated Regulation (EU) 2017/582 are continuously met. Upon the submission of the application, the Applicant for Exchange membership in the Derivatives or the Commodities Section shall submit a declaration on the existence of these contractual obligations.

6.2.A The certificates stipulated hereinabove in Subsections b), c) and d) of Section 6.2 are not prerequisites for the conclusion of the Exchange membership agreement between the Exchange and MNB.

6.3 For an applicant for Cross Membership in addition to meeting the conditions set forth in Article 6.2 of the Membership Contract, the following Stock Exchange conditions also have to be met and the documents listed presented for the contract to be concluded:

- a) A certification that the applicant is a Member of, or that it has trading licences in its own Stock Exchange;
- b) Proof that the Applicant meets the conditions set down in the Cross Membership agreement between the Exchange and Applicant's Home Stock Exchange regarding the other conditions for Exchange Membership

6.4 The General Clearing Member offering clearing services to Exchange Members that do not have Clearing membership is required to submit a declaration to the Exchange agreeing to adhere to the pertinent portions of the Regulations on Exchange Membership.

6.5 The Applicant for Exchange Membership shall attach an original copy of the application and the attached declaration in either hard copy or electronic form, signed as per business documents or by an authorized proxy, while the other attachments to the application shall be submitted either as originals or as copies. The Exchange will only accept documents submitted in Hungarian or English, as originals or as certified translations. The Exchange may issue exemptions from submitting these documents if the documents are accessible in a certified and credible public record.

6.6 Exchange Members must continuously abide by the conditions precedent to concluding an agreement on Exchange membership throughout their term of membership.

7 The Procedure for Acquiring Exchange Membership and the trading licence

- 7.1 An application for concluding an Exchange membership agreement and trading licence must include the documents and certificates listed in Sections 6.2 – subject to Section 6.2.A – and 6.3.
- 7.2 The Exchange shall issue a decision on granting Exchange membership and the trading licence and on concluding an Exchange membership agreement with the applicant within thirty (30) days after receipt of an application that abides by all the conditions in full, an Exchange membership agreement takes effect at the date specified in the decision of the Exchange. (onset of Exchange membership)
- 7.2.1 In respect of a submitted application for Exchange membership and the trading licence, the Trading Committee has the power to issue an opinion, and the Exchange shall notify the Trading Committee on all applications for Exchange Membership and, should the Trading Committee request so, shall make available the documentation received with the application to the Trading Committee.
- 7.3 If an application fails to conform to the provisions of law or to a condition required by an Exchange Rule, the Exchange shall instruct the applicant in writing within 5 (five) Exchange Days to submit any missing documents and shall identify the inadequate documentation item by item.
- 7.4 Applicants must deliver missing documents to the Exchange within ten (10) Exchange Days of the receipt of the instructions specifying the inadequate documentation.
- 7.5 The Exchange shall pass a resolution on the procedure of granting Exchange Membership on the basis of available documents following the receipt of such missing documents or the expiry of the deadline specified above.
- 7.6 The period for evaluating an application for an exchange membership agreement restarts on the date the applicant submits missing documents.
- 7.7 An application for concluding an exchange membership agreement may only be rejected on the grounds that it fails to comply with the provisions of law or the terms of an Exchange Rule.
- 7.8 The Exchange shall include a detailed explanation in any decision that contains a rejection.
- 7.9 If an Applicant who is already an Exchange Member applies for trading licence for another Stock Exchange Product, Product Group or Section, the Applicant does not have to resubmit all the documentation already submitted if their contents continue to be valid at the time the new application is submitted. However, the Applicant is mandated to issue a declaration to the Exchange to the effect that the contents of the documents are unchanged and continue to be true.
- 7.10 If an Applicant who is already an Exchange Member applies for trading licence for another Stock Exchange Product, Product Group or Section, the Exchange shall issue a decision on granting the trading licence within 5 (five) Exchange Days after receipt of an application that abides by all the conditions in full.

8 Registering, suspending, deleting Traders

8.1 Upon an Exchange Member's written request, the Exchange shall register traders who meet the requirements hereof on the Exchange Trader List and provide them with access to the Trading System two (2) Exchange Days after the receipt of all documents necessary for registration. The Trader List contains the name of the trader and the employing Exchange Member.

8.1.1 Trader specifications

To be registered as a Trader on the Exchange representing a Member, the Applicant must meet the following conditions and submit the following documents:

- a) The prospective Trader's personal data (Name, Date and Place of Birth, Address, Mother's Maiden Name, E-mail Address), which are to be included in a private document of full legal validity that also contains a statement that the applicant meets the following conditions:
 - Is over the age of 18,
 - Has no criminal record,
 - Has at least a high school (secondary school) diploma,
 - Is not under a trading ban,
 - In the past 3 (three years) applicant has not been a leading official in, or in a top management position of a business that was liquidated or subjected to bankruptcy proceedings, has not been a manager or trader commissioned with investments or commodity exchange activities for said business, and has not been declared responsible under civil or criminal law for the liquidation or bankruptcy or declared responsible by a labour court,
 - Has passed the examinations required for trading in the given Section or on the Exchange as set forth in Annex 1 and has passed the Trading System Examination specified by the Stock Exchange,
 - If at or prior to the time of submitting the application, the Applicant is/was registered as a trader on any stock exchange within the European Union, then a confirmative statement of other stock exchange registration may be submitted with the application in lieu of the professional examination specified above.
 - If the Applicant is not a registered trader on any stock exchange within the European Union, Applicant is required to issue a statement to that effect so that any other Stock Exchange in the European Union will accept the given training as the knowledge requisite for the position of trader on the given market.
- b) A statement from the Exchange Member to the effect that the Trader is either its full-time employee, or is legally commissioned to trade for the Member on the long term, as well as an authorization stating that the Trader may conduct Stock Exchange transactions in the given Section in the name of the Exchange Member (i.e. is authorized to represent the Member).

8.1.2 In order for the Trader application to be submitted, the application and the declaration attached to it must be submitted in original hard copy or electronic form, signed

professionally or by a proxy. The other annexes may be submitted either in the original or as copies. The Exchange will only accept documents originally written in Hungarian or English, or as certified translations into one of these languages. The Exchange may exempt an Applicant from submitting documents if they can be proven to exist in credible public records.

- 8.1.3 If the Trader is already registered to trade at another stock exchange where trading is conducted using a trading system identical to that of the Stock Exchange, the Stock Exchange will exempt the Trader from the Trading System Examination cited in Article 8.1.1a).
- 8.1.4 The Exchange shall grant a trader additional access level privileges to the Trading Systems of the Exchange within two (2) Exchange Days of receipt of the relevant Exchange Member's written request.
- 8.1.5 Exchange Members may request that several of their Employees be entered in the Trader List as traders but a Trader may be included in the Trader List exclusively as a Trader of an Exchange Member
- 8.1.6 In the absence of any other form of regulation, the Trader of the Exchange Member will be identified in the Trading Systems of the Exchange by the Exchange Member's user name. To guarantee secure conditions, accessing the Exchange Trading System will require the user name and password, as well as another security code (for e.g. certifications or security tokens). This security code will be issued by the Stock Exchange. One user may have more than one user name and password.
- 8.1.7 A person with the authorization of the Exchange Member entitling that person to receive the user name and password to access the Trading Systems of the Exchange and the connected security code (for e.g. certifications or security tokens), will receive them in person or in the form of a password-protected file.
- 8.1.8 Both the Exchange Member and the Trader will be held responsible for all consequences related to the handling of the user names and security codes required to access the Trading Systems of the Exchange, for any unauthorized use, as well as for conducting trades, and submitting orders and counter-orders in keeping with regulations.
- 8.1.9 A Trader must limit all Trading Orders and Countertrades to the Section and Market in which s/he is authorized to trade in accordance with the Regulations on Exchange Membership.
- 8.1.10 When effecting trades, the Exchange Trader may only exercise the rights and responsibilities in the name of the Exchange Member for which s/he has a written authorization to trade.
- 8.1.11 Whenever a trader is prohibited from acting as one, the Exchange removes the person affected from the Trader List as of the effective date of the resolution on the prohibition from acting as a trader. The Trader is obliged to inform the Exchange about the prohibition immediately. Exchange Members may initiate the re-entry into the Trader List of a person prohibited from acting as a trader after the period of prohibition elapses in the manner provided in the Regulations on Exchange Membership.
- 8.1.12 Exchange Rules may contain other provisions concerning senior officers and persons in charge of trading in securities at an Exchange Member and regarding traders.
- 8.1.13 The Exchange issues 1 (one), so-called assistant trader's entitlement per Exchange Member. An Exchange Member has to request such an entitlement in writing. Such an entitlement may exclusively be used to process data that can be found in the Trading Systems of the Exchange to promote the Exchange Member's own business operation. The

Exchange issues such an entitlement 2 (two) exchange trading days upon the receipt of such a request. The Exchange issues one password that ensures access to the Trading Systems with assistant trader's entitlement to a person who can present the relevant authorization of the Exchange Member concerned. The assistant trader's entitlement does not authorize an Exchange Member to engage in trading on the Exchange; it may only observe information about trading. Such an entitlement definitely does not authorize an Exchange Member to share information with, or transfer in any way to, any legal or natural persons or any other organizations, either free of charge or for consideration, any information about Stock Exchange trading that appears on the Traders Trading System.

8.1.14 Exchange Members may request in written that the Exchange shall suspend entitlements of the Trader described in the Regulations on Exchange Membership – starting the date requested by the Exchange Member or, in the absence of this, within 1 Exchange Day – for a maximum duration of 10 Exchange Days.

- a) During the suspension, the Exchange Member may at any time request the lifting of the suspension.
- b) In absence of a request for lifting the suspension by the Exchange Member the Exchange may delete the Trader from the Trader List after the maximum duration of the suspension.

8.1.15 Exchange Members may request in written that the Exchange shall delete the Trader from the Trader List - starting the date requested by the Exchange Member or, in the absence of this, within 1 Exchange Day.

9 Suspending or terminating the Trading licence

9.1 The Exchange may suspend an Exchange Member's trading licence:

- a) upon an Exchange Member's request to have its own trading licence suspended;
- b) if a condition for an Exchange Member exercising its trading licence is not fulfilled, then the trading licence of such Exchange Member will be suspended;
- c) as part of a sanction apply by the Exchange vis-à-vis an Exchange Member.

9.2 In the XETRA-T7 trading system, a General Clearing Member performing the clearing work for an Exchange Member which does not have Clearing membership is directly authorized to suspend the Member's trading licence. In this case, the Stock Exchange will not take a decision to suspend. The scope and consequences of the suspension are the same as those of a suspension decision issued by the Exchange. The General Clearing Member is mandated to immediately notify the Exchange of the suspension of the trading licence of a Sub-Clearing member whose Clearings are within the authority of the General Clearing Member, as well as of the restoration of trading licence.

9.3 The Stock Exchange may suspend trading licence for a Section, Market, Trade Type, a group of Stock Exchange Products or a single Stock Exchange Product, even within the

trading day, while the General Clearing Member only may suspend the trading licence of a Sub-Clearing Member for a Stock Exchange Product traded in all XETRA-T7 systems.

- 9.4 If the reason for the suspension of trading licence no longer exists, the entity that executes the suspension must immediately terminate said suspension.
- 9.5 The Exchange's work organisation, and in case of an appeal, the Board of Directors, has the power to issue a decision on the suspension and the restoration of the trading licence by the Stock Exchange

The time of suspending and restoring the trading licence shall be set in the decision issued to that effect in a manner that does not jeopardize the safety of trading and settlement on the Exchange, and which allows (with the previous point taken into account) the date to fall in accordance with the recognizable interests of the parties.

- 9.6 The trading licence may be suspended simultaneously under multiple grounds. If the suspension of the trading licence has to be ordered or instituted under multiple grounds, a separate decision shall be issued for each reason and separate decisions shall also be issued to restore the trading licence under each ground.
- 9.7 Exchange Members are obliged to pay the related fees for the period during which their trading licence is suspended.
- 9.8 As long as the trading licence of an Exchange Member is suspended, such Member's general rights and obligations shall be modified as follows, hence a suspended Exchange Member:
- a) may not exercise trading rights in respect of the Exchange Product(s) affected by the suspension, may not enter orders, may not conclude a transaction, but may observe trading as long as the suspension is in effect;
 - b) the orders such Exchange Member entered for Exchange Products affected by the suspension shall be cancelled;
 - c) shall immediately do everything in order to avoid any violation of the interest of its principals;
 - d) shall perform the transactions it concluded in a regular manner before its trading licence was suspended;
 - e) shall perform the liabilities that arose from its trading licence earlier while said right was in effect.

9.9 Suspension of the Trading licence Upon an Exchange Member's Request

9.9.1 An Exchange Member may request the suspension of its own trading licence without offering reason or explanation.

9.9.2 The Exchange shall restore the trading licence of an Exchange Member upon the member's request if the Exchange Member fulfils all the conditions required for exercising the trading licence.

9.10 Suspension of the Trading licence Upon a Failure to Comply with a Condition Precedent

9.10.1 The Exchange shall suspend the trading licence in a Section upon a failure to meet a condition required for granting membership or for exercising the trading licence in that Section.

- 9.10.2 The Exchange will suspend an Exchange Member's trading licence in a given Section, a market, a Transaction Class or in an Exchange Product if:
- a) the Exchange Member fails to observe the margining requirements provided in KELER Rules, except for those markets where trading right may be limited by applying the close out status as well;
 - b) the Exchange Member fails to effect payments of its fees due to the Exchange within three (3) business days after receipt of written notice.
- 9.10.3 In addition to the cases specified in Section 10.2 the trading licence held by a Sub-Clearing Member shall be suspended:
- a) if the General Clearing Member performing clearing for such Sub-Clearing Member fails to fulfil the margining requirements provided in KELER Rules, except for those markets where trading licence may be limited by applying the close out status as well;
 - b) if the General Clearing Member requests in writing that the Exchange suspend the trading licence of a Sub-Clearing Member for whom it performs clearing, except for those markets where trading licence may be limited by applying the close out status as well;
 - c) if the General Clearing Member notifies the Exchange in writing that the clearing agreement of a Sub-Clearing Member for whom it performs clearing has terminated.
- 9.10.4 The Stock Exchange is not responsible for the financial outcome of any legal dispute stemming from the Clearing Agreement. Additionally, it will not investigate whether the suspension of the trading licence of a Sub-Clearing Member by the General Clearing Member or by the Exchange at the request of the General Clearing Member or the unilateral application for the termination of the Membership of the Sub-Clearing Member was in accordance with the conditions of the Clearing Agreement. The General Clearing Member is solely responsible for any suspension by the General Clearing Member of the trading licence of the Exchange member who does not have Clearing Membership.
- 9.10.5 The transactions properly concluded by Sub-Clearing Members before suspension shall be duly performed by the General Clearing Member settling deals on their behalf.
- 9.11 Exchange Rules may provide other cases of limiting the trading licence.
- 9.12 Termination of Trading Licence at the Exchange Member's request
- 9.12.1 The Exchange Member may request in written for the termination of his Trading Licence without justification
 - 9.12.2 The Exchange shall terminate the Exchange Member's Trading Licence in the given Section at his written request by Resolution effective the date requested by the Exchange Member. The Exchange Member cannot ask for a date within 5 Exchange Days from the written request.

10 Termination of Exchange Membership

- 10.1 Exchange membership terminates when the term of the Exchange membership agreement expires. An Exchange Member's trading licence ceases when Exchange membership terminates.
- 10.2 An Exchange Membership Agreement Terminates:
- a) resignation by the Exchange Member;
 - b) when the Exchange Member terminates;
 - c) upon cancellation or withdrawal of an Exchange Member's license to pursue investment or Commodity Exchange service activities;
 - d) if the Exchange Member's trading licence is terminated in all Sections;
 - e) if the Exchange Member is banned;
 - f) if the Section is terminated by the Exchange in accordance with Section 3 and the Exchange Member does not have trading licence in any other Section.
- 10.3 In addition to the above, a Cross Member's Exchange membership legal relation shall terminate if the cross membership agreement between the Exchange and the Cross Member's Own Exchange expires.
- 10.4 Exchange Members must perform the obligations and liabilities that arose before the termination of their Exchange membership legal relation regardless of such expiry.
- 10.5 When an Exchange membership legal relation terminates, the affected Exchange Member shall have no right to claim a refund of fees or other reimbursement from the Exchange.

11 Sanctions Applicable by the Exchange

- 11.1 The Exchange may impose sanctions, included in a decision with an explanation, on members for any failure, incompleteness, or delay in the performance of the obligations provided in an Exchange Rule.
- 11.2 In the event that the Regulations on Exchange Membership are violated, the following sanctions may be applied if necessary:
- a) warning,
 - b) fine,
 - c) suspension of the trading licence,
 - d) banning.
- 11.3 In determining the type and degree of sanction to be applied, the weight of the transgression (such as the size of the disadvantage suffered by other Exchange Members by or the actual cause leading to the transgression, etc.) shall particularly be taken into account, as shall the frequency at which the given Exchange Member commits transgressions, the moral damage done to the Exchange or to Exchange membership. For violations of the rules of settlement, the size of the amount and the period it has been outstanding shall particularly be taken into account.
- 11.4 The following sanctions may be imposed on traders that violate an Exchange Rule:
- a) warning;
 - b) prohibition from acting as a trader on the Exchange.

- 11.4.1 If the Exchange considers the application of a sanction to be necessary, the Exchange shall notify the Exchange Member or Trader in advance, which shall include the brief summary of the facts, the Exchange Rules establishing the application of the sanctions, the notification on the possibility of application of the sanction without indicating the type and the extent of the planned sanction, furthermore a request to the Exchange Member or Trader for determine the cause of the infringement specified by Exchange. The Exchange shall send the notice to the email address of the contact person provided by the Issuer or of the Trader.
- 11.4.2 The Exchange Member or Trader may make observations within 5 (Five) Exchange Days of the sending of the e-mail to determine the cause of the infringement specified by Exchange, or to comment on the application of the sanction
- 11.4.3 The notifications described above shall be sent solely by e-mail, and they will not be sent to the recipient by post. The Exchange Member or the Trader is not entitled to rely on the fact that the message - properly sent by the Exchange to the registered e-mail address - has not been received subject to the obligation regarding the data to be provided set out in the Annex no. 2 of the present Book. The Exchange may decide on the application of the sanction if the Exchange Member or the Trader fails to meet the deadline set out in Section 11.4.2, provided, that if the Exchange Member or the Trader was not able to comment on the notice sent by the Exchange within the deadline for reasons beyond its control, the Exchange examines their comments after the obstacle has been ceased and, if necessary, may modify the sanction applied. If the Exchange Member or Trader cannot fulfill its obligations under this clause for a reason beyond its control, it cannot be held responsible for failing to fulfill its obligation until the obstacle has not been ceased. At the request of the Exchange the Exchange Member or Trader shall prove that the obstacle has occurred for reasons beyond its control. The Exchange shall be entitled to impose a sanction on Exchange Member or Trader if it has improperly referred to the existence of an obstacle.
- 11.4.4 After considering all circumstances of the case, in particularly justified cases, the Exchange may, at the Exchange Member's or Trader 's request, grant the Exchange Member or Trader the opportunity to explicate its position regarding the planned sanction at a personal meeting, but the Exchange shall not be required to provide such opportunity.
- 11.4.5 If the Exchange Member or Trader eliminates the reasons for the sanction and certifies that fact to the Exchange within the deadline specified in Section 11.4.1, the Exchange may take this fact into account when applying the sanction.
- 11.4.6 The Exchange shall be entitled, prior to imposing a sanction, to disapply the Exchange Member's or Trader 's notification pursuant to Section 11.4.1 and to decide on applying a sanction without prior notice in a justified and urgent case, in particular, in order to protect the interests of the investors. In this case, the Exchange Member or Trader also has the right to appeal under Section 12.

11.5 Individual Sanctions

11.5.1 Warning

- 11.5.1.1 A warning may be used as a sanction in the event of a minor violation of an Exchange Rule, with such a sanction including a warning of the future applicability of more serious sanctions.
- 11.5.1.2 The Exchange shall warn Exchange Members or traders upon a minor violation of an Exchange Rule.
- 11.5.1.3 The Exchange shall announce the fact that a warning has been issued by publishing the relevant decision.

11.5.2 Fine

- 11.5.2.1 The Exchange may impose a fine on Exchange Members for more serious violations of an Exchange Rule or for non-compliance with the obligations set therein recurring after a warning.
- 11.5.2.2 The fine may range from HUF 100,000 (one hundred thousand) to HUF 2,000,000 (two million).
- 11.5.2.3 Fines shall be paid to the account of the Exchange within eight (8) days of receipt of the final decision. In the event of overdue payment, the defaulting Exchange Member shall pay default interest calculated for the period starting when payment falls overdue. For default interest the pertaining rules of the Hungarian Civil Code shall apply.
- 11.5.2.4 The Exchange shall announce the fact that a fine has been imposed by publishing the decision containing the instruction to pay.

11.5.3 Suspension of the Trading licence

- 11.5.3.1 The Exchange shall suspend an Exchange Member's trading licence if:
- a) further participation by the Exchange Member in trading in that Section exposes (or may expose) the security of trading to serious jeopardy,
 - b) the nature of the violation of the Regulations on Exchange Membership precludes maintaining the Exchange Member's trading licence on the Exchange,
 - c) the Exchange finds at any time during a review that the Exchange Member is in material breach of the provisions of Exchange Rules, the degree of which makes imposing a lighter sanction insufficient.
 - d) the Exchange Member fails to effect payment of a fine by the deadline set in the instruction to pay.
- 11.5.3.2 The Exchange shall announce the fact that an Exchange Member's trading licence has been suspended by publishing the related decision.

11.5.4 Banning of an Exchange Member

- 11.5.4.1 In cases involving serious or repeated breaches or transgressions under the regulations, the Exchange may ban an Exchange Member from the ranks of Exchange Members of the Exchange by terminating their exchange membership agreement.

- 11.5.5 If a Stock Exchange Member violates the minimum quantity or price restriction as set in the Book Five - Regulations on Trading on a Negotiated Transaction, the Exchange

will respond as follows:

- the first instance of a regulation violation will result in a warning,
- a second instance of a regulation violation will carry a fine of HUF 200,000,
- the fine will be increased by another HUF 200,000 for every additional violation of the regulations.

When determining the size of the fine, only the violations of that particular regulation in the past 24 months and the regulation violation defined under this Article will be considered.

In addition to the fine set forth in this section, the Exchange member shall compensate the Exchange for the justified and proven damages arising from the violation of the conditions of the Negotiated Transactions, especially for any fines paid by the Exchange resulting from a binding and final resolution by the Supervision.

11.5.6 Prohibition from Acting as a Trader on the Exchange

11.5.6.1 The Exchange may prohibit a trader from acting as a trader upon a serious or repeated violation of an Exchange Rule.

11.5.6.2 The person affected by the prohibition may not participate in concluding exchange transactions that fall under the scope of investment or Commodity Exchange service activities after the prohibition takes effect and during the term thereof.

11.5.6.3 The term of prohibition shall be set in months or years, with the shortest term being six months and the maximum being three years.

12 Legal Remedy

12.1 An Exchange Member may only appeal Exchange decisions that affect the Exchange Member directly and are issued on following matters:

- a) a decision rejecting an Exchange membership and the trading licence application;
- b) a decision rejecting a trader registration or removing;
- c) a decision ordering the suspension of the trading licence and limitation by applying the close out status by method determined in Code of Trading;
- d) a decision refusing to restore the trading licence after a suspension;
- e) a decision terminating an Exchange membership agreement (banning);
- f) a decision relating to prohibiting a trader from trading activities;
- g) a decision containing a sanction.

12.2 A trader may only appeal a decision on sanctioning the trader.

12.3 The person affected by a provision in a decision by the Exchange's work organisation may appeal such a decision in a petition addressed to the Board of Directors. In its capacity as a second instance authority, the Board may revise decisions by the Exchange's work organisation. There are no further opportunities for redress within the Exchange organization against decisions by the Board.

12.4 Decisions with the option to appeal shall contain an explanation and shall be set in writing. Decisions shall be disclosed to the public in accordance with Exchange Rules

and shall be delivered to the party entitled to appeal in a manner that allows clear identification of the date of delivery. Decisions shall be delivered to other affected parties.

- 12.5 A party entitled to appeal a decision may do so within fifteen (15) Exchange Days of receipt in a petition addressed to the Board of Directors and submitted to the Chief Executive Officer.
- 12.6 Any failure to meet the deadline for appeal shall be deemed to constitute a forfeiture of the right to appeal. There is no right to file for postponement even with certification of incapacity and such appeals may not be pursued. The Chief Executive Officer rejects overdue appeals.
- 12.7 The Board of Directors shall review decisions that have been appealed at its next meeting.
- 12.8 A simple majority of directors present at the Board meeting shall be required to reverse a decision by the Exchange's work organisation.
- 12.9 First instance decisions take effect on the day after the deadline for appealing if no appeal is filed, and second instance decisions on the day after the decision is delivered or communicated.
- 12.10 Except for first instance decisions imposing a pecuniary fine, all decisions are immediately enforceable and an appeal shall not delay the enforceability of the decision.
- 12.11 A final decision imposing a pecuniary fine is enforceable.

Chapter 3
RIGHTS AND OBLIGATIONS OF AN EXCHANGE MEMBER

13 The Rights and Obligations of Exchange Members

13.1 An Exchange Member May:

- a) participate in the election of the person to represent a Section within the framework set by Exchange Rules;
- b) participate in trading in a Section within the framework set by Exchange Rules (the trading licence);
- c) utilise the technical means necessary for trading on the Exchange;
- d) use the remedies provided in Exchange Rules.

13.2 A General Clearing Member who provides clearing services to a Stock Exchange Member who does not have Clearing Membership is authorized to suspend the trading of its Sub-Clearing member in the XETRA-T7 system.

13.3 General Obligations:

Exchange Members

- a) shall comply at all times with the respective legislative provisions, the Exchange Rules, and – in case of Clearing Members – the KELER Rules, and shall observe and abide by, and ensure that their Employees uphold, the requirements set out in detail below;
- b) shall at all times exhibit the utmost care in pursuing their investment or Commodity Exchange service activities and shall in so doing act in compliance with the stringent ethical requirements typical of the fiduciary nature of such activities in their relationship with customers, other Exchange Members, and the organs of the Exchange;
- c) shall manage their businesses in a manner that enables them to remain solvent and liquid enough to consistently meet payment liabilities as long as they maintain membership in a Section;
- d) Exchange Members who are Clearing Members shall meet their settlement and delivery liabilities towards KELER Ltd. by the given deadline;
- e) shall fill orders with the care expected of an entity in such a capacity;
- f) shall consistently pay the relevant Exchange fees.

13.4 Exchange Members shall perform their obligations continuously as long as they maintain Exchange membership and shall continue to fulfil the conditions of membership as long as they are members.

13.5 An Exchange Member's company bylaws are publicly available and shall be made accessible to any party. Exchange Members shall ensure that the provisions in their bylaws are enforced and observed in full at all times.

13.6 Each Exchange Member shall apply internal procedures and contracts that ensure the enforcement of Exchange Rules and KELER Rules and comply with all pertaining legislative provision.

14 The Procedure for Monitoring Exchange Members

- 14.1 The Exchange may conduct on-site reviews of Exchange Members and request delivery of documents for inspection from Exchange Members to check the enforcement of the Exchange Rules.
- 14.2 The Exchange may perform joint on-site audits with the settlement company and the Supervision.
- 14.3 The Exchange may request affected Exchange Members to submit written reports of audits performed by the supervisory bodies. The Exchange Member must send such reports to the Exchange upon the Exchange's request.
- 14.4 On-site reviews may be conducted at a member's premises by persons appointed by and holding a letter of authorization from the Exchange.
- 14.5 The Exchange may order an audit if the transparency of an Exchange Member's operation is not ensured, if the business conduct of the Exchange Member raises the likelihood of a solvency crisis, or in any other cases where information available to the Exchange justifies ordering a review.
- 14.6 Whenever an audit is ordered, the Exchange will give priority to testing compliance with the provisions of Exchange Rules and legal regulations that:
- a) prohibit insider trading or unfair manipulation of market prices,
 - b) determine how Exchange Members should perform risk management, the rules of concluding agreements with customers and the performance thereof, the rules of managing customer assets, and the system of accounting and record keeping.
- 14.7 Exchange Members must make data or documents with the requested content available to the Exchange whenever the Exchange makes written or oral requests during on-site inspection as part of an audit ordered by the Exchange. The Exchange shall handle the data thus in its possession as highly confidential.
- 14.8 The Exchange shall prepare a report of on-site audits and such reports shall include a clause by the audited Exchange Member. The Exchange may deliver a report of desk and on-site audits to the Supervision and the clearing company. The Exchange may not disclose the information that comes into its possession during desk and on-site audits and reports to third parties other than to the clearing company and to competent authorities.

15 Disclosure Obligations by Exchange Members

15.1 Obligation to Disclose Information

15.1.1 Exchange Members shall submit timely reports to the Exchange covering information as follows:

- a) an annual report with the full text of the auditor's report attached
(deadline: one hundred and fifty (150) days from the balance sheet date in the business year, in the case of an Exchange Member with a seat in a foreign country fifteen (15) days from the balance sheet date in the business year determined by the local law)
- b) consolidated annual report
(deadline: one hundred and eighty (180) days from the balance sheet date in the business year, in the case of an Exchange Member with a seat in a foreign country fifteen (15) days from the balance sheet date in the business year determined by the local law)
- c) the monthly turnover report with the data content and by the deadline specified in the applicable Exchange decision,
- d) Information included in Annex 2 of the Regulations on Exchange Membership, on the level and by the deadline specified in it,
- e) Exchange members in the Commodities Section shall report details of their own open positions held through commodity derivatives traded in the Commodities Section on a daily basis, as well as those of their clients and the clients of those clients until the ultimate beneficiary client is reached, with the details, in the form and until the deadline set forth in the Exchange resolution in order to comply with Section 317/B. of the CMA,
- f) Exchange members in the Commodities Section shall provide access to the information related to the Exchange members or their clients, including all relevant documentation about the size and purpose of a position or exposure they entered into, information about beneficial owners, any concert arrangements, and any related assets or liabilities in the underlying market,
- g) Above and beyond the foregoing, the data and information requested by the Exchange in a written request, on the level and by the deadline specified in that request.

15.2 In keeping with Annex 2, of the Regulations on Exchange Membership, a Stock Exchange Member is required to notify the Stock Exchange in writing of any changes in Stock Exchange Membership. The entity submitting the notification is responsible for the truth of the notification and for the notification conforming to the contents as set down in the Regulations on Exchange Membership.

15.2.1 Exchange Members shall send to the Exchange the balance sheet and the profit and loss account mentioned in sub-section 15.1.1 a) by the deadline set in sub-section 15.1.1 a)

and shall publish such documents in accordance with the provisions of the Regulations on Official Publications.

15.2.2 If an Exchange Member is also an Issuer on the Exchange, it must observe the deadlines in the disclosure provisions set forth in the Regulations on Listing and Continued Trading, as amended.

15.3 Processing and Handling Data and Information

15.3.1 The Exchange processes the data provided by Exchange Members and maintains records thereof organised according to each Exchange Member and records in a consolidated form.

15.3.2 The Exchange may handle all data in a publicly available manner unless such data are qualified as confidential securities, banking, or business information under a provision of law.

15.4 Other Provisions

15.4.1 Exchange Members shall be liable for any consequences arising from their failure to observe the requirement set out in the Regulations on Exchange Membership to provide data and information or from the disclosure of untrue data.

15.4.2 Upon written instructions based on an individual-case decision of the Exchange, the senior officers and Employees of an Exchange Member must give an account of Exchange Products - excluding government securities - held in their portfolio or the portfolio of Close Relatives living in the same household, the sale and purchase of such Exchange Products, and the transactions concluded with the given Exchange Member. The Exchange keeps statements thus received on file, which may only be used for the purposes of an investigation conducted by the Exchange, by the Supervision or some other authority. The affected parties shall be advised of such use at the time of use.

16 **Effective Forms of Contact Between the Exchange and Exchange Members**

16.1 Official contact between the Exchange and Exchange Members may be of the following form:

- a) written (mail, facsimile, electronically signed e-mail) messages duly signed by the Exchange Member, or the Exchange Member's communications recorded verbatim in the minutes of an official forum;
- b) written (mail, facsimile, electronically signed e-mail) messages or communications duly signed by, or announcements made at the official site of publication of the Exchange;
- c) in urgent cases, exceptional oral messages to be followed up by official written confirmation containing all material elements of the oral communication, to be given within an hour or by the close of trading on the Exchange.

- 16.2 Messages or communications of a form different from those specified above shall be deemed unofficial and only informative in nature.
- 16.3 The dispatcher of official communications shall be responsible for verifying receipt.
- 16.4 The language of communication shall be Hungarian or English at the Exchange Member's discretion.

**Chapter 4
MISCELLANEOUS PROVISIONS**

- 17 Except for Section 16, the provisions in Part II, Chapter 3 hereof need not be applied vis-à-vis Cross Members or shall be applied in accordance with the provisions of the cross membership agreement concluded between the Exchange and the Cross Member's Own Exchange.
- 18 In the case of Exchange Members becoming Exchange Members in the Commodities Section and Derivatives Section before the closing day of BCE's commodity market trading, as regards their traders registered as traders on that day at the latest, requirements regarding traders, specified in the Regulations on Exchange Membership shall be judged in accordance with Board Resolution No. 13/2004.

ANNEXES

Annex 1

Traders' examination requirements in the different Sections and Markets

1. Traders' examination requirements in the different sections and markets

A Equities and Debt Securities Sections:

- a) Stock exchange examination organised by the Budapest Banking Institute or stock exchange examination organised before 31th August 2018 by the Central European Training Foundation for Brokers and XETRA or XETRA-T7 Examination, or
- b) any other examinations specified by relevant Hungarian laws as the condition of acting as a trader, and XETRA or XETRA-T7 Examination, or any examinations in addition to the above required as a condition to act as a spot market trader on any exchanges of the European Union and XETRA or XETRA-T7 Examination.

B Derivatives Section

1. Futures Market

- a) Stock exchange examination organised by the Budapest Banking Institute or stock exchange examination organised before 31th August 2018 by the Central European Training Foundation for Brokers, Futures Market Examination organised by the Budapest Banking Institute or Futures Examination exchange examination organised before 31th August 2018 by the Central European Training Foundation for Brokers and MMTS II Examination, or
- b) any other examinations specified by relevant Hungarian laws as the condition of acting as a trader, and MMTS II Examination, or
- c) any examinations in addition to the above required as a condition to act as a futures market trader on any exchanges of the European Union and MMTS II Examination.

2. Options Market

- a) Stock exchange examination organised by the Budapest Banking Institute or stock exchange examination organised before 31th August 2018 by the Central European Training Foundation for Brokers, Options Market Examination organised by the Budapest Banking Institute or options examination organised before 31th August 2018 by the Central European Training Foundation for Brokers and MMTS II Examination, or
- b) any other examinations specified by relevant Hungarian laws as the condition of acting as a trader, and MMTS II Examination, or
- c) any examinations in addition to the above required as a condition to act as an options market trader on any exchanges of the European Union and MMTS II Examination.

C Commodities Section

1. Commodities Section

- a) Special examination organised by the Budapest Commodity Exchange before 1st November 2005 and MMTS II Examination, or

- b) Commodity Exchange Examination organised by the Exchange before 28th February 2011 and MMTS II Examination, or
- c) Stock Exchange, Futures Market and Options Market Examinations organised by the Budapest Banking Institute or stock exchange, Futures and Options examination organised before 31th August 2018 by the Central European Training Foundation for Brokers, and MMTS II Examination.

2. The content of the examinations organised by the Exchange is decided by the Board of Directors in a Board resolution.

3. Regarding the examinations organised by the Exchange, the Exchange decides on the rules regulating training and examinations by resolution.

**Annex 2
Data to Be Provided by Exchange Members**

Reported Content	After information is generated	After approval / rejection by Supervision	
a) Suspension or withdrawal of a license by the Supervision for operating a business in the provision of investment or Commodity Exchange services or auxiliary investment services		X	
b) Changes in the person or data of exchange traders	X		
c) Changes in corporate data: company name, head office location, mailing address, phone and facsimile number, contact person, or e-mail address	X		
d) Launching or termination of liquidation, bankruptcy, or final settlement procedures	X		
e) Any case of conflict of interest and the termination thereof	X		
f) A fall of registered equity below the level of the minimum registered capital required by the applicable laws	X		
g) If the regular orders by customers for transfer, remittance or cash disbursement that were not performed by second day after falling due, including an explanation of its reason	X		
h) Suspension of the trading licence of a Sub-Clearing Member by the General Clearing Member performing clearing for the given Sub-Clearing Member (Reporter: General Clearing Member)	X		
i) Changes in the LEI code of the Exchange members	X		
j) Providing the data set forth in points 9.2.1 and 21.2.1 of Book Five to the Exchange	X		
k) Changes in the person and data of the DMA or SA clients in accordance with the section 7. of Book Four	X		
l) Changes in the person and data of the contact person set forth in points 6/A and 6/B. 7. of Book Five (transaction cancellation)	X		

Sections a), e), f), and g) shall not be applied for MNB, as Exchange Member.

BOOK FOUR

REGULATIONS ON TECHNICAL CONNECTIONS

TABLE OF CONTENTS

1	PURPOSE, SUBJECT MATTER, FUNDAMENTAL PRINCIPLES, EFFECT OF THE PRESENT BOOK	139
2	Definitions	140
3	Method of Connecting to the Exchange Trading Systems	141
4	Issues of liability regarding connection to the Exchange Trading Systems	141
5	Conditions of constructing and operating the Exchange Member's Trading Systems and other obligations regarding its trading activity	141
6	Provisions to safeguard the operation of the Exchange Trading Systems and the method and terms of connecting the Exchange Member's Trading System to third party computer Networks	146
7	Rules on Providing DMA and/or SA (DEA) Services	147
8	Rules for the Use of the Stand-by Trading Workstation	151
9	Use of Information	151
10	Procedure upon Exchange Trading Systems Failure	152
11	Maintaining connection to the Exchange Trading Systems in case of disaster	152
12	Transitional provisions	153

I. GENERAL

1 PURPOSE, SUBJECT MATTER, FUNDAMENTAL PRINCIPLES, EFFECT OF THE PRESENT BOOK

1.1 Purpose of the present Book

The present Book Four of the General Terms of Service – Regulations on Technical Connections (hereinafter: Regulations on Technical Connections) specify for the users of the Trading System of the Budapest Stock Exchange Ltd. (hereinafter: the Exchange) the methods of connecting to the Exchange Trading Systems, as well as the obligations and rights of and the rules of mutual co-operation among persons under the scope of the present Book in order to ensure the controlled operation of the Exchange Trading Systems.

1.2 Subject Matter of the present Book

The subject matter of the present Book is to specify the rights and obligations of the Exchange and the persons subject hereto in connection with the specification of the rules of Trading and to set forth the related rules of procedure in line with the purpose also mentioned in the present Book.

1.3 Fundamental Principles of the present Book

The principles to be applied concerning the application and interpretation of the present Book are set out in Section 6 of Book One – Introductory and Interpretative Provisions.

1.4 Scope of the present Book

The scope of the present Book covers the Exchange, its officers, other users of the Exchange Trading Systems, Exchange Members, traders, brokers, and the employees of the Exchange.

1.5 Related Regulations

Regarding issues not specified in the Regulations on Technical Connections, the provisions of the Connectivity Agreement shall apply.

The Exchange is entitled to regulate in a resolution all issues not specified in the Regulations on Technical Connections or the Connectivity Agreement.

In case of a contradiction between the Regulations on Technical Connections, the Connectivity Agreement and the Exchange resolution, the provisions of the Regulations on Technical Connections primarily, and the provisions of the agreement secondarily shall be applied to the extent necessary for the termination of the contradiction.

2 Definitions

The terms in the present Book indicated with capital letters shall have the meaning defined in the definitions set out in Book One – Introductory and Interpretative Provisions.

II. PARTICULARS

3 Method of Connecting to the Exchange Trading Systems

- 3.1 The Stock Exchange bears all expenses of creating, operating and maintaining those parts of the Exchange Trading System which run at the Exchange or Trading System Operator site or in a data center used by them.
- 3.2 In lack of a different Exchange Rule, the Exchange, in its sphere of interest, ensures the conditions for the uninterrupted operation of the Exchange Trading Systems during its System Opening Hours, in particular the personnel and technical conditions for maintaining working order and uninterrupted operation.
- 3.3 The Exchange unifies the method of connecting to the Exchange Trading Systems, and defines the applicable network and other IT devices and systems in an Exchange resolution. Thus it ensures that the systems used by Exchange Members for accessing the Exchange Trading Systems (including the hardware and software components thereof) dispose of at least such functionality that are in compliance with the technical requirements of the Exchange Trading Systems, and do not risk fair and organised trading thereon.
- 3.4 Exchange Members may participate in trading on the Exchange exclusively with the conditions and in a manner specified in the Connectivity Agreement and the relevant Exchange Resolution. The Exchange defines in a resolution the currently used versions of software and interfaces necessary for connecting to the Exchange Trading Systems, as well as the availability of the installation packages thereof, with which connection is viable, and other material, technical conditions of the usage of the Trading Systems which are not regulated in this Book.
- 3.5 The installation of software, interfaces and front-ends necessary for the connection, as well as the setting of parameters is conducted by the Exchange Members on their own, without assistance from the Exchange.
- 3.6 In the event that the Exchange Members connect to the Exchange Trading System through the communications network supervised by the Exchange, they may only commission the Exchange to construct and install the communications network required for connecting to the Trading Systems.
- 3.7 Prospective Exchange Members that have submitted applications for section membership to the Exchange in the manner set forth in the Regulations on Exchange Membership may conclude the contracts ensuring connection to the Exchange's Trading Systems, provided that they accept liability for all contractual consequences and obligations arising upon any decision rejecting their applications for section membership, and such prospective Exchange Members hereby waive the right to make any related claim on the Exchange.

4 Issues of liability regarding connection to the Exchange Trading Systems

- 4.1 The regulation concerning the liability of the Exchange is set out in Section 7 of Book One - Introductory and Interpretative Provisions.

5 Conditions of constructing and operating the Exchange Member's Trading Systems and other obligations regarding its trading activity

- 5.1 The construction, operation and the harmonization of the Exchange Member's Trading System with the Exchange Trading Systems is the duty and obligation of the Exchange Member, the costs of which shall be covered by the Exchange Member.

- 5.2 The installation and upgrade of the Exchange Member's Trading System is carried out by the Exchange Member on its own, without assistance from the Exchange, and all the consequences arising from failure to do so shall be borne by the Exchange Member.
- 5.3 The Exchange shall not be liable to the Exchange Member for damage arising from the inappropriate installation, setting, upgrade of the Exchange Member's Trading System, and for damage arising from the inappropriate integration to the Exchange Trading Systems. Furthermore, the Exchange is not liable for damage inflicted by Exchange Members upon each other by breaching the Regulations on Technical Connections.
- 5.4 The Exchange specifies in a resolution the version number of the software components of the Exchange Trading Systems, as well as the starting date of their validity, the availability of their installation package and the installation guide. In the event that the Exchange decides on the upgrade of the software components, the above parameters, the starting date of the upgrade and the last day of operation of the software components to be replaced are specified in a resolution as soon as possible, but at least 10 (ten) Exchange Days prior to the starting date of the upgrade. The installation or the upgrade are carried out by the Exchange Member on its own, without assistance from the Exchange, and all the consequences arising from failure to do so shall be borne by the Exchange Member.
- 5.5 In order to use the Exchange Trading Systems, the Exchange Members shall identify themselves by submitting the IDs (user names, certificates, safety tokens in particular) and passwords provided by the Exchange. The Exchange Member has confidentiality obligation regarding user names and passwords. The Exchange is not liable for the usage of the user names and passwords by unauthorized persons.
- 5.6 All operations conducted via the Exchange Member's Trading System qualify as the acts of the Exchange Member, for which full liability is borne by the Exchange Member.
- 5.7 The Exchange Member shall be obliged to make available all data and information requested by the Exchange for the purpose of checking the monitoring of compliance with rules and regulations on the organisational requirements and controlling mechanisms set forth by the Exchange in the Regulations on Technical Connections, in compliance with the request, and by the deadline indicated therein.

Staff requirements

- 5.8 The Exchange Member shall employ a sufficient number of staff (key persons) with the necessary skills to manage the Trading Systems of the Exchange, the Exchange Member and the Exchange Member's trading algorithms and with sufficient knowledge and competence to overcome erroneous trades, with the knowledge of the Exchange Rules and with the sufficient knowledge of:
- a) the Trading Systems of the Exchange and of the Exchange Member and trading algorithms used by the Exchange Member;
 - b) the monitoring and testing of the systems and algorithms;
 - c) trading strategies used by the Exchange Member through the trading systems and algorithms;
 - d) the legal obligations of the Exchange Member regarding exchange trading.
- The Exchange Member shall prove that its key persons have the competence stated by law upon the request of the Exchange

Operating kill function

- 5.9 The Exchange Member shall be able to cancel or revoke any and all unexecuted orders submitted to the Exchange Trading Systems as an emergency measure without delay (kill function). Unexecuted orders include orders by traders, trading departments and clients (DEA clients as well). The Exchange Member shall have its own rules regarding the operation of the kill function and shall provide it to the Exchange upon request.

In case the Exchange Member is not able to cancel its orders because of technical problems it may request the Exchange to execute the cancellation.

5.10 Conformance testing

- 5.10.1. The Exchange Member shall perform testing in the testing environment separated from the production environment and provided by the Exchange to verify that its own trading systems (including the systems regarding DEA service) and the main parts of the trading algorithms
- a) have the essential functions, such as submission, modification, cancellation of the orders, indication of the intention, downloading of the static and market data, and all business data flow operates in compliance with the Exchange Rules, the laws and operate properly in technical and functional way as well;
 - b) do not contribute to disorderly trading conditions;
 - c) can continue to operate effectively in case of market stress situation (a significant increase of the number of turnover or orders compared with normal trading activity);
 - d) are able to connect and interact properly with the matching engine of the Exchange;
 - e) can process the data flow to and from the Exchange properly (main functions such as submission modification cancellation of orders indication of the intention, downloading of the static and market data, and all business data flow);
 - f) are in compliance with the operation expected by the Exchange Member;
 - g) connect properly to the Trading System and handle properly the cancel on disconnect command, market data feed loss and the throttles, and the recovery, including the intra-day resumption of trading and the handling of suspended instruments or non-updated market data.

The Exchange defines the minimum test scenario which shall be executed by the Exchange Member and which covers the monitoring of the requirements stated in clause 5.10.1. with the exceptions of point b) – c) and g).

- 5.10.2. The tests shall be performed by the Exchange Member at least in the following cases and the Exchange Member shall provide the test record to the Exchange:
- a) prior to the first connection to the Trading Systems of the Exchange
 - b) prior to the beginning of the first DEA service
 - c) prior to essential change in the trading systems of the Exchange Member
 - d) prior to the introduction or essential modification of its algorithmic trading system, trading algorithm or algorithmic trading strategy
 - e) prior to the installation or substantial update of the Trading System of the Exchange

5.10.3. The Exchange does not monitor the occurrence of the circumstances stated in clauses 5.10.2 b)-c), the Exchange Member shall notify the Exchange about it and shall initiate the test. The Exchange does not bear any liability for the omission of this obligation.

5.10.4. The Trader is fully liable for the testing of its algorithmic trading systems and algorithmic trading strategies and for the execution of the necessary modifications.

5.10.5. The testing shall be performed in the test environment provided by the Exchange and at the latest prior to the go live of the new version; the Exchange Member shall inform the Exchange without delay on the conclusion of the test.

5.10.6. The Exchange prepares a conformance report on the result of the test and delivers it to the Exchange Member. This report does not cover the results of testing regarding the disorderly circumstances, and the circumstances defined in Section 5.10.1 g) in which cases the Exchange Member shall confirm that the testing was performed and shall state the means used for the testing. In this case the Exchange shall not be obliged to validate the adequacy of those means or the outcome of that testing.

5.10.7. In order to support the performance of the testing obligation the Exchange provides a conformance testing environment to its actual and prospective members which:

- (a) is accessible on conditions equivalent to those applicable to the Exchange's other testing services;
- (b) provides a list of financial instruments which can be tested and which are representative of every class of instruments available in the production environment;
- (c) is available during general market hours or, if available only outside market hours, on a pre-scheduled periodic basis;
- (d) is suitable for testing trading algorithms and disorderly trading conditions;
- (e) is supported by staff with sufficient knowledge;
- (f) is actually separated from the production environment.

Using and testing algorithms

- 5.11 The Exchange Member shall separate its different trading algorithms with special ID (Algo ID) and shall previously inform the Exchange thereof and shall certify that the algorithms it deploys have been tested to avoid contributing to or creating disorderly trading conditions prior to the deployment or substantial update of a trading algorithm or trading strategy and shall state the means used for that testing.

Pre- and post-trade transaction controls, monitoring orders

- 5.12 The Exchange, in order to ensure organised trading, specifies the minimum requirement applicable to the pre- and post-transaction checking of the Exchange Members' trading activity as follows:

During trading the Exchange Member shall be capable of monitoring in real time and if it is necessary automatically blocking or deleting

- such orders that would be considered by the respective laws as insider trading or market manipulation, or would be in breach of law otherwise;
- such orders that – by order, within a time interval, or in both ways – do not comply with the trading parameters set by the Exchange Rule, the Connectivity Agreement or the Exchange Member's internal regulations or other laws for price (price collar) or volume (unit number price value);
- such orders which are not in compliance with the maximum message number defined for a given period of time in the internal rules of the Exchange Member or by the Exchange in rules, agreement, or if it is applicable, in technical specification stated by a service provider who performs the related services (preventing the submission of excessive number of orders, modification or cancellation requests that cause trading overloads)
- orders of its broker in case it is known to him that its broker exceeds his powers specified in the internal regulations of the Exchange Member or in any other document – including the agreement concluded between the Exchange Member and its client – with respect to the financial instrument concerned;
- such orders for which the risk that the Exchange Member violates its own risk threshold might arise.
- orders submitted erroneously or repeatedly through algorithmic trading.

The minimal requirements specified in this section do not affect the Exchange Member's own responsibility to carry out its pre- and post-transaction controls. The Exchange Member shall ensure to the Exchange to make connection with the employers who are responsible for the real-time monitoring.

- 5.13 The Exchange Member shall operate post-transaction (post-trade) control mechanisms which ensure the compliance with the obligations regarding the prevention of market manipulation and insider dealings set forth in the applicable laws, the Exchange Member's internal bylaws or in the prescribed risk management rules. If a control mechanism is initiated, the Exchange Member shall take adequate measures which may include adjusting or shutting down the affected algorithm and the trading system, or orderly withdrawal from the market.
- 5.14 The Exchange Member shall operate adequate and necessary controls regarding the risks of: its individual clients, individual finance instruments; its clients and the classes of individual financial instruments; the individual traders, trading departments or the Exchange itself.

Due diligence and annual assessment of Exchange Members

- 5.15 The Exchange shall conduct due diligence assessment of the prospective Exchange Members prior to the beginning of their trading activities to ensure that they meet the requirements set out in Sections 5.8, 5.9, 5.12, 5.13 and 5.14 and shall review the compliance of the already existing Exchange Members with these requirements by annual risk-based assessment.

The due diligence and the risk-based assessment shall take into account the volume or the expected volume of trading and the potential impact of trading undertaken by the Exchange Member as well as the time elapsed since the Exchange Member's last risk-based assessment.

The Exchange shall, where necessary, undertake further assessments in addition to the annual risk-based assessment in order to check the compliance with the conditions referred to in Section 5.

The Exchange initiates the reviews and assessments set out in Section 5.15 by prior written notice (with reasonable deadlines), in which the procedure of the due diligence is presented. The Exchange carries out the due diligence primarily by requesting information or in particularly justified cases by on-site audit. The Exchange Member (and the prospective Exchange Member) shall provide the requested information in due time agreed in advance and allow the on-site audit as set forth in the applicable laws.

If the Exchange concludes that the Exchange Member does not meet the requirements set out in Section 5, the Exchange requests the given Exchange Member to correct the non-compliances or to cease the non-compliant operation within the Exchange given deadline. If the Exchange Member fails to comply with this request within that deadline, then the Exchange is entitled to constrain or suspend the Exchange Member's trading rights. Notwithstanding the request for further information, the Exchange may constrain or suspend the Exchange Member's trading rights, if the Exchange Member does not comply with the requirements set forth in Section 5 and this non-compliance may result in circumstances endangering the orderly trading according to the findings of the Exchange.

Throttling procedure in case of overload of the Trading System

- 5.16 The Exchange continuously monitors the concentration of the electronic data streams of Orders, in order to identify the potential risks that may affect the orderly operation of the market, and the Exchange is entitled to apply order throttling procedures for the individual Exchange Members or for the whole market to avoid the overload of the Trading Systems. Throttling procedure is applied, if the Exchange recognises that the number of Orders entered by one or more Exchange Members exceeds the overload limits determined by the Exchange. The individual overload limit values are determined by Exchange Resolution.
- 5.17 The Exchange is entitled to order the Exchange Member to reduce the number of Orders entered per second, if the Exchange Member exceeds the overload limits and this trading activity results in such a severe overload in the system which may endanger the operation of the Trading System. If the Exchange Member fails to promptly comply with this order, the Exchange is entitled to suspend the trading account of the Exchange Member that caused the overload in order to avoid the shut-down of the Trading System, and to apply other sanctions set forth in the Exchange Regulation.

Miscellaneous

- 5.18 In case the Exchange Member recognises a breach of pre-, post-trade or other obligations set forth in Section 5, it shall notify the Exchange thereof without delay, but within 3 business days of the recognition of the breach of the obligation at the latest.
- 5.19 If the Exchange Member violates its payment obligation specified in the agreement on the connection through the communications network supervised by the Exchange (agreement on lease line service and router maintenance), the Exchange may apply the following sanctions against the Exchange Member:
- 5 (five days) after the day when payment is due, the Exchange will request in writing that the Exchange Member meet its obligations, and will call its attention to further possible sanctions;

- after the 10th (tenth) day following the day when payment is due, the Exchange will terminate the use of the secondary (backup) communications line ensuring the connection of the Exchange Member's Trading System to the Exchange Trading Systems, and at the same time will record this incident;
- after the 20th (twentieth) day following the day when payment is due, the Exchange will terminate the connection of the Exchange Member's Trading System to the Exchange Trading Systems, and at the same time will record this incident;
- after the 25th (twenty-fifth) day following the day when payment is due, the legal relationship between the Exchange Member and the Exchange will be terminated based on a unilateral statement by the Exchange (cancelling condition).

5.20 In case of a contradiction between the Regulations on Technical Connections, the agreement specified in the above point and the Exchange resolution, the provisions of the Regulations on Technical Connections primarily, and the provisions of the agreement secondarily shall be applied to the extent necessary for the termination of the contradiction.

6 Provisions to safeguard the operation of the Exchange Trading Systems and the method and terms of connecting the Exchange Member's Trading System to third party computer Networks

- 6.1 The Exchange is responsible and liable for preventing unauthorized access through the Exchange Trading Systems and for protecting the Exchange Trading Systems.
- 6.2 The Exchange Member is responsible for protecting the Exchange Member's Trading Systems and for preventing unauthorized access (either physical or logical) to the Exchange Trading Systems through the Trader's Trading System, and shall be obliged to handle secretly the hardware and software tools, user IDs (user names, certificates, safety tokens in particular) and passwords used for log-in to the Exchange Trading Systems.
- 6.3 The Exchange Member shall take all measures and use all equipment which are adequate to protect the Exchange Members Trading Systems from unauthorised access.
- 6.4 The Exchange Member shall maintain dual communication system (main and backup) towards the Exchange Trading Systems in order to mitigate or cease the results of the malfunctions in the course of the Exchange Member's Trading Systems' communication. The communication shall be conducted via private leased line or via internet on encrypted channel according to the terms of the connectivity agreement.
- 6.5 In order to prevent unauthorised access via the Trader's Trading System, Exchange Members shall apply appropriate internal procedures and controls.
- 6.6 Exchange Members may not in any form or fashion modify the software components of the Exchange Trading Systems. Exchange Members shall compensate the Exchange and other Exchange Members in full for any damages arising from a violation by the Exchange Member of the obligations set forth in this point.
- 6.7 The Exchange Member's Trading System may only be connected to other computer networks and other systems in a manner and under the terms set forth in Connectivity Agreements and the relevant Exchange resolutions.
- 6.8 Network connections between the Exchange Member's Trading System and any other computer network or system do not need prior approval of the Exchange. However, the Exchange Member shall see to it that no unauthorised persons have access to the Exchange Member's Trading System and no unauthorised network traffic could be directed to the Exchange Trading Systems. Exchange Members in breach of this obligation shall take full responsibility for the damage caused and can be sanctioned as set forth in the applicable Exchange Rule.
- 6.9 The Exchange may prohibit the connection if it does not comply with the Exchange Rules or in case the connection jeopardizes the security of the Exchange Trading Systems. In the event that the Exchange does not reject the connection or the change of the connection, the Exchange will make

available to the Exchange Member all information and details needed for configuring the network communication device used for establishing or modifying the network connection. The necessary data for configuring the personal computer connecting via the network to the Exchange Member's Trading System will also be made available.

- 6.10 Network connections shall be implemented by the Exchange Member in accordance with the Exchange Regulation, the Connectivity Agreement and the Exchange resolutions, and the related costs shall be borne by the Exchange Member.
- 6.11 The responsibility and liability of the Exchange in terms of the operation of the network connection via the Exchange Member's Trading System is limited to providing accurate information and correct data.
- 6.12 The Exchange may, without prior notice to the Exchange Member, perform a remote audit using the communication network of the Exchange Trading Systems or an on-site audit at the Exchange Member's site to verify whether or not the network connection via the Exchange Member's Trading System and its separation have been implemented in compliance with the relevant Exchange Rules, the Connectivity Agreement, and the relevant Exchange resolutions. During the audit, Exchange Members shall co-operate with the Exchange.
- 6.13 The Exchange will immediately, without prior notice disconnect the Exchange Member's Trading System from the Exchange Trading Systems, record the violation, and will furthermore apply sanctions as set forth in the applicable Exchange Rule if
- a) the Exchange Member fails to carry out the safety measures necessary to protect the Exchange Trading Systems,
 - b) unauthorized access has occurred through the Exchange Member's Trading System which threatens another Exchange Member or the Exchange Trading Systems, or there is a risk of unauthorized access,
 - c) the network connection with the Exchange Member's Trading System has not been established in accordance with the rules set forth in the Regulations on Technical Connections, the Connectivity Agreement or the Exchange resolution,
 - d) it can be proved that as a result of the Exchange Member's activity, unauthorized network traffic takes place towards the Exchange Trading Systems,
 - e) the Exchange Member's activity threatens the safe operation or performance of another Exchange Member and/or the Exchange Trading Systems,
 - f) during the on-site check, the Exchange Member fails to comply with its co-operation obligation, and as a result, the on-site check is closed without any results,
 - g) the Exchange Member is in breach of its other obligations set forth in the Regulations on Technical Connections, the Connectivity Agreement or the relevant Exchange resolution.
- The Exchange is not liable for damages arising from the immediate termination of the connection.
- 6.14 The Exchange will only restore the connection between the Exchange Member's Trading System and the Exchange Trading Systems if the Exchange Member can verify that it is in full compliance with the provisions set forth in the Exchange Regulation, the Connectivity Agreements and the relevant Exchange resolutions aimed at protecting the Exchange Trading Systems.

7 Rules on Providing DMA and/or SA (DEA) Services

- 7.1 Solely for the Exchange Members, the Exchange makes it possible to provide direct electronic access services which may either be Direct Market Access (DMA) or Sponsored Access (SA), and the conditions for providing such services are regulated in this Chapter. The general rules of trading – which are applicable for all trading methods – shall be used in issues not regulated in this Chapter regarding the DEA services.
- 7.2 Subject to Point 38a of Paragraph (1) of Section 4 of the ISA and Article 20 of the Commission Delegated Regulation (EU) 2017/565, the DEA or/and SA services provided by Exchange Members shall qualify as direct electronic access services.

Common Rules on Providing DEA Services

- 7.3 DEA services shall be provided exclusively by investment firms or the credit institutions entitled to provide investment and ancillary investment services, and solely for those clients who have LEI code at the time the order was given.
- 7.4 The DEA service provider Exchange Member shall be responsible for any trading activities conducted under its username(s) or other trading code in the Exchange Trading Systems and shall comply with the rules under Section 3 of the Commission Delegated Regulation (EU) 2017/589 at all times regarding the DEA services.
- 7.5 During the provision of the DEA services, the DEA service provider Exchange Member shall continuously operate such IT systems and effective, efficient automatic controls (including pre- and post-trade controls) in compliance with the applicable laws that:
- a) are capable of real-time, continuous monitoring and controlling of all the trading activity conducted by DEA clients – including algorithmic trading – under the Exchange Member’s trading identifier;
 - b) operate functions to identify the attempted unlawful market manipulations;
 - c) are capable of blocking or cancelling orders of all and/or individual DEA clients independently from other clients or halt the whole DEA service of the Exchange Member;
 - d) ensure that the provision of DEA services does not risk the compliance with the Exchange’s rules of trading, does not lead to unorderly trading, or does not facilitate such conducts which may rise to suspicion of abuse.
- 7.6 The DEA service provider Exchange Member shall at least establish the following pre-trade controls and limits and shall ensure these controls and limits are regularly reviewed and continuously applied in its own trading systems for DEA client orders per client and per order:
- a) price value spread (for the filtration of orders outside of the market price): in the case of non-compliance, the Exchange Member automatically refuses client orders;
 - b) Maximum order volume and quantity (number of units): which shall prevent entering uncommonly large orders into the Exchange Trading Systems;
 - c) Maximum order limit entered into the Exchange Member trading system by DEA clients: which shall prevent entering extremely large quantity of orders or cancellation, modification requests into the Exchange Trading Systems.

The Exchange Member shall be able to modify the parameters of the controls and limits at any time in its sole discretion and shall ensure at all time its exclusive right to determine or modify the parameters applicable for controls regarding DEA client orders.

- 7.7 The Exchange Member shall conduct the due diligence assessment of the clients using its services. Subject to that, the Exchange Member shall establish due procedures to assess the risks related to existing and prospective clients based on the provided services and on the given clients’ nature, the extent and complexity of their potential trading activities. The Exchange Member shall conduct the due diligence and assessment periodically according to its internal rules, but at least annually with at least the scope set forth in the applicable laws, and in particular in the Commission Delegated Regulation (EU) 2017/589.

The Exchange retains the right to access any document regarding the due diligence assessment of the DEA clients, and the Exchange Member shall grant this access at a date and time agreed to in advance by the parties.

- 7.8 The Exchange member shall mark the orders trading through DEA services and distinguish them from the other orders upon entering the orders, furthermore, it shall place at the disposal of the

Exchange the LEI codes of clients taking advantage of its DEA services connected to every order. Within this framework, the Exchange member shall mark each DEA client with unique Trader ID on the Spot Market, and shall assign each DEA clients a trading account on the Derivatives and Commodities Section.

- 7.9 The Exchange member shall notify the Exchange if the Supervision imposes any sanction on it with respect to DMA and/or SA service provision.
- 7.10 The Exchange member shall immediately inform the Exchange, if, based on the result of the review set forth in Article 23 of Commission delegated regulation (EU) 2017/589, it cannot comply with any provision of the Regulation or could comply only under different condition from those set forth in its previously made declarations. The Exchange may prohibit the Exchange member from providing such services, if, based on its evaluation subject to the result of such review, it finds that the Exchange Member does not comply with the terms of providing such services.
- 7.11 The Exchange assigns a unique user name (trading system identifier) to the clients of the Exchange member accessing the Exchange Trading System through DEA service. This way it ensures that, in case of breaching the Exchange Regulation, the access of the given client could be banned independent of the orders of the sponsoring Exchange member. The Exchange member shall ensure that the clients taking advantage of such service should only be able to place orders in the Exchange Trading Systems through the DEA service only by using the said user name and trading account.
- 7.12 In case of a new user using the DEA service, the Exchange member shall request a unique user name specified in the previous point from the Exchange.
- 7.13 In case of termination of the DEA service for a specific client the Exchange member shall request from the Exchange the deletion of the unique user name.

Special rules for SA services

- 7.14 The Exchange member shall be entitled to offer SA service in possession of the approval of the Exchange, issued upon written request of the Exchange member. The Exchange member, in its application for the license, shall be obliged to make at least the following declarations
- a) Declaration that the Exchange member complies with the provisions of the Hungarian and EU law and this Chapter with respect to providing SA service, accepts them as binding, undertakes to oblige clients taking advantage of its SA services to comply with those provisions, and in case of breaching them it accepts the right of the Exchange to sanction.
 - b) Declaration that the Exchange member informs the clients intending to take advantage of the SA service of the provisions of this chapter on the offering of the SA service, and that it obliges the said client to comply with these provisions in the agreement to be concluded between them.
 - c) Declaration on the number and the identity of clients intending to take advantage of the SA service.
 - d) Declaration that the Exchange member has carried out the due diligence of the clients taking advantage of the SA service in compliance with this Chapter.
- 7.15 The Exchange shall make a decision within 2 (two) Exchange days from the receipt of an application fully in compliance with all requirements, in the form of a Exchange Resolution. The Exchange might request the applicant to supply additional information, with the specification of a due-date, in case the application does not contain the above Declarations, or the Exchange deems it is necessary to obtain further certifications that the SA does not risk fair and organised trading. After receipt of the documents supplied as additional information, or after expiry of the above due-date, the Exchange evaluates the application based on the available documents. The time interval available for evaluating the application re-starts upon submission of the missing information by the Applicant. The Application can only be rejected by the Exchange if it is not convinced that the SA service is in compliance with the rules and regulations on fair and organised trading. The resolution for rejection shall be reasoned by the Exchange, which should clearly reflect the unfulfilled requirements that formed the basis of the rejection.

7.16 In case the Exchange is not confident that any further sponsored access would comply with its rules, regulations and processes of fair and organised trading, and with the relevant laws, the Exchange is entitled to impose the following sanctions with respect to SA service:

- a) suspends or withdraws the already granted SA licence and bans the orders of all clients trading through the SA, or
- b) without withdrawing or suspending the license, bans the orders of a certain client trading through SA in the Exchange Trading System, independently of the other orders of the Exchange member granting SA to the said client.

The Exchange takes no liability for any potential damage resulting from the application of the abovementioned sanctions. The Exchange restores the access only in case the Exchange member certifies that it fully complies with all requirements set forth by the present chapter.

7.17 The Exchange may obtain information from the Exchange member or directly from the clients of the SA services on the controls applicable during trading to such clients at any time.

Special rules for DMA services

7.18 The Exchange member shall be entitled to offer DMA service following notification thereon towards the Exchange. The Exchange member, in its notification, shall be obliged to make at least the following declarations

- a) Declaration that the Exchange member complies with requirements of relevant laws and this Chapter with respect to providing DMA service, accepts them as binding, and in case of breaching them it accepts the right of the Exchange to sanction.
- b) Declaration that the Exchange member informs the clients intending to take advantage of such service of the provisions of this chapter on the offering of such service, and that it obliges the said person to comply with these provisions in the agreement to be concluded between them.
- c) Declaration on the number of clients intending to take advantage of the DMA service and commitment to report the change in the abovementioned number to the Exchange without delay.
- d) Declaration that the Exchange member has carried out the due diligence of the clients taking advantage of the DMA service in compliance with this Chapter.

7.19 In case the Exchange is not confident that any further DMA service would comply with its rules and processes of fair and organised trading, the Exchange is entitled to impose the following sanctions with respect to DMA service:

- a) bans the orders trading through DMA independently of the other orders of the Exchange member.

The Exchange takes no liability for any potential damage resulting from the application of the abovementioned sanctions. The Exchange restores the access only in case the Exchange member certifies that it fully complies with all requirements set forth by the present chapter.

Miscellaneous

7.20 The rules on publication of the Exchange Resolutions of the present Chapter and the available legal remedy shall be governed by the provisions of the Regulations on Exchange Membership.

7.21 In the event of breaching the provisions of the present Chapter the Exchange shall be entitled to impose the sanctions specified in the Regulations on Exchange Membership on the Exchange member as well.

- 7.22 With regards to the existing services as of January 3, 2018, The applications for SA service provision and the notifications of DMA service provision shall be submitted within 8 Exchange days of the effective date of the amendments of the present Chapter (January 3, 2018). All SA and DMA services existing as of the effective date of the present Chapter may be provided under the same conditions until the evaluation of the application.

8 Rules for the Use of the Stand-by Trading Workstation

- 8.1 At its headquarters, the Exchange operates at least 7 Stand-by Exchange Trading Workstations.
- 8.2 The Exchange Member can submit its claim for the use of the Stand-by Exchange Trading Workstations through the HelpDesk.
- 8.3 The use of the Stand-by Trading Workstations is only possible upon the payment of the fee specified in the Fee Schedule of the Exchange.
- 8.4 In the order of submitting their demand through the HelpDesk, the Exchange Members are entitled to use as many of the Stand-by Trading Workstation as are available.
- 8.5 Once all available Stand-by Trading Workstations are occupied, if a further Exchange Member qualifies for requesting Stand-by Trading Workstation use, the right to use a Stand-by Trading Workstation will be withdrawn, on a proportionate basis, first from those Exchange Members that are using the greatest number of Stand-by Trading Workstations.
- 8.6 The procedure described above shall be applied until all Exchange Members qualifying for the right to use a Stand-by Trading Workstation can exercise the right to use at least 1 (one) Stand-by Trading Workstation.

9 Use of Information

- 9.1 Exchange Members may only use Information for their own trading purposes, and may only disclose information to a third party if they conclude an Information Distribution Agreement with the Exchange. In the event that the Information is used in any display format (e.g. terminal) or a non-display format (e.g. application), the Exchange Member shall check with the Exchange about the rightfulness of the use and the related fee payment obligation.
- 9.2 The Information Distribution Agreement entitles the Exchange Member to transmit the Information to a third party to an extent and in a fashion specified in the agreement. The Exchange Member with an Information Distribution Agreement may transmit the Information at a price level defined in the Agreement, but at the maximum depth available in the currently official Exchange data flow (at a depth of 20 at the effective date of the Regulation). The Exchange Member shall report to the Exchange about the use of Information in monthly user reports.
- 9.3 The NOW Agreement (Agreement on Creation of New Original Works) entitles the Exchange Member to use the Information in “non-display” applications, and to use the values calculated/produced by the application or to transmit them to a third party. None of the Exchange data transmitted within the frameworks of the NOW Agreement can be reverse engineered, the original data cannot be retraced.
- 9.4 In the case of breach of the above-mentioned points, or unauthorized use of the Information, the Exchange may suspend the Exchange Member’s right to trade for the time of the illegal state, and may levy a fine as a sanction. The Exchange or a third party acting on its behalf is entitled to check compliance with the obligations specified in the Regulations on Technical Connections at any time, without prior notice to the Exchange Member. The Exchange or the third party acting on its behalf may also check the Exchange Member’s compliance with these obligations on-site at the Exchange Member.
- 9.5 During any on-site check or inspection taking place in accordance with the Regulations on Technical Connections, the Exchange or the third party acting on its behalf is entitled to inspect at any time, without prior notice to the Exchange Member, in what fashion and to what IT applications the

Information is transmitted in the Exchange Member's network. In order that this can be established, the Exchange Member is in particular obliged to allow the Exchange or the third party acting on its behalf insight into its IT systems, hand over its data link charts regarding the affected IT applications to the Exchange or the third part acting on its behalf, as well as to co-operate in any other manner.

10 Procedure upon Exchange Trading Systems Failure

- 10.1 The Exchange operates a Help Desk for the purposes of assisting in the resolution of any errors - occurring during System Opening Hours - regarding the access and operation of the Exchange Trading Systems. The tasks of the Help Desk are strictly limited to receiving the announcement of the error and providing assistance in troubleshooting and error resolution, and, with the exception of the errors occurring in the Exchange Trading Systems, its responsibility does not cover the actual correction of errors. The responsibility of the Exchange does not extend beyond the System Access Point.
- 10.2 The Help Desk operated by the Exchange can be accessed via e-mail, the Internet, and an adequate number of telephone and fax lines, which will allow Exchange Members to get through without longer delay.
- 10.3 The Help Desk is available for contact during, and for thirty (30) minutes before and after, System Opening Hours, and e-mail, Internet and fax announcements to the Help Desk may be made continuously, and will be processed by the Exchange during the System Opening Hours of the following Exchange Day.
- 10.4 The Exchange will send prior written notice (including publication on the website www.bet.hu) to the Exchange Members of the telephone and fax numbers of the HelpDesk and any changes thereof.
- 10.5 The Help Desk is responsible for:
 - a) the continuous monitoring of the operations of the Exchange Trading Systems, detection of potential errors, and participation in the troubleshooting and resolution of detected errors as provided herein,
 - b) participation as provided herein in the troubleshooting and resolution of errors reported by Exchange Members to the Help Desk,
 - c) providing support in detecting and resolving errors up to the System Access Point.
- 10.6 In the event that an error occurs due to the failure of any of the components of the Exchange Trading Systems, the Exchange shall see to the resolution of the error without delay.
- 10.7 To the best of its knowledge, the Exchange will keep the Exchange Member continuously informed of the status of the error resolution process.
- 10.8 In order to facilitate the correction of errors, Exchange Members shall co-operate with the Trading Help Desk. As part of such co-operation, Exchange Members shall provide access to the equipment causing the error if necessary, at any time upon prior consultation, and they shall ensure that error correction can proceed. Exchange Members shall be liable for all the consequences of their failure to comply with the co-operation requirement set forth herein.
- 10.9 The Exchange makes audio recordings of reports made on trading by telephone, which the Exchange Member shall be obliged to accept as an authentic tool proving the contents of the report.
- 10.10 The Exchange shall keep the telefaxes and audio recordings for at least 30 (thirty) days, and preserve their contents until a decision is made by the competent body in controversial issues occurring during this period.

11 Maintaining connection to the Exchange Trading Systems in case of disaster

- 11.1 In case of a natural disaster, accident, fire, terrorist attack or any other event that makes the operation of the IT and personnel infrastructure serving stock exchange trading impossible, the

trading can be performed through the Stand-by Exchange Trading Systems on the markets affected.

- 11.2 In case the Exchange Trading Systems are out of operation, the Regulations on Technical Connections authorise the Exchange's work organisation to issue a resolution governing the use of the Stand-by Exchange Trading Systems with terms different from the Regulations on Technical Connections.

12 Transitional provisions

- 12.1 In the event that an Exchange Rule, Board or Exchange resolution, or any document published by the Exchange, refers to the following terms, the reference is made to the following terms specified in the Regulations on Technical Connections:

Previous term	New term/meaning
Connection Server	Exchange Member's Trading Systems
Exchange Member Workstation	Exchange Member's Trading System
Trading System	Exchange Trading Systems
Trading Software User Name	Hardware and software tools and IDs used for log-in to the Exchange Trading Systems
Central Trading Software	Exchange Trading Systems
Central System	Exchange Trading Systems
Workstation	Exchange Member's Trading System
Stand-by Workstation	Stand-by Trading Workstation
Regulations on the Use of Remote Trading	The Budapest Stock Exchange Ltd. Regulations on the Technical Connection to the Exchange Trading Systems
The Budapest Stock Exchange Ltd. Regulations on the Technical Connection to the Exchange Trading Systems	Regulations on Technical Connections

BOOK FIVE

REGULATIONS ON TRADING

TABLE OF CONTENTS

GENERAL PROVISIONS	158
CHAPTER 1	158
PURPOSE, SUBJECT MATTER, FUNDAMENTAL PRINCIPLES, EFFECT	158
CHAPTER 2	159
DEFINITIONS	159
CHAPTER 3	160
RULES GOVERNING THE EXCHANGE	160
2. Personnel and Technical Requirements for Trading	160
3. Trading Related Decision-making Powers.....	160
4. Liability of the Exchange in Relation to Trading.....	163
CHAPTER 4	164
THE SUBJECT MATTER AND METHOD OF TRADING IN THE PARTICULAR SECTIONS	164
5. The Subject Matter and Method of Trading	164
CHAPTER 5	165
CONCLUDING DEALS ON THE EXCHANGE	165
6. Concluding a Transaction	165
CHAPTER 6	165
PREVENTION AND CONTROL OF DISORDERLY TRADING CONDITIONS	165
6/A. Pre-trade controls.....	166
6/B. Post-trade controls	167
6/C. Mechanisms to manage volatility	167
6/D. Ratio of unexecuted Orders to transactions (OTR)	168
6/E. Other measures applicable by the Exchange	168
6/F. Cancellation of transactions not concluded on Market Price in case of Structured Products 169	
6/G. Cancellation of exchange transactions in other exceptional circumstances.....	170
TRADING FEATURES AND RULES IN THE EQUITIES AND DEBT SECURITIES SECTIONS	171
CHAPTER 1	171
GENERAL RULES	171
7. Reference Price, Auction Price, Reference Price of the Dynamic and Static Price Range .	171
8. Freezing, Technical Halts and Suspension of Trading in a Security	172
CHAPTER 2	174
ORDERS	174
9. The Order and the Quote	174
10. Order Types	178
11. Order Restrictions and Validity Restrictions (Order Parameters)	181
12. Modification of an Order.....	182
13. Order Priority, Persistency	183
14. The Order Expires	184

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

CHAPTER 3	185
TRADE-MATCHING ALGORITHMS	185
15. Equilibrium-Price-Based and Continuous Trade-Matching Algorithms.....	185
16. Modification of Transaction Data	189
CHAPTER 4	189
TRADING	189
17. Trading Phases	189
18. Trading Models in the Equities and Debt Securities Section	191
CHAPTER 5	200
VOLATILITY INTERRUPTION PHASE	200
19. Volatility Interruption.....	200
CHAPTER 6	204
RULES FOR NEGOTIATED TRANSACTIONS	204
20. The Negotiated Transaction.....	204
Chapter 7	207
Exemptions from the Pre-Trade Transparency Requirements	207
Applied by the Exchange	207
20/A. Exemptions regarding equity instruments.....	207
20/B. Exemptions regarding non-equity instruments.....	207
PART III	208
TRADING RULES IN THE DERIVATIVES AND COMMODITIES SECTIONS	208
CHAPTER 1	208
GENERAL RULES APPLICABLE TO ORDERS	208
21. Orders	208
22. Limits on Orders Regarding all Derivative Products:	210
22/A Applying Position Controls for Commodity Derivative Products Traded in the Commodities Section	211
23. Order Types, Order Classes and Order Duration	211
CHAPTER 2	214
TRADE-MATCHING ALGORITHMS	214
24. Equilibrium-Price-Based and Continuous Trade-Matching Algorithms.....	214
CHAPTER 3	216
TRADING	216
25. Trading Periods.....	216
26. Additional Rules and terms concerning trading in the Derivatives and Commodities Sections 217	
27. Special Conditions of Exercising Trading Rights in the Derivatives and Commodities Sections.....	219
CHAPTER 4	222
28. Orders Accepted on the Spread Board.....	222
29. Trade-Matching Algorithm of Spread Products.....	224
CHAPTER 5	225
30. General Rules	225

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

31.	Splitting and Merging Equities, Changing the Face Value.....	226
32.	Dividends Distributed in Bonus Shares.....	226
33.	Cash dividends.....	227
34.	De-listing	227
35.	Granting Subscription Rights to Shareholders.....	227
PART IV.....		229
MISCELLANEOUS PROVISIONS		229
CHAPTER 1		229
TRADING HOURS, TRADING HALT, SUSPENSION		229
36.	Exchange Day, Non-Trading day, Trading Hours on the Exchange (trading hours)	229
37.	Halt of Trading on the Exchange and of the Trading of Certain Exchange Products, Suspension of Trading of Certain Exchange Products	229
38.	Technical halts	232
39.	Handling Extraordinary Situations in Trading, Deviation from the Rules	232
ANNEXES		233
Annex No. 1		233
ORDER MATCHING WITH THE EQUILIBRIUM-PRICE-BASED TRADE-MATCHING ALGORITHM IN THE CONTINUOUS TRADING WITH AUCTIONS AND IN THE AUCTION TRADING MODELS		233
Annex No. 2.....		239
ORDER MATCHING WITH THE EQUILIBRIUM-PRICE-BASED TRADE-MATCHING ALGORITHM IN THE CONTINUOUS AUCTION TRADING MODEL.....		239
Annex No. 3.....		244
GROUPING OF ORDERS PERMISSIBLE IN THE DIFFERENT TRADING PHASES OF THE EQUITIES AND DEBT SECURITIES SECTIONS		244
Annex No. 4.....		247
POSSIBLE COMBINATIONS OF ORDER PARAMETERS IN THE EQUITIES AND DEBT SECURITIES SECTIONS.....		247
Annex No. 5.....		251
ORDER MATCHING WITH THE EQUILIBRIUM-PRICE-BASED TRADE-MATCHING ALGORITHM IN THE DERIVATIVES AND COMMODITIES SECTIONS		251
Annex No. 6.....		254
DETERMINING THE TRANSACTION PRICE IN SPREAD PRODUCTS AND THE MAXIMUM DAILY PRICE MOVEMENT (CLEARING SPREAD) OF A SPREAD PRODUCT.....		254
Annex No. 7.....		257
MATHEMATICAL FORMULAE FOR THE PURPOSES OF INTERPRETING THIS CODE		257
Annex No. 8.....		258
GROUPING OF ORDERS PERMISSIBLE IN THE DERIVATIVES AND COMMODITIES SECTIONS		258
Annex No. 9.....		259
SUBPHASES OF THE VOLATILITY INTERRUPTION.....		259
Annex No. 10.....		260
FORM CONTRACT FOR SALE AND PURCHASE ON THE SPOT MARKET		260

PART I

GENERAL PROVISIONS

CHAPTER 1

PURPOSE, SUBJECT MATTER, FUNDAMENTAL PRINCIPLES, EFFECT

1.1. Purpose of the present Book

1.1.1. The present Book Five of the General Terms of the Budapest Stock Exchange Ltd. – Regulations on Trading (hereinafter: Regulations on Trading) is designed to ensure a transparent, controlled framework for Exchange trading organised by the Budapest Stock Exchange Ltd. (hereinafter: the Exchange) and to thereby ensure equal opportunity and fair, impartial market protection for the investors. Hence, the Code specifies the procedures of Exchange trading, the requirements that apply to each participant while trading on the Exchange, the specific rules that govern eligible Exchange Products, and the conditions for valid Orders and contracts.

1.2. Subject Matter of the present Book

1.2.1. The subject matter of this Code is to specify the rights and obligations of the Exchange and the persons subject hereto in connection with the specification of the trading rules and to set forth the related rules of procedure in line with the purpose also mentioned in this Code.

1.3. Fundamental Principles of the present Book

1.3.1. The principles to be applied concerning the application and interpretation of the present Book are set out in Section 6 of Book One – Introductory and Interpretative Provisions.

1.3.2. :

1.4. Scope of the present Book

1.4.1. The scope of the present Book the Exchange, the officers and employees of the Exchange, and the members of each Section.

CHAPTER 2

DEFINITIONS

The terms in the present Book indicated with capital letters shall have the meaning defined in the definitions set out in Book One – Introductory and Interpretative Provisions.

CHAPTER 3

RULES GOVERNING THE EXCHANGE

2. Personnel and Technical Requirements for Trading

2.1. The Exchange makes available all personnel and facilities needed to conduct trading as specified in the Regulations on Trading as well as in the Regulations on Technical Connection.

2.2. Function of the Supervisor involves the following:

- a) Ensure the smooth operation of trading in the Trading System,
- b) Implement the necessary setups in the Trading System,
- c) Execute traders' requests for cancellation of their own Orders after a clear identification,
- d) Execute Chief Traders' requests on the cancellation of one or more Orders of the Exchange Member, after a clear identification,
- e) Based on the Exchange Member's request, modify the trader's trading entitlements
- f) Accept requests for cancellation of transaction after proper identification.

2.3. A Supervisor can fulfil the functions defined in Section 2.2 strictly after the announcement of the Supervisor Password.

2.4. The Supervisor confirms the execution of the trader's requests as specified in Section 2.2 via a telephone call to the trader.

3. Trading Related Decision-making Powers

3.1. The Board of Directors is entitled to make decisions in all issues the Board of Directors remove from the competence of the Exchange's work organisation and reserves the right to decide on. Unless an Exchange Rule provides otherwise, the resolution shall be published in line with the provisions of the Regulations on Official Publications, i.e. at least 2 Exchange Days prior to enforcing the related measures.

3.2. In issues where the Board is not competent, Exchange's work organization has the authority to decide, particularly on the following matters::

- a) scheduling trading holidays;
- b) specifying the Trading Models applicable for the trading of each Exchange Product;
- c) specifying the applicable trading phases with respect to each Trading Model, Instrument Group, Security Board and Exchange Product;
- d) scheduling trading hours applicable for particular Exchange Products, Instrument Groups, Security Boards and trading phases;
- e) amending the User's Guide;
- f) Suspending and restoring the right to trade;
- g) ordering a Suspension or a Technical Halt in trading, as well as halting trade under extraordinary circumstances – excluding technical halt under Section 38.1;
- h) specifying and modifying the Product List;
- i) modifying the Base Price and the Reference Price;

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

- j) modifying the Dynamic and Static Price Ranges in case certain events specified in the Regulations on Trading occur;
- k) determining the parameters of Iceberg Orders;
- l) specifying the Order types permitted in the Trading System per Instrument Groups or Exchange Product;
- m) specifying and modifying the Tick Size values, and specifying the dates of the regular reviews;
- n) defining Order Parameters that can be given when entering an Order;
- o) defining the interactions between Connection Technologies;
- p) determining the maximum length of time for Random-ends;
- q) determining the maximum length of time of the Call phase in the Continuous Auction Trading Model;
- r) determining the percentage values of the Dynamic and Static Price Range for each Exchange Product;
- s) specifying the procedure for the periodic review of Dynamic and Static Price Ranges, and determining the length of time of the review;
- t) determining the length of time of the Call phase and Extended Call phase during the Volatility Interruption;
- u) determining the multiple of Dynamic Price Range to replace the Extended Volatility Interruption;
- v) based on the resolution issued by the Supervisory Authority, restricting the taking up of short positions;
- w) specifying corporate actions that will trigger the cancellation of Orders by the Exchange;
- x) cancelling Orders by the Exchange in the case of events specified in the Regulations on Trading;
- y) deviation from the rules herein under extraordinary circumstances;
- z) setting up and specifying the procedural rules of the Coordination Committee;
- aa) setting up and specifying the procedural rules of the Settlement Price Committee;
- bb) determining the content of the Settlement Price Manual;
- cc) issues not addressed in the Regulations on Trading in respect of the review and determination of Settlement Price;
- dd) negotiation of the miscellaneous terms of Market Maker agreements and concluding such agreements on behalf of the Exchange;
- ee) deleted;
- ff) determining the rules regarding Market Making activities;
- gg) in case of all securities, the determination of the minimum Order value of Negotiated Transactions;
- hh) all other issues that the CEO reserves the competence for
 - ii) related to the cancellation of transactions as set out in Sections 6/F and 6/G of this Book.
- jj) determining the values of the load capacity thresholds of the Exchange Trading Systems;
- kk) suspending the possibility of concluding transactions by Negotiated Deals in liquid equity instruments according to Section 20/A.1.2;
- ll) determining and modifying the applied maximum order limits in the Derivatives and Commodities Sections;
- mm) determining the ratio of unexecuted orders to transactions (OTR);
 - nn) determining and modifying the mechanisms that manage volatility;
 - oo) determining and modifying the waivers applied by the Exchange based on the waivers of the fulfilment of pre-trade transparency requirements permitted under MiFIR and approved by the Supervision.

The CEO is entitled to decide on any other issue by CEO Resolution, if the decision on the issue does not fall within the competency of any other body of the Exchange specified explicitly in the Exchange Regulation or the applicable laws.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

- 3.3. The Exchange's work organisation decides on matters specified in Section 3.2 by issuing an Exchange (BSE) resolution. The rules of decision-making in issues within the competence of the work organization of the Exchange, in particular which employee of the Exchange is entitled to make decisions, as well as the rules of delegation and substitution are contained in the Regulation of the Budapest Stock Exchange Regarding Organisational and Operational Rules..
- 3.4. Unless an Exchange Rule provides otherwise, the decisions made in the matters specified in Section 3.2 shall be published in line with the provisions of the Regulations on Official Publications, i.e. at least 2 Exchange Days prior to the related measures come into effect. This provision shall not apply to subsections f), g), i), j), and cc) of Section 3.2, for which measures may also take effect even before the resolution is published.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

4. Liability of the Exchange in Relation to Trading

4.1. The regulation concerning the liability of the Exchange is set out in Section 7 of Book One - Introductory and Interpretative Provisions.

CHAPTER 4

**THE SUBJECT MATTER AND METHOD OF TRADING IN THE PARTICULAR
SECTIONS**

5. The Subject Matter and Method of Trading

- 5.1. While trading, transactions can be concluded in a Section for Exchange Products featuring on the Exchange Product List, and specified as eligible for trading in the particular Section in the Regulations on Listing and Continued Trading from the First Day of Trading for the particular Exchange Product.
- 5.2. The listing and de-listing of, and continued trading of Exchange Products shall follow the provisions set forth in the Regulations on Listing and Continued Trading.
- 5.3. Trading in each Section of the Exchange is carried out via Electronic Trading according to the rules set forth herein.
- 5.4. The trading rules of Exchange Products may vary with each Section, Instrument Group, Board and Exchange Product.
- 5.5. In the Derivatives Section, in addition to the Board, the Spread Board may also be applicable.

CHAPTER 5

CONCLUDING DEALS ON THE EXCHANGE

6. Concluding a Transaction

6.1. Concluding a transaction is subject to the fulfilment of all of the following conditions:

- a) both parties to the transaction have entered respective electronic Orders using the features designed for this purpose in the Trading System,
- b) the transaction has been created by the Trading System using a Trade-Matching Algorithm to match the Orders entered by the contracting parties.

6.2. When an Exchange transaction is concluded, the Trading System will make at least the following information available to Exchange Members:

- a) name or the ISIN Code of the Exchange Product;
- b) in case of transactions concluded in the Derivatives and Commodities Sections, the name of the Board;
- c) quantity;
- d) Price;
- e) names of the buyer and the seller in case of executed transactions in the Derivatives and Commodities Sections.

6.3. Exchange transactions – except for the cases detailed in Sections 6/F and 6/G A – may not be cancelled, and their validity may not be disputed.

6.4. An exchange transaction shall be deemed valid if all related data and information are recorded according to the instructions contained in the exchange's internal regulations, and if registered and confirmed by the clearing house or the central counterparty.

6.5. In the Derivatives and Commodities Sections, the Direction of a Position may be modified after concluding a transaction while trading is in progress on a particular Exchange Day in accordance with Section 21.5.

6.6. The provisions herein relating to the definition and validity of a transaction in the Derivatives and Commodities Sections may only be amended upon prior consent by KELER.

6.7. If an Order is filled partially or in full through simultaneous matching with several Counteroffers, and said Order matching creates several transactions (even at different Prices), all trading events (e.g. activation of Stop Orders under Sections ~~10.15~~10.18, 23.1.3 and 23.1.4, halt of trade under Section 26.6) triggered by a trade may only occur after the initiated Order matching process is completed.

6.8. A further condition for the conclusion of a Spot Market transaction regarding a Grain Product is the execution of the Form Contract for Sale and Purchase on the Spot Market specified in Annex No. 10 in line with the Exchange Rules, which determines the mandatory elements of a transaction matched according to Section 24.3.

CHAPTER 6

PREVENTION AND CONTROL OF DISORDERLY TRADING CONDITIONS

6/A. Pre-trade controls

- 6/A.1. The Exchange ensures automatic pre-trading controls regarding Orders entered into Public Order Book in the Trading Systems, in order to have efficient systems, procedures and mechanics to reject orders which exceed the determined price or volume limits, or that are clearly erroneous.
- 6/A.2. Subject to Paragraph 5 of Section 316/A of the CMA and Paragraphs (1) and (2) of Article 20 of Regulation 2017/584/EU, the Exchange carries out three types of automatic pre-trade controls before the conclusions of transactions in all sessions of the trading according to the orders referred to in Section 6/A1:
- a) price collars, which automatically block orders that do not meet pre-set price spreads on an order-by-order basis;
 - b) maximum order value, which automatically prevents orders with uncommonly large order values from entering the order book by reference to nominal price values per financial instrument;
 - c) maximum order volume, which automatically prevents orders with an uncommonly large order size from entering the order book.
- 6/A.3. Orders will be automatically rejected, if they conflict with the controls set forth in Section 6/A.2, with the exception that, upon individual request by an Exchange Member, the Exchange is entitled to temporary permit Orders in the Trading System exceeding the limitations set forth or to modify the limitation values, in both cases by Resolution. Furthermore, the Exchange is entitled to temporarily modify the limits in its sole discretion by Resolution in the case of exceptional circumstances, as long as these circumstances exist.

These controls are the followings:

6/A.4. Price collar

Spot Market

- a) The “Price Reasonability Check” function of the Xetra-T7 Trading System, which warns the Exchange Member if the price of the Order is outside the Dynamic Price Range (Book 5 Section 7) and a confirmation is required by the Exchange Member to enter the Order. The “Price Reasonability Check” function compares the price of the order to be submitted and the price of the last trade.

In case of buy limit order, if the limit Price of the Order is higher than the sum of the trade Price and the value of the dynamic volatility range of the relevant security, the trading system sends a warning message.

In case of sell limit order, if the limit Price of the Order is lower than the difference between the trade Price and the value of the dynamic volatility range of the relevant security, the trading system sends a warning message.

The system does not check market orders and – in case of continuous trading with auctions model – the Price Without Turnover Quotes in this regard.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

It is the Exchange Member's competency whether the Exchange Member changes the intent to enter the order, therefore, the Price Reasonability Check function does not prevent from entering the order with the original parameters.

Derivatives and Commodities Sections

- a) Maximum Daily Price Movement (according to Section 22.1 of Book 5)

6/A.5. Maximum order value

Spot Market

- a) The Xetra-T7 Trading System automatically rejects an Order, if its price value exceeds the value set by the Exchange Member;

Derivatives and Commodities Sections

- a) The MMTS II. Trading System automatically rejects an order, if the price value exceeds the value determined by the Exchange, which is centrally set in the Trading System.

6/A.6 Maximum order volume

Spot Market

- a) The Xetra-T7 Trading System automatically rejects an Order, if its quantity exceeds the value specified by the Exchange Member.

Derivatives and Commodities Sections

- b) The MMTS II. Trading System automatically rejects an order, if its quantity exceeds the value determined by the Exchange Member and set in the Trading System.

6/B. Post-trade controls

6/B.1 Subject to Paragraph (3) of Article 20 of Regulation 2017/584/EU, the Exchange applies post-trade controls regarding every transaction resulting from Orders entered into the Trading Systems.

6/B.2 The post-trade controls are regulated in the bylaws of the Exchange and include the following controls:

- a) Examination of uncommon trading activities and market manipulation;
- b) Monitoring the concentration of trading activities;
- c) Post-trade control regarding the compliance of the transactions with the Exchange Regulations.

6/C. Mechanisms to manage volatility

6/C.1 Subject to Paragraph 6 of Section 316./A of the CMA and Article 19 of Regulation 2017/584/EU, the Exchange ensures to operate appropriate mechanisms to automatically halt or constrain trading during trading hours regarding transactions resulting from Orders entered into the Public Order Book .

6/C.2 The Exchange shall specify the operation and detailed rules of the trading halt and constraining controls – including circumstances and procedures permitting the manual override of the specified parameters in order to ensure the orderly trading – set forth in Section 6/C.1 according to the regulations of CMA and MiFIR. These regulations shall be regularly reviewed and at least annually. The Exchange

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

is entitled to amend these regulations promptly in order to ensure orderly trading with the obligation to notify the market participants at the same time.

6/C.3 The Exchange operates the following controls set forth in Section 6/C.1 in the Exchange Trading Systems:

Spot Market:

- a) Volatility and Extended Volatility Interruption (Section 19 of Book 5)

Derivatives and Commodities Sections:

- a) Trading halt due to violation of the Clearing Spread (Section 26.6 of Book 5)
- b) Maximum Daily Price Movement (transactions may not be concluded according to Section 26.5.2 of Book 5)

6/D. Ratio of unexecuted Orders to transactions (OTR)

6/D.1 For the purpose of preventing disorderly trading, the Exchange calculates the ratio of unexecuted orders to those transactions which were entered into or executed in the Exchange Trading Systems by the Exchange Members (OTR) – as set forth in Regulation 2017/566/EU and in the annually reviewed detailed rules accepted by the Exchange – for every Instrument at least at the end of every Trading Day regarding the given Trading Day, and the calculations shall be transmitted posteriorly to the Exchange Members in every month.

6/D.2 In accordance with Paragraph 9 of Section 316./A of the CMA and considering the detailed rules specified in Section 6/D.1, the Exchange shall determine the maximum values of the OTR indicators on a non-discriminatory basis, which decision shall be published at least annually.

6/D.3 The Exchange retains the right to deviate from the maximum values of the OTR indicators and raise them in case of Exchange Members who undertook additional commitments in order to ensure market liquidity that may result in the rise of the indicators (e.g. Market Makers).

6/D.4 The Exchange Member shall be deemed to have exceeded the Exchange calculated maximum ratio of unexecuted orders to transactions, if the trading activities conducted by the given Exchange Member exceeds the maximum value in a specific instrument, taking into consideration all Trading Sessions of the Trading Day.

6/D.5 In case an Exchange Member exceeds the maximum values of the indicators applicable for it then the Exchange shall warn the Exchange Member in 3 Exchange Days, and sanctions may be imposed on the Exchange Member according to the Regulations on Exchange Membership.

6/E. Other measures applicable by the Exchange

- a) Specifying volume limits on the number of Orders entered per second by an Exchange Member, continuously measuring the volume of Orders and if necessary constraining these volumes according to Subsection jj) of Section 3.2, and in the event of the overload of the Trading System, apply throttling procedures according Section 5.16 of Book 4 of the Exchange Regulation.
- b) Require the Exchange Members to establish cancellation function according to Section 5.9 of Book 4 of the Exchange Regulation.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

- c) Request information of the Exchange Members' SA clients according to Section 7.17 of Book 4 of the Exchange Regulation, and require DEA service providers to establish monitoring, record-keeping and control mechanisms according to Chapter 7 of Book 4 of the Exchange Regulation.
- d) Balancing the entrance of orders among different gateways, if the Exchange uses more than one gateway in order to avoid collapses.
- e) Suspension of the right to trade of the Exchange Member under Sections 9 and 11.5.3 of Book 3 of the Exchange Regulation.

6/F. Cancellation of transactions not concluded on Market Price in case of Structured Products

6/F.1 A transaction in a Structured Product can only be cancelled – with the exception of the exceptional circumstances according to Subsection c) of Section 6/G – if its price deviates with at least 50% from the theoretical price determined by the Market Maker of the Structured Product as set out in Section 6/A.5. Cancellation of a transaction (deal) may take place also before the validity condition of the transaction determined in Section 6.4. is satisfied. Meeting the price conditions set forth in this Section shall be considered as “exceptional circumstances” under Paragraph (6) of Section 316/A of the CMA.

6/F.2 Initiation of cancellation of a Negotiated Transaction is also allowed.

6/F.3 Transaction cancellation process set forth in Section 6/F can be initiated by the Exchange Member involved in the given transaction within one hour from the time of the transaction, but not later than 5:00 PM on the given Exchange Day. The deadlines specified above shall apply with prejudice, no petition for excuse may be presented in the event of failure to meet these deadlines.

6/F.4 The cancelling of a transaction in a Structured Product shall be initiated according to the following conditions:

- a) any registered trader of the Exchange Member - after identification - may indicate the intention to initiate the process of cancelling a trade via telephone, calling the Exchange designated phone number set up with a voice recorder. The trader shall provide the data required to clearly identify the given transaction. Furthermore, the Exchange Member shall send a duly filled and signed form which is specified by the Exchange for this purpose via fax or e-mail and it shall arrive to the Exchange till 5:40 PM on the given Exchange Day;
- b) sending the duly filled and signed form specified by the Exchange for this purpose via fax or e-mail.

Following the initiation of a transaction cancellation process, the Exchange shall notify the other Exchange Members affected in the transaction cancellation process on the initiation of the process without delay by the contact person nominated by the Exchange Member (via e-mail). The Exchange Member shall report any change in the contact person or his/her contact details to the Exchange in writing without delay.

6/F.5 Upon the request of the Exchange, the Market Maker of that Structured Product which is affected with the transaction cancellation process shall give expert opinion on the theoretical price of the given Structured Product within 30 minutes after the request, as follows:

- a) the registered contact person of the Market Maker - after identification – will provide the calculated theoretical price of the product affected with the cancellation process via telephone, calling the Exchange designated phone number set up with a voice recorder. The calculated theoretical price shall be based on the Market Price at the time of the transaction. Furthermore, the Market Maker shall send the detailed expert opinion by a duly filled and signed form specified by the Exchange for this purpose via fax or e-mail, which shall arrive to the Exchange till 5:40 PM on the given Trading Day;

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

- b) sending the detailed expert opinion by the duly filled and signed form specified by the Exchange for this purpose via fax or e-mail.

The theoretical price of the Structured Product affected with the cancellation process shall be derived from the price of the Underlying Product on the relevant market at the time the transaction was executed. The written expert opinion shall include all other parameters and formulas valid at the time the transaction was executed that are necessary to determine the theoretical price. The theoretical price determined by the Market Maker of the given Structured Product will be regarded by the Exchange exclusively applicable reference figure in judging whether or not the given Exchange transaction complies with the price requirements of transaction cancellation specified in Section 6/F.1

6/F.6 The Exchange decides on the result of the transaction cancellation procedure in a public resolution and notifies the counterparties of the given transaction about the result promptly, but at the latest on the given Exchange Day 6.00 PM. The resolution shall be sent to the Supervision as well.

6/F.7 After the decision on the transaction cancellation, the Exchange has the right to examine the input parameters, formulas and theoretical price of the Market Maker's expert opinion as well as the fact that the other counterparty was notified before the application, and if it concludes that the participant in question did not comply with its obligations prescribed in Section 6/F, the Exchange may apply sanctions set out in the Exchange Rules.

6/F.8 The Exchange may deviate from the regulations under Section 6/F in circumstances that deserve exceptional consideration.

6/F.9 The Exchange excludes all liability related to transaction deletion, provided that the Exchange has acted in compliance with rules specified in Section 6/F.

6/G. Cancellation of exchange transactions in other exceptional circumstances

6/G.1 In cases other than set forth in Section 6/F, cancellation of a transaction may be initiated— even before meeting the validity requirement specified in Section 6.4 (validity of exchange transactions) – if any of the following condition is met:

- a) Structured Products traded on the Spot Market:
- major malfunction or breakdown of the Exchange Trading System that results in the non-compliance of the order matching and of the trading with the Exchange Rules.
- b) Any other instrument traded on the Spot Market:
- major malfunction or breakdown of the Exchange Trading System that results in the non-compliance of the order matching and of the trading with the Exchange Rules, with the exception that the Exchange initiated negotiations, according to Section 19.26, with the Exchange Member who entered the Order that resulted in a transaction or
 - major malfunction or breakdown of the Exchange Trading System's volatility control mechanisms as follows:
 - The Order resulting in a transaction failed to trigger the Volatility Interruption or the Extended Volatility Interruption appropriately according to the Exchange Regulation or failed to trigger either of it at all, if the Order should have triggered a Volatility or Extended Volatility Interruption under the Exchange Regulation and the price of the transaction deviates from the price of the last exchange transaction in the given instrument by at least 10%.
- c) Derivative Products:
- major malfunction or breakdown of the Exchange Trading System that results in the non-compliance of the order matching and the trading with the Exchange Rules, or
 - the transaction price deviates from the Base Price more than the applicable Daily Maximum Price Movement at the time of the transaction, with the exception if the

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

Exchange cancelled the Daily Maximum Price Movement according to Sections 26.5.4 - 26.5.6 considering the changes in the market conditions.

The price conditions set forth in this Section shall be considered as “exceptional circumstances” under Paragraph 6 of Section 316/A of the CMA.

6/G.2 The Exchange shall cancel the Negotiated Transaction at the latest on the day of its conclusion, if it could not have been concluded in accordance with Section 20.6.2.1 and the Exchange Member has not indicated the existence of any case listed in Section 20.6.2.2 in accordance with Section 20.5 g).

6/G.3 The Exchange entitled to decide in his/her sole discretion on whether the conditions set forth in Section 6/G.1 are met and the severity of them and in reasonably justified cases the Exchange may involve an expert in the decision. The Exchange is obliged to decide on the transaction cancellation only if the Exchange has no reasonable doubt that the circumstances set forth in Section 6/G.1 exist and they satisfy the conditions of “exceptional circumstances” under Paragraph 6 of Section 316/A of the CMA taking into consideration the liquidity of the various asset-classes and asset-subclasses, the characteristics of the market models, the types of the users, and the cancellation of the transaction altogether contributes to the termination of the disorderly trading conditions and ensures the avoidance of the severe disorders in the orderly trading.

6/G.4 The transaction cancellation set forth in Section 6/G may solely be initiated by the Exchange Member affected with the trade within 30 minutes from the conclusion of the transaction but at the latest until 5:20 PM. If the hereinabove stipulated deadline is missed, there shall be no legal remedies, therefore, the omission may not be excused.

6/G.5 The Exchange Member may request the transaction cancellation as set forth in Paragraphs a) and c) of Section 6/F.3.

Following initiation of the transaction cancellation process, the Exchange shall notify the counterparty Exchange Member affected in the transaction cancellation process on the initiation of the process without delay by the contact person nominated for this purpose by the Exchange Member (via e-mail). The Exchange Member shall report any change in the contact person or his/her contact details to the Exchange in writing without delay.

6/G.6 The Exchange shall decide on the transaction cancellation by public Resolution and the Exchange Member(s) affected with the given transaction shall be notified about the result of the decision promptly but at least until 6 PM on the given Exchange Day. The resolution shall be sent to the Supervision as well.

6/G.7 The Exchange may deviate from the regulations under Section 6/F in circumstances that deserve exceptional consideration.

6/G.8 The Exchange excludes all liability related to transaction cancellation, provided that the Exchange has acted in compliance with rules specified in Section 6/G.

PART II

TRADING FEATURES AND RULES IN THE EQUITIES AND DEBT SECURITIES SECTIONS

CHAPTER 1

GENERAL RULES

7. Reference Price, Auction Price, Reference Price of the Dynamic and Static Price Range

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

- 7.1. When a security is introduced to the Exchange, the Listing Price as defined by the Regulations on Listing and Continued Trading is considered the Reference Price.
- 7.2. In the course of trading, securities in all cases have both a Reference Price, and the Reference Price may not be deleted.
- 7.3. The Reference Price of a security at any given moment is always the Price of the last transaction involving the security. If there has never been a transaction in the security, the Listing Price will be considered the Reference Price.
- 7.4. When corporate events occur, the Reference Price may be modified in the following cases:
- a) When a private capital increase is made via transforming assets in excess of capital to capital (such as when bonus shares are issued);
 - b) When capital is reduced through the merging of shares;
 - c) When shares are split;
 - d) When shareholders are guaranteed subscription rights;
 - e) When the Issuer pays a dividend exceeding 10 percent of the Average Price on the Exchange Day preceding the Ex-Coupon Date.
- 7.5. The Auction Price is the last equilibrium Price generated in the Auction Phases or the Volatility Phases.
- 7.6. The Reference Price of the Dynamic Price Range is the last transaction Price of the security.
- 7.7. The Reference Price of the Static Price Range is the most recent Auction Price of the day on which the security was traded, or if there was no trading on that day, the most recent transaction Price on the last prior Trading Day.
- 7.8. When the Exchange modifies the Reference Price, the Reference Price of the Dynamic Price Range and the Reference Price of the Static Price Range will also become the modified Reference Price.
- 7.9. In order to ensure uninterrupted trading, the Exchange may, in particularly justified cases, diverge from the rules above when determining the Reference Price, the Dynamic Price Range and the Static Price Range of a given security. These parameters may only be modified outside trading hours, or during the Suspension of Technical Halt of trading in the security, in keeping with Section 8.3.

8. Freezing, Technical Halts and Suspension of Trading in a Security

- 8.1. The Freeze Phase is a status applied in an Extended Volatility Interruption, during which Orders or Quotes for a security may not be submitted or modified.
- 8.1.1. Any Order or Quote withdrawn during Freeze Phase will be placed in pending cancel status, and after the Freeze Phase, the order will enter the Price Determination phase.
- 8.2. The Exchange (Supervisor) decides on the application of the Freeze Phase and determines its duration.
- 8.3. A Technical Halt in the trading of a security may occur following a re-start of trading following a technical glitch in the Trading System, when modifying the Dynamic or Static Price Ranges, the Reference Price and, triggered by an Exchange resolution, in other particularly justified cases, in order to ensure uninterrupted trading.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

- 8.4. During a Technical Halt, Orders or Quotes for a security may not be submitted, modified, or withdrawn.
- 8.5. Suspension of trading in a security may be applied in accordance with Section 37.
- 8.6. After trading in a security has been Technically Halted or Suspended, trading will resume with ~~a Pre-Trading Phase followed by~~ an Auction Phase or a Post-Trading Phase.

CHAPTER 2

ORDERS

9. The Order and the Quote

9.1. General rules governing Orders and Quotes

9.1.1. An Order and a Quote are unilateral declarations on the intention to conclude a transaction, made in a manner and with the contents specified in the Regulations on Trading.

9.1.2. The Trading System keeps a record of each Order and Quote in the Order Book.

9.1.3. The Order Book holds Orders and Quotes queued in the Trading System for each Exchange Product, arranged into bid and offer sides, with detailed and aggregate breakdown by Price levels, sorted according to Order entry time and without identifying the party that entered the Order or Quote.

9.1.4. In respect of a particular Exchange Product, the Price specified in an Order shall be interpreted in line with the method of Price determination as specified in the Product List.

9.2. The following information may be provided when entering an Order:

- a) the identification of the Exchange Product, which may be the Exchange's short code for the Exchange Product (ticker), the ISIN Code, or the WKN Number (Instrument)
- b) Order Direction (Buy/Sell)
- c) quantity, or the Overall Volume in case of an Iceberg Order (Quantity)
- d) Order Price
- e) Order type
- f) Stop Limit in case of a Stop, ~~OCO Order~~ or Trailing Stop Order
- f)g) Absolute or relative difference between the Stop Limit and the Reference price in case of Trailing Stop Order (Trailing Amount)
- g)h) Peak Quantity in case of an Iceberg Order
- h)i) Execution Restrictions
- i)j) Trading Restrictions
- j)k) Validity Restrictions
- k)l) Account Identification (Act)
- l)m) On Behalf
- n) Persistency
- m)o) Trade-at-Close indicator
- n)p) Comment field (Text)
- e)g) Member Internal Order Number field (MIOrdNo)
- p)r) Client identifier (Client ID): In the case of executing an Order from client (Agent), its mandatory (the field shall not be empty). Unique internal identification number (consisting of natural numbers solely) determined by the Exchange Member (short code), which is able to provide the data for the Exchange regarding every Order as specified in Section 9.2.1.1.
- e)s) Executing Trader Indicator determining the type of the responsible person for the execution. Indicates whether the person set forth in Section 9.2.1.3 is an algorithm ("1") or a natural person ("0" or empty field).
- t) The identification number of the person responsible for the execution (Executing Trader). Unique internal identification number (consisting solely natural numbers) determined by the

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

Exchange Member (short code), which is able to provide the data for the Exchange regarding every Order as specified in Paragraph a) of Section 9.2.1.3. In the case of algorithms, this number is the identification number set forth in Paragraph b) of Section 9.2.1.3 itself. If the field is empty, the person according to 9.2.1.3. is identical to the given trader of the user entered the Order into the Trading Systems.

s)u) Investment Decision Indicator determining the type of the responsible person for the investment decision. Indicates whether the person set forth in Section 9.2.1.2 is an algorithm ("1") or a natural person ("2") or the investment decision was not made at the Exchange Member (client order; "0" or empty field).

t)v) The identification number of the person responsible for the investment decision (Investment Decision Maker). This identification number is applicable only in the case of dealing on own account. Unique internal identification number (consisting solely natural numbers) determined by the Exchange Member (short code), which is able to provide the data for the Exchange regarding every Order as specified in Paragraph a) of Section 9.2.1.3. In the case of algorithms, the identification number is the identification number set forth in Paragraph b) of Section 9.2.1.3. itself. If the field is empty, the person according to 9.2.1.3. is identical to the given trader of the user entered the Order in the Trading Systems.

u)w) Indication that the Order was entered on the base of the Market Making Agreement concluded with the Exchange and according to Articles 17 and 48 of the Directive 2014/65/EU as part of the market making strategy (Liquidity Provision; True/False)

9.2.1. In order to ensure the compliance with the obligation of the Exchange to maintain records according to the Council and the Commission Delegated Regulation (EU) 2017/580 (supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the maintenance of relevant data relating to orders in financial instruments), the Exchange Member shall provide the following additional information to the Exchange, in case of Subsection b) of either Section 9.2.1.2 or Section 9.2.1.3, in the course of entering the Order; or in any other cases, outside of the Trading System assigned to the internal codes (short codes) under Subsections a), s) and u) of Section 9.2.1 as determined by the Exchange at the latest of that Trading Day on which the Order was entered or the additional information of the Order was modified.

9.2.1.1. Client identifier (as set forth in Annex II of Commission Delegated Regulation (EU) 2017/590):

In case of:

- a) natural persons the NATIONAL_ID;
- b) legal entities the LEI code;
- c) DEA clients the LEI code of the DEA user;
- d) aggregated orders the "AGGR" flag;
- e) pending allocations the "PNAL" flag;

shall be used.

9.2.1.2. The identification number of the person responsible for the investment decision maker (as set forth in Article 8 of Commission Delegated Regulation (EU) 2017/590):

- a) In case of natural persons: NATIONAL_ID
- b) In case of algorithms: alphanumeric identification number with fifty characters at maximum.

9.2.1.3. The identification number of the person at the Exchange Member responsible for the execution of the Order resulting in a trade (as set forth in Article 9 of Commission Delegated Regulation (EU) 2017/590):

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

- a) In case of natural persons: NATIONAL_ID
- b) In case of algorithms: alphanumerical identification number with fifty characters at maximum.

9.2.2. The Exchange Member shall be responsible for the correctness of the information, keeping the information up to date and for the correspondence of the information with its own internal records. If the Exchange Member does not comply with its obligations prescribed in Section 9.2.1, the Exchange may apply sanctions set out in the Exchange Rules.

9.2.3. Orders may be of the following types, in accordance with the Trading Models used:

- a) Market
- b) Limit
- c) Iceberg
- d) Stop
- e) One-Cancels-the-Other (OCO)
- e)f) Trailing Stop

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

9.3. The following information is required when entering a Quote:

- a) Account Identification (Act)
- b) the identification of the Exchange Product, which may be the Exchange's short code for the Exchange Product (ticker), the ISIN Code, or the WKN Number (Instrument)
- c) bid Price and ask Price (Bid / Ask)
- d) bid quantity and ask quantity
- e) Quote type
- f) Comment field (Text)
- g) Member Internal Order Number field (MIOrdNo)
- h) information as set forth in Subsections h) - w) of Section 9.2 and according to the terms stipulated in Section 9.2.1.

9.3.1. In the Continuous Trading with Auctions and the Auction Trading Models, Quotes can be entered without specifying the Quote type.

9.3.2. In the Continuous Trading with Auctions and the Auction Trading Models, Quotes can only be entered with specifying the quantity.

9.3.3. In the Continuous Trading with Auctions and the Auction Trading Models, Quotes may be submitted in any trading phase except the Post-Trade Phase.

9.3.4. Possible types of Quotes in the Continuous Auction Trading Model:

- a) Standard Quote: can be made in the Pre-Trading phase and Pre-Call phase, even without specifying the quantity.
- b) Matching Quote: can be made in the Pre-Trading phase, Pre-Call phase and Call phase, even without specifying the quantity.
- c) Price Without Turnover Quote: can be made only in the Pre-Call phase and only without specification of quantity. No transaction may result from this type of Quote. The Trading System considers the Price Without Turnover bid Quote regarding the calculation of the Opening and Closing price according to the Opening and Closing price definitions.

9.3.5. A Quote can only be specified in the Trading System as Non-Persistent.

9.4. When placing an Order, the Account Identification must always be specified. The Account Identification can be:

- a) Proprietary, or
- b) Agent
- c) Market Maker.

9.5. When submitting a Quote, the Account Identification must always be specified and it may only be Market Maker.

Quote is an optional Order type provided by the Trading System, however, the market making activities and the fulfilment of the market making obligations are regulated in the agreements concluded with the Exchange in this subject and in the applicable Exchange Rules.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

10. Order Types

10.1. Depending on the applicable Trading Model, the various Order types may be submitted with different Trading Restrictions, Execution Restrictions and Validity Restrictions.

10.2. The Order types and Order Parameters applicable in the different Trading Models, in accordance with Section 3.2 are listed in Annexes No. 3 and 4.

Limit Order

10.3. A Limit Order can be executed at the Price specified in the Order or better.

10.4. A Limit Order may be submitted in the Continuous Trading with Auctions Model, the Auction Model and the Continuous Auction Model.

Market Order

10.5. A Market Order is an Order entered without specifying the Price, which may be fulfilled by matching it to the Counteroffers available in the Order Book, even at multiple Prices and in multiple transactions.

10.6. A Market Order may be submitted in the Continuous Trading with Auctions Model, the Auction Model, and in the Continuous Auction Model.

10.7. In the Continuous Trading with Auctions Model, the unfilled portion of the Market Order is entered into the Order Book and will participate in the next trading phase as a Market Order.

10.8. In the Continuous Auction Model, no Trading Restriction may be specified in case of a Market Order. In this Trading Model the Market Order shall be submitted without Execution Restrictions.

10.9. In the Auction Model and the Continuous Auction Model, the unfilled portion of the Market Order will be entered into the Order Book and will participate in the next Auction Phase as a Market Order.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

Iceberg Order

- 10.10. An Iceberg Order is a Limit Order in which two different quantities must be specified when submitting the Order: the Overall Volume and the Peak Quantity.
- 10.11. Iceberg Orders may only be submitted in the Continuous Trading with Auctions Model.
- 10.12. No Execution Restrictions can be specified for Iceberg Orders, whereas with respect to Trading Restrictions Iceberg Orders shall be submitted without any Trading Restrictions.
- 10.13. During Auction Phases and Volatility Interruption the Overall Volume of the Iceberg Order is included in the Order Book, and when determining the Auction Price the Trading System calculates with the Overall Volume.
- 10.14. In the Continuous Trading phase only the Peak Quantity of the Iceberg Order appears in the Order Book.
- 10.15. A new Peak Quantity will appear in the Order Book only if and when the full amount of the previous Peak Quantity is transacted but the Overall Volume of the Iceberg Order has not yet been transacted.
- 10.16. The Exchange determines the minimum value of the Peak Quantity and of the Overall Volume of an Iceberg Order.
- 10.17. The Peak Quantity of an Iceberg Order may not be less than five percent of the Overall Volume.

Stop Order

- 10.18. Stop Order automatically becomes an Active Order if, following the entering of the Order, a transaction is executed at equal or better price than the Stop Limit specified in the Order, subject to Section 10.21.
- 10.19. Stop Order may be entered with Limit or Market price.
- 10.20. In the Continuous Trading with Auctions Model and in Auction Trading Model, the transactions executed at Stop Limit or better price activate the Inactive Stop Order in the Auction and Volatility Phases, but the activated Stop Order will enter the Auction Book as an Active Order only during the next trading phase.
- 10.21. In the Continuous Auction Trading Model, not a transaction but any direction of a Quote (bid or offer) activates the Stop Limit or Stop Market Order, therefore, if the Stop Order activated in such way, it may participate in the Auction transaction triggered by the Quote, at the limit price.
- 10.22. In the Continuous Auction Trading Model, the Stop Limit or Stop Market Order is activated by a bid or offer Quote which has equal or better price than the Stop Limit (in case of stop bid, the higher price Quote, in case of stop offer, the lower price Quote)..
- 10.23. The Stop Order activates in Continuous Auction Trading Model as follows, if there is at least one Stop Order and a Quote eligible to activate the Stop Order in the Trading system (the trading phase remains Pre-CALL until the Stop Order becomes an Active order or until the deletion of the Stop Order):
- a) The Market Maker enters a new Quote which is eligible to activate the Stop Order; or
 - b) the maximum duration of the Call phase elapses.

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GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

One-Cancels-the-Other (OCO) Order

10.24. An OCO Order is a special order with both a Limit Price and a Stop Limit, which basically participates in the trading as a Limit Order, but if the activation condition occurs it participates as a Market Order.

10.25. OCO Order shall enter into the Order Book only as a Limit Order and if activated it may solely become a Market Order.

10.26. OCO Order automatically becomes a Market Order if, following the entering of the Order, a transaction is executed at equal or better price than the Stop Limit specified in the Order, subject to Section 10.28.

10.27. In the Continuous Trading with Auctions Model the transactions executed at Stop Limit or better price activate the OCO Order in the Auction and Volatility Phases, but the activated OCO Order will enter the Auction Book as a Market Order only during the next trading phase.

10.28. In the Continuous Auction Trading Model, the OCO Order is activated by a bid or offer Quote which has equal or better price than the Stop Limit (in case of ~~stop~~-bid, the higher price Quote, in case of ~~stop~~-offer, the lower price Quote).

Trailing Stop Order

10.29. A ~~Trailing Stop OCO~~ Order is a special Stop order where the absolute or relative difference between the Activation Price and the Reference Price must be specified when entering the Order.

10.30. Trailing Stop Order shall be entered with Market price.

10.31. In the Continuous Trading with Auctions Model the Stop Limit automatically follows the change in the Reference Price with the given distance in the Order, as follows:

10.31.1. In the case of a bid, if the difference between the Reference Price and the Activation Price would exceed the specified maximum - absolute or relative - difference as a result of the Reference Price decrease, the Stop Limit will also decrease, thus maintaining the specified maximum difference between the Reference Price and the Stop Limit. If the Reference Price increases, the Stop Limit does not change.

10.31.2. In the case of an offer, if the difference between the Reference Price and the Activation Price would exceed the specified maximum - absolute or relative - difference as a result of the Reference Price increase, the Stop Limit will also increase, thus maintaining the specified maximum difference between the Reference Price and the Stop Limit. If the Reference Price decreases, the Stop Limit does not change.

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10.32. In the Continuous Auction Trading Model, the Stop Limit does not follow the Reference Price, but the ~~sell~~~~purchase~~ price of the Quote in case of a ~~buy~~~~Order~~, and the ~~sell~~~~ale~~ price of the Quote in the case of an ~~sell~~~~Order~~~~offer~~.

10.33. A Trailing Stop Order automatically becomes an Active Order if, after entering the Order, a transaction is entered into at the Stop Limit specified in the Order or at a better price, taking into account the provisions of Section 10.35.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

10.34. In the Continuous Trading with Auctions model, the Trailing Stop Order is activated by a transaction entered in the Auction and Volatility Phases, but the activated Trailing Stop Order will enter the Auction Book as an Active Order only during the next trading phase.

10.35. In a Continuous Auction Trading Model, a Trailing Stop Order is activated by a [buyid](#) or [selloffer](#) Quote which has equal or better price than the Stop Limit (in case of [buyid](#), the higher price Quote, in case of [selloffer](#), the lower price Quote).

11. Order Restrictions and Validity Restrictions (Order Parameters)

11.1. When entering an Order, the following Execution Restrictions can be specified:

11.1.1. **Book-or-Cancel:** A type of Limit Order that if it were matched with a Counteroffer in the Order Book at the moment of entering the Order, it would be refused. If the Book-or-Cancel Order were not matched with a Counteroffer, it will appear in the Order Book as a Limit Order.

11.1.1.1. Book-or-Cancel Orders cannot be submitted in Auction Phases, Volatility Interruptions, Extended Volatility phases and in the Continuous Auction Trading Model.

11.1.1.2. Book-or-Cancel Orders that were present in the Order Book at the moment of switching to Volatility Interruption or Auction Phase are deleted from the Order Book during the switch.

11.2. When entering an Order, the following Trading Restrictions can be specified:

11.2.1. **Opening Auction Only:** Valid only in the Opening Auction phase.

11.2.2. **Closing Auction Only:** Valid only in the Closing Auction phase.

11.2.3. **Auction Only:** Valid only on in the Auction Phases.

11.2.4. **Intraday Auction Only:** The Order is valid only in intraday auction phase.

11.3. When entering an Order, the following Validity Restrictions can be specified:

11.3.1. **Good-for-Day:** Valid until the end of the given Exchange Day.

11.3.2. **Good-till-Date:** Valid until the calendar date specified in the Order.

11.3.3. **Good-till-Cancelled:** Valid until the withdrawal of the Order.

11.3.4. **Immediate-or-Cancel:** May be executed in portions, even in Lot Sizes or for the entire Order quantity, but only at the moment of entering the Order. The unfilled portion of the Order will be deleted.

11.3.4.1. Immediate-or-Cancel Orders may be submitted in the Call and Price determination sub-phases of the Auction Phases, Volatility Interruptions, Extended Volatility Interruptions and in the Continuous Auction Trading Model, but without execution of a transaction, it is automatically withdrawn.

11.3.5. **Fill-or-Kill:** The Order can be executed only with using the total Order quantity. It is valid only at the moment of entering the Order. If the immediate execution of the total quantity is not possible, the Order will be deleted.

11.3.5.1. Fill-or-Kill Orders may be submitted in the Call and Price determination sub-phases of the Auction Phases, Volatility Interruptions, Extended Volatility Interruptions or in the

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

Continuous Auction Trading Model but without execution of a transaction, it is automatically withdrawn.

12. Modification of an Order

12.1. Depending on the applicable Trading Model and the relevant trading phase, an Order may be modified with respect to the following features:

12.1.1. Price, quantity, the Stop Limit of an Inactive Stop Order, the Peak Quantity and the Overall Volume of an Iceberg Order, the information set out in Subsections s)-u)-f)-v) of Section 9.2 may be modified.

12.1.2. With regard to Order types:

- a) In the Continuous Trading with Auctions Trading Model, a Limit Order may be changed to a Market Order, and Market Order may be changed to Limit Order;
- b) In the Auction and the Continuous Auction Trading Models, a Limit Order can be changed to a Market Order and a Market Order can be changed to a Limit Order;
- c) A Stop Limit Order can be changed to a Stop Market Order, and a Stop Market Order can be changed to a Stop Limit Order in all Trading Models.

~~12.1.3. With regard to Trading Restrictions, if the Validity Restriction of the Order allows it, any Trading Restrictions may not can be changed to any other Trading Restriction.~~

~~12.1.4. Trade-at-Close indicator may not be modified.~~

~~12.1.5.~~ 12.1.5. With regard to Execution Restrictions, if the Order has a default Execution Restriction (i.e. none), it can be changed to an Order with any kind of Execution Restriction.

~~12.1.6.~~ 12.1.6. With regard to Validity Restrictions, and if the type, Trading Restrictions and Execution Restrictions of the Order allow it, any Validity Restriction can be changed to any other Validity Restriction.

~~12.1.7.~~ 12.1.7. The Account Identification stipulated in the Order can be changed within the limits of the trading rights of the entity placing the Order.

~~12.1.8.~~ 12.1.8. Further Order parameters that may be modified are the Comment (Text) fields and the Member Internal Order Number (MIOrdNo) field.

12.2. When an Order is modified, the place occupied by the Order in the Order Book may change in accordance with Section 13.1.

12.3. Modification or deletion of the Order is ensured via the Connection Technology used to introduce the Order to the Trading System. Defining the interactions of the Connection Technologies regarding Order management is within the authority of the Exchange's work organisation in accordance with Section 3.2.

12.4. If modifications to the Order Parameters or Order type result in its no longer meeting the regulations of the current trading phase, the Order will be removed from the Order Book, and will become an Active Order again in the phase in which it meets the Order Parameters.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

12.5. Quotes cannot be modified, only deleted.

13. Order Priority, Persistency

13.1. Priority

13.1.1. Order entry time is the time/date that the Order or Quote is registered and confirmed by the Trading System together with a unique Order number. In case of Stop Limit, Stop Market and Trailing Stop Orders, the Order entry time shall be the time/date the Order became active.

13.1.2. In the case of an Iceberg Order, Order entry time is the time/date at which it is registered and confirmed by the Trading System together with a unique Order number. When a new Peak Quantity appears in the Order Book, the Iceberg Order will be given a new timestamp. During Auction Phases and Volatility Interruptions, transactions resulting from Iceberg Orders will not alter the timestamp of the Iceberg Order.

13.1.3. When an Order is modified, Order entry time will be changed to the time the Order was modified in the following cases:

- a) modification of Price
- b) increase in quantity
- c) increases in Peak Quantity or in Overall Volume in the case of an Iceberg Order
- d) prolongation of the Validity Restriction
- e) modification of the Order type
- f) activation of an Order with Opening auction only, Closing auction only, Auction only or Intraday auction only execution restriction
- g) modification of Stop Limit of a ~~Stop Order~~, Trailing Stop and OCO Order

13.1.4. The original Order entry time and thus the original place in the Order Book will be retained for changes in all other Order Parameters.

13.2. Persistency

13.2.1. Depending on the Connection Technology, an Order may be entered into the Order Book as Persistent or Non-Persistent.

13.2.2. Quotes may only be Non-Persistent.

13.2.3. The persistency of an Order or Quote may not be modified after entry.

13.2.4. In case of a Technical Halt or Suspension in the trading of a security, Non-Persistent Orders and Quotes will be deleted from the Order Book.

14. The Order Expires

- a) once the entire quantity stipulated in the Order is covered by transaction(s),
- b) once the Validity Restriction is exceeded,
- c) once Fill-or-Kill or Immediate-or-Cancel Validity Restrictions are met,
- d) in case of Non-Persistent Orders, cancellation is automatic if trading in the security is Technically Halted or Suspended by the Exchange,
- e) in case of Book-or-Cancel Orders, when the Trading Phase shifts into an Auction Phase or a Volatility Interruption,
- f) if the given Exchange Product is deleted or closed,
- g) in case of an Order type that is not permitted, if the circle of Order types that are permitted is changed,
- h) if the value pertaining to the given Exchange Product in the Tick Size is changed,
- i) in respect of debt securities, when changing the face value,
- j) if there is a deletion, which can be initiated
 - by the trader,
 - by the Exchange, when trading rights are Suspended in accordance with the Regulations on Exchange Membership,
 - at the request of the Exchange Member under Section 2.2,
 - by the Exchange, in case of certain corporate events,
 - by the Exchange, in case of Structured Products, prior to the start of Residual Value Trading.
- k) In case the ISIN Code of the security is changed

14.1. The Exchange is authorized to decide whether to delete an Order in the following cases:

- a) when the interest computation method of a security is changed;
- b) when the Lot Size is changed;
- c) when the specific bills or the currency used in a trade are changed;
- d) when the Trading Model in which a security is traded is changed;
- e) when a Multiple Quantity is changed;
- f) when the Trading System version is changed, or when the Trading System is replaced

CHAPTER 3

TRADE-MATCHING ALGORITHMS

15. Equilibrium-Price-Based and Continuous Trade-Matching Algorithms

15.1. Throughout this Chapter, unless otherwise provided herein, the expression 'Order' covers both Orders and Quotes.

General Principles of the Sequence of Order Execution

15.2. Orders entered at a better Price will take priority over Orders with a less favourable Price in the sequence of Order execution.

15.3. If Orders are entered at the same Price, Orders entered earlier will take priority over those entered later in the sequence of Order execution. When determining the sequence of Order execution, the time at which Orders are entered shall be determined.

15.4. In the case of Stop Limit Orders, whenever the limit Price is identical, and in the case of all Stop Market, [Trailing Stop and OCO](#) Orders, the sequence of Order execution is the following:

- a) In case of buy Orders, an Order with a lower Stop Limit will take priority over an Order with a higher Stop Limit.
- b) In the case of sell Orders, an Order with a higher Stop Limit will take priority over an Order with a lower Stop Limit.

15.5. In the case of an Iceberg Order, if (a) transaction(s) for the complete Peak Quantity is/are executed in the Continuous Trading Phase, the Trading System will consider the timestamp of the new Peak Quantity entered into the Order Book with respect to the sequence of Order execution.

15.6. General Principles for the sequence of triggering Stop Limit and Stop Market Orders

15.6.1. Whenever a Stop Limit Order or a Stop Market Order is triggered to become an Active Order as per Section [10.18](#)~~10.19~~, the following shall be taken into account in addition to the provisions in Section 15.2:

- a) Stop Market and Stop Limit Orders to be triggered upon a transaction can only be executed once all the Stop Market and Stop Limit Orders triggered by the same transaction have become Active Orders.
- b) As regards Stop Market and Stop Limit Orders triggered by a transaction, Stop Market and Stop Limit bids are triggered to become Active Orders earlier than Stop Market and Stop Limit offers.

Principles of the Price and Quantity Determination

15.7. The transaction Price will develop in accordance with the Prices at which Exchange Members enter their Orders in the course of trading, as specified below.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

15.8. Operation of the Equilibrium-Price-Based Trade-Matching Algorithm in the Continuous Trading with Auctions and in the Auction Trading Models

15.8.1. Based on the Orders ranked according to their sequence of execution, the total volume for which bids and offers exist shall be determined for each Price for each Exchange Product in the Order Book, together with the quantity that can be traded at the different Price levels, taking into account possible Price levels for which there is no Order. Based on the above, the Price at which the largest volume can be traded with the least volume unfilled shall be identified, and that will be the Price of the transaction(s).

15.8.2. If there are several Prices at which transaction can be executed for the largest possible quantity with the least quantity unfilled, and there is unfilled quantity only on the bid (offer) side at each of these Prices, then the transaction(s) Price will be the highest bid (lowest offer) limit Price.

15.8.2.1. If there are several Prices at which transactions can be executed for the largest possible quantity with the least quantity unfilled, and the total quantity of the market orders on any side exceeds the total volume of market orders on the opposite side, then the transaction(s) Price will be at the Price level closest to the Reference Price.

15.8.3. If there are several Prices at which transactions can be executed for the largest possible quantity with the least quantity unfilled, and among these Price levels there is such Price level where the unfilled volume is only on the sell side and such Price level where the unfilled volume is only on the buy side, then the transaction(s) will be determined according to the following principles: ;

15.8.3.1. If the Reference Price is higher than or equal to the lowest Price specified in 15.8.3 for which there is unfilled volume only on the sell side, then the price of the transaction(s) will be the Price of the Order..

15.8.3.2. If the Reference Price is lower than or equal to the highest Price specified in 15.8.3 for which there is unfilled volume only on the buy side, then the price of the transaction(s) will be the Price of that Order.

15.8.4. If there are several Prices at which transactions can be executed for the largest possible quantity with the least quantity unfilled, then the transaction(s) Price will be at the closest possible Price level to the Reference Price. .

15.8.5. Examples of Price determination are given in Annex No. 1 of the Regulations on Trading.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

Additional Rules

- 15.8.6. If there are only market orders in the Order Book the Price of transaction(s) shall be the Reference Price.
- 15.8.7. The Equilibrium-Price-Based Trade-Matching Algorithm takes into account the total amount of the Iceberg Order for the determination of the transaction Price.
- 15.9. Operation of the Equilibrium-Price-Based Trade-Matching Algorithm in the Continuous Auction Trading Model
- 15.9.1. Based on the Orders ranked according to their sequence of execution, the total volume for which bids and offers exist shall be determined for all those Prices in the Order Book that fall between the bid and offer Quotes (considering Section 15.9.8 and 15.9.9), together with the quantity that can be traded at the different Price levels. Based on the above, the Price at which the largest volume can be traded shall be identified, and that will be the transaction Price of the transaction(s).
- 15.9.2. If there are several Prices at which the tradable volume is identical with the largest possible tradable volume, the transaction Price will be the one at which the unfilled volume is the smallest.
- 15.9.3. If there are several Prices at which transactions can be concluded for the largest possible volume, and the volume that cannot be filled at such Prices is also identical, then:
- 15.9.4. The highest Price shall be determined as the transaction Price of such Prices, if unfilled volume is only on the buy side in the Order Book;
- 15.9.5. The lowest Price shall be determined as the transaction Price of such Prices, if unfilled volume is only on the sell side in the Order Book.
- 15.9.6. If there are several Prices at which transactions can be concluded for the largest possible volume, and the volume that cannot be filled at such Prices is also identical, further, among such Price levels there are unfilled volumes either on the sell side or the buy side only, or there is no unfilled volume at all in the Order Book, then the mathematical average of the highest and the lowest possible Price will be selected as the transaction Price.
- 15.9.7. If the equilibrium Price calculated in accordance with Section 15.9.6 does not match a Tick Size, the mathematical average of the highest and lowest possible Price shall be rounded upwards to the closest Tick Size.
- 15.9.8. Buy Market Orders are taking into account at the ask Price of the Quote and the sell Market Orders are taking into account at the bid Price of the Quote.
- 15.9.9. Buy Limit Orders with higher Price than the ask side of the Quote are taking into account at the ask Price of the Quote, sell Limit Orders with lower Price than the bid side of the Quote are taking into account at the bid Price of the Quote.
- 15.9.10. Examples of Price determination are given in Annex No. 2 of the Regulations on Trading.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

15.10. Continuous Trade-Matching Algorithm

15.10.1. Orders are matched in the sequence of execution. Concerning Orders entered into the Trading System,

- a) a bid received by the Trading System will be matched with the best offer(s) existing in the Order Book that meet(s) all matching requirements, and
- b) an offer received by the Trading System will be matched with the best bid(s) existing in the Order Book that meet(s) all matching requirements.

15.10.2. When Orders are matched, the transaction(s) Price is determined by the Price of the Order(s) entered earlier into the Order Book, furthermore, the Price of executed transaction(s) from Market Orders is determined, for the quantity of the Market Order, by the Reference Price (in cases set forth in Sections 15.10.3, 15.10.4), the price of the best price Limit Order on the other side of the Order Book and the price of the incoming Order.

15.10.3. The transaction(s) Price concluded based on incoming best price Limit Orders shall be determined by the incoming limit Order's Price, the Price of the Counteroffers and the Reference Price as follows:

- a) if there is only Market Orders among the Counteroffers and the incoming bid (offer) order's price is higher (lower) or equal to the Reference Price, then the transaction(s) price is the Reference Price
- b) if there is only Market Orders among the Counteroffers and the incoming offer (bid) order's price is lower (higher) or equal to the Reference Price, then the transaction(s) price is the price of the limit order
- c) if there is Market and Limit Orders as well among the Counteroffers and the incoming bid (offer) order's price is lower (higher) than or equal to the Reference Price and the lowest limit order's price among the Counteroffers, then the price of the transaction(s) is the bid (offer) limit order's price
- d) if there is Market and Limit Orders as well among the Counteroffers and the incoming bid (offer) order's price and the Reference Price is lower (higher) than the lowest limit order's price among the Counteroffers, then the price of the transaction(s) is the lowest (highest) limit order's price
- e) if there is Market and Limit Orders as well among the Counteroffers and the incoming bid (offer) order's price and the lowest limit order's price among the Counteroffers are lower (higher) than the Reference Price, then the price of the transaction(s) is the Reference Price

15.10.4. The Price of transactions resulting from a Market Orders are determined by the Order Prices of the Counteroffers and the Reference Price as follows:

- a) if there is only Market Order(s) among the Counteroffer(s), then the transaction(s) price is the Reference Price
- b) if there is only Limit Order(s) among the Counteroffer(s), then the transaction(s) price is determined by the Limit Order(s) in the Order Book
- c) in case of offer (bid) order, if there are Market and Limit Orders as well and the Reference Price is higher (lower) than or equal to the best bid (offers) limit order's price, then the transaction(s) price is the Reference Price
- d) in case of offer (bid) order, if there are Market and Limit Orders as well and the Reference Price is lower (higher) than or equal to the best bid (offers) limit order's price, then the transaction(s) price is the best priced limit bid (offer) order's price for the volume of the market order placed in the Order Book. If the incoming order has unmatched volume, then it shall be matched as set out in Section 15.10.2.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

15.10.5. If an Order received by the Trading System cannot be matched with any of the Orders in the Order Book, it will be entered in the Order Book according to the sequence of execution.

16. Modification of Transaction Data

The parameters of the transactions concluded on the Exchange cannot be modified. CHAPTER 4

TRADING

17. Trading Phases

17.1. Trading phases may vary according to the Trading Model.

17.2. Trading phases of the Continuous Trading with Auctions Trading Model:

- a) Pre-Trading/Book
- b) Opening Auction
- c) Continuous Trading
- d) Intraday Auction
- e) Closing Auction
- e)f) Trade-at-Close
- f)g) Post-Trading/Book

17.3. Trading phases of the Auction Trading Model:

- a) Pre-Trading
- b) Opening Auction
- c) Auction
- d) Closing Auction
- e) Post-Trading

17.4. Trading phases of the Continuous Auction Trading Model:

- a) Pre-Trading
- b) Auction
- c) Post-Trading

17.5. Pre- and sub-phases of the Auction phase in the Continuous Auction Trading Model:

- a) Pre-call phase
- b) Call phase
- c) Price determination

17.6. Sub-phases of the Auction Phase in the Continuous Trading with Auctions and in the Auction Trading Models including the Opening Auction, the Auction, the Intraday Auction and the Closing Auction:

- a) Call phase

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

b) Price determination

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

18. Trading Models in the Equities and Debt Securities Section

- 18.1. The Trading Model to be applied for the trading of the specific securities is determined by the Exchange.
- 18.2. Length of the trading phases and sub-phases applied in the particular Trading Models is determined by the Exchange.
- 18.3. Types and parameters of permissible Orders may vary in different Trading Models. Permissible Order types and Order Parameters are also determined by the Exchange, depending on, or irrespective of, Trading Models.
- 18.4. Continuous Trading with Auctions Trading Model
- 18.4.1. Unless otherwise provided herein, throughout the points governing the Continuous Trading with Auctions Trading Model, the notion of Order covers both Orders and Quotes, with the proviso that the Quote cannot be modified.
- 18.4.2. In this Model, trading can be both Order-directed and supported by Market Makers.
- 18.4.3. During the Exchange Day, an Order can first be entered in the Pre-Trading Phase, and last in the Post-Trading Phase. Quote cannot be entered during the Post-Trading phase.
- 18.4.4. In the Pre-Trading and the Post-Trading Phase, the Order Book is not public.
- 18.4.5. The Order Book is public in the Opening, Intraday and Closing Auction, as well as during the Continuous Trading Phase.
- 18.4.6. Trading phases follow each other consecutively, without any gap.
- 18.4.7. The Exchange decides on the application of an Intraday Auction via resolution.

Pre-Trading Phase

- 18.4.8. In the Pre-Trading Phase, the Order Books of the securities are not public.
- 18.4.9. In this trading phase any kind of Order permissible in the Trading Model can be entered, modified or withdrawn.
- 18.4.10. Entered Orders become Active Orders in the trading phase that complies with Order Parameters.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

Opening Auction

18.4.11. Orders that remained in the Order Book from the previous Exchange Day, as well as Orders entered in the Pre-Trading Phase that become Active Orders later in the Opening Auction phase. will be arranged by the Trading System to the bid and offer sides of the Order Book according to the Order Prices and Order entry time.

Call Phase

18.4.12. In this sub-phase any kind of Order permissible in the Trading Model can be entered, modified or withdrawn. If the Order is modified in such a way that it no longer meets the conditions of the Call phase, it will be deleted from the Order Book and will become an Active Order in the next trading phase that complies with the given Order Parameters.

18.4.13. In the Call phase no transactions are be concluded.

18.4.14. If Executable Orders are entered in the Order Book in the Call phase, the Trading System will display the Indicative Auction Price as well as the indicative auction quantity.

18.4.15. The Call phase ends at a random time with a Random-end process and trading continues with Price determination (Price determination sub-phase). Random time of closure may vary from security to security.

18.4.16. The maximum length of the Random-end concluding the Call phase is determined by the Exchange.

Price Determination

18.4.17. In this sub-phase, no Orders can be entered, modified or withdrawn.

18.4.18. In this sub-phase, Order matching and execution happens in accordance with the Equilibrium-Price-Based Trade-Matching Algorithm specified in Section 15.8, provided there are Executable Orders in the Order Book.

18.4.19. If there are no Executable Orders in the Order Book at the moment of Price determination, no Auction Price can be determined in this phase.

Continuous Trading

18.4.20. During this phase, any kind of Order permissible in the Trading Model can be entered, modified and withdrawn. If the Order is modified in such a way that it does not meet the conditions of the Continuous Trading phase, the Order will be deleted from the Order Book and will become an Active Order in the next trading phase that complies with the given Order Parameters.

18.4.21. At the beginning of Continuous Trading phase, the Order Book contains Orders which could not be matched in the Opening Auction phase, as well as all Orders that became Active Orders in this trading phase.

18.4.22. In the Continuous Trading phase each transaction may have an individual Price.

18.4.23. During the Continuous Trading phase, transactions are executed according to Price-time priority, in accordance with the Continuous Trade-Matching Algorithm.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

Intraday Auction

18.4.24. Rules and sub-phases of the Intraday Auction are the same as those of the Opening Auction, with the following additions:

18.4.25. Orders that remained in the Order Book from the previous Exchange Day, as well as Orders entered in the Pre-Trading Phase, in the Opening Auction, and in the Continuous Trading Phase and being Active Orders in the Intraday Auction, will be arranged by the Trading System to the bid and offer sides of the Order Book according to the Order Prices and Order entry time.

18.4.26. Intraday Auction starts right after the Continuous Trading phase, and after Intraday Auction ends, trading proceeds with a Continuous Trading phase.

Closing Auction

18.4.27. In the Closing Auction, Active Orders are arranged by the Trading System to the bid and offer sides of the Order Book according to the Order Prices.

Call phase

18.4.28. In this sub-phase any kind of Order permissible in the Trading Model can be entered, modified or withdrawn. If the Order is modified in such a way that it no longer meets the conditions of the Call phase, it will be deleted from the Order Book and will become an Active Order in the next trading phase that complies with the given Order Parameters.

18.4.29. In the Call phase no transactions are concluded.

18.4.30. If Executable Orders are entered in the Order Book in the Call phase, the Trading System will display the Indicative Auction Price as well as the indicative auction quantity.

18.4.31. The Call phase ends at a random time with a Random-end process and trading continues with Price determination (Price determination sub-phase). Random time of closure may vary from security to security.

18.4.32. The maximum length of the Random-end concluding the Call phase is determined by the Exchange.

Price Determination

18.4.33. In this sub-phase, no Orders can be entered, modified or withdrawn.

18.4.34. In this sub-phase, Order matching and execution happens in accordance with the Equilibrium-Price-Based Trade-Matching Algorithm specified in Section 15.8, provided there are Executable Orders in the Order Book.

18.4.35. If there are no Executable Orders in the Order Book at the moment of Price determination, no Closing Price can be determined in this phase.

Trade-at-Close

18.4.36. The Trade-at-Close Trading phase is activated, if there is a transaction in the cClosing auction period, even if there is no unfilled volume remaining either on the sell or buy side.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

18.4.37. If there is no transaction in the Closing Auction, the Trade-at-Close Close-at-trade phase is not activated.

18.4.38. Only Limit and Market Orders may be active in the Trade-at-close phase.

18.4.39. An Order shall only participate in the Trade-at-close phase, if it has been explicitly specified at the time the Order was entered by setting the Trade-at-close indicator and the Order price is better than or equal to the Closing Price.

18.4.40. In the Trade-at-close phase, only time priority determines the matching of Orders.

18.4.41. Quotes do not participate in the Trade-at-Close phase.

18.4.42. During Trade-at-Close phase, Stop Orders are not activated.

18.4.43. In Trade-at-Close phase this phase, any Order in accordance with the Trading Model may be entered, modified, and withdrawn.

18.4.44. In the Trade-at-Close phase, the order book is public, but only the closing price level and the total amount associated with it are displayed.

Post-Trading

~~18.4.36-18.4.45.~~ During this phase, any kind of Order permissible in the Trading Model can be entered, modified and withdrawn.

~~18.4.37-18.4.46.~~ In the Post-Trading Phase, the Order Books of the securities are not public.

~~18.4.38-18.4.47.~~ Orders in this phase cannot be entered with a Good-for-Day Validity Restriction.

~~18.4.39-18.4.48.~~ Entered Orders become Active Orders in the trading phase that complies with Order Parameters.

18.5. Auction Trading Model

18.5.1. Unless otherwise provided herein, throughout the points governing the Auction Trading Model, the notion of Order covers both Orders and Quotes, with the proviso that the Quote cannot be modified.

18.5.2. In this Model, trading can be both Order-directed and supported by Market Makers.

18.5.3. During the Exchange Day, an Order can first be entered in the Pre-Trading Phase, and last in the Post-Trading Phase. Quote cannot be entered during the Post-Trading phase.

18.5.4. In the Pre-Trading and the Post-Trading Phase, the Order Book is not public.

18.5.5. The Order Book is public in the Opening, Auction and Closing Auction phases.

18.5.6. In this Trading Model, several Auction Phases can be applied beyond Opening and Closing Auction.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

18.5.7. In the Auction Trading Model, Order matching and execution happens in accordance with the Equilibrium-Price-Based Trade-Matching Algorithm specified in Section 15.8.

Special Rules Governing the Trading Model

18.5.8. Market Orders can be entered in every trading phase and with any kind of Validity Restriction.

18.5.9. In the exclusive case of matching a Market Order with another Market Order, the Price of the transactions will be the Reference Price.

18.5.10. In the Price determination sub-phase, the Equilibrium-Price-Based Trade-Matching Algorithm described in Section 15.8 takes Market Orders into account with the Indicative Auction Price.

Pre-Trading

18.5.11. Rules governing the Pre-Trading Phase are the same as those governing the Pre-Trading Phase in the Continuous Trading with Auctions Trading Model.

Opening Auction

18.5.12. Rules governing the Opening Auction phase are the same as those governing Opening Auction in the Continuous Trading with Auctions Trading Model, with the proviso that in the Auction Trading Model, when Open Auction ends, trading continues not with a Continuous Trading Phase but with a Between Auction/Book Phase.

Between Auction Phase

18.5.13. During this phase, any kind of Order permissible in the Trading Model can be entered, modified and withdrawn.

18.5.14. In the Between Auction Phase there is no trading, and the Order Book is not public.

Auction Phase

18.5.15. Rules governing the Auction Phase are the same as those governing Opening Auction in the Continuous Trading with Auctions Trading Model, with the following supplements:

18.5.16. Orders that remained in the Order Book from the previous Exchange Day, as well as Orders entered in the Pre-Trading Phase, in the Opening Auction, in the Between Auction Phase and in the Auction Phase and being Active Orders in the Auction Phase will be arranged by the Trading System to the bid and offer sides of the Order Book according to the Order Prices and Order entry time.

18.5.17. The Auction Phase starts right after the Between Auction Phase, and after the Auction Phase ends, trading continues with another Between Auction Phase.

Closing Auction

18.5.18. Rules governing the Closing Auction phase are the same as those governing Closing Auction in the Continuous Trading with Auctions Trading Model, with the proviso that in the Auction Trading Model, Closing Auction is preceded not by Continuous Trading but by a Between Auction/Book Phase.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

Post-Trading

18.5.19. Rules governing the Post-Trading Phase are the same as those governing Post-Trading in the Continuous Trading with Auctions Trading Model.

18.6. Continuous Auction Trading Model

18.6.1. This Trading Model is compulsorily supported by Market Makers.

18.6.2. During the Exchange Day, an Order or Quote can first be entered in the Pre-Trading Phase, and an Order can last be entered in the Post-Trading Phase. Quote cannot be entered during the Post-Trading phase.

18.6.3. In the Pre-Trading Phase as well as during the Continuous Auction, the Order Book is public.

18.6.4. The Order Book is closed in the Post-Trading Phase.

18.6.5. In the Continuous Auction Trading Model, matching and execution of Orders and Quotes happens in accordance with the Equilibrium-Price-Based Trade-Matching Algorithm specified in Section 15.9.

Special Rules Governing the Trading Model

18.6.6. No Trade can be concluded outside the Market Maker bid-ask Spread.

18.6.7. In this Trading Model only Stop, [Trailing Stop](#), [OCO](#), Limit and Market Orders can be entered.

18.6.8. No Trading Restrictions for Orders are enforceable.

18.6.9. In the Price determination sub-phase, the Equilibrium-Price-Based Trade-Matching Algorithm described in Section 15.9 takes Market Orders into account with the Indicative Auction Price.

18.6.10. During the Pre-trading Phase and Continuous Auction, Orders can be entered with any kind of Validity Restriction except for the Cancel and Fill-or-Kill Validity Restrictions. In the Post-Trading Phase, Orders can be entered with any kind of Validity Restriction except for the Good-for-Day, Cancel and Fill-or-Kill Validity Restrictions.

18.6.11. In the exclusive case of matching Market Orders with Market Orders, the Price of transactions will be the mid-Price of the Market Maker's bid-ask Spread, rounded upwards to the closest Tick Size.

18.6.12. In case of Residual Value Trading, only Quote can be entered on the bid side of the Order Book, and only non-Quotes (Orders) on the offer side.

Pre-Trading

18.6.13. Rules governing the Pre-Trading Phase are the same as those governing Pre-Trading in the Continuous Trading with Auctions Trading Model.

Continuous Auction

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

18.6.14. Orders that remained in the Order Book from the previous Exchange Day, as well as Orders entered in the Pre-Trading Phase and being Active Orders in the Continuous Auction phase will be arranged by the Trading System to the bid and offer sides of the Order Book according to the Order Prices and Order entry time.

18.6.15. The Pre-Trading Phase is followed by the first Continuous Auction phase, , and a new Continuous Auction phase starts after each Price determination sub-phase until the Post-Trading Phase is reached.

18.6.16. In Continuous Auction phase, Price determination is not possible without a Quote.

18.6.17. Continuous Auction phases follow each other consecutively, without a gap.

18.6.18. The Continuous Auction phase is concluded by a Price determination sub-phase.

18.6.19. A Continuous Auction phase consists of the following pre- and sub-phases:

Pre-Call Phase

18.6.20. In the Pre-call phase, the Order Book is public.

18.6.21. During this phase, any kind of Order and Quote permissible in the Trading Model can be entered, modified and withdrawn.

18.6.22. The length of the Pre-call phase is not pre-determined.

18.6.23. The Pre-call phase switches to a Price determination sub-phase provided there are Quotes in the Order Book AND:

- a) there is a Crossed Order Book within the Market Maker's bid-ask Spread;
- b) there is a Crossed Order Book at the Quote's Price level, and there is no unfilled volume remaining from the Counteroffer of the Market Maker Quote (i.e. the Indicative Quote is not Executable).

18.6.24. The Pre-call phase switches to a Call phase if:

- a) there is no Quote in the Order Book, but there is at least one Market Order in it;
- b) there is no Quote in the Order Book, but there is a Crossed Order Book in it;
- c) there is a Crossed Order Book at the Quote's Price level, and there is unfilled volume remaining from the Counteroffer (i.e. the Indicative Quote is not Executable).
- d) there is a Quote which is able to trigger a Stop, [Trailing Stop or OCO](#) Order(s)

Call Phase

18.6.25. In the Call phase, the Order Book is public.

18.6.26. During this phase, any kind of Order and Quote permissible in the Trading Model can be entered, modified and withdrawn.

18.6.27. The maximum length of Call phase is determined by the Exchange.

18.6.28. The Call phase switches to a Price determination phase if:

- a) an Executable Matching Quote arrives in the Order Book;

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

- b) a Matching Quote arrives in the Order Book the Market Maker Spread of which involves at least one Price level of the Crossed Order Book;
- c) the unfilled volume ceases on the edge or beyond of the Market Maker Spread on the counterside of the Order Book (i.e. the Indicative Quote is not Executable);
- d) there are Executable Orders on any edge of the Market Maker Spread on both sides of the Order Book, and there is unfilled volume on the counterside of the Quote, and time of the Call phase runs out (i.e. the Indicative Quote is not Executable).
- e) After triggering or deleting a Stop, Trailing Stop or OCO Order, there is no more Stop, Trailing Stop or OCO Order left in the Trading System, which would be triggered by the Quote, and there are executable Orders in the Order book.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

18.6.29. The Call phase switches to a Pre-call phase if:

- a) the Crossed Order Book ceases;
- b) there are no Quotes in the Order Book, but there is at least one Market Order either on the bid or on the offer side, and this Order is deleted from the Order Book.
- c) After triggering or deleting a Stop, Trailing Stop or OCO Order, there is no more Stop, Trailing Stop or OCO Order left in the Trading System, and there is no Crossed Order Book situation.

18.6.30. The Call phase does not end if:

- a) there are no Quotes in the Order Book, but there is a Crossed Order Book;
- b) there is a Crossed Order Book at the Quote's Price level, there is no executable quantity on the given side of the Order Book and there is unfilled volume remaining from an Order on the opposite side of the Order Book (i.e. the Indicative Quote is not Executable).

18.6.31. Trading will continue with a Call phase straight after the Price determination sub-phase if there is a Crossed Order Book at the Quote's Price level, there is no executable quantity on the given side of the Order Book, and there is unfilled volume remaining from an Order on the opposite side of the Order Book (i.e. the Indicative Quote is not Executable).

18.6.32. Trading will continue with a Pre-call phase straight after the Price determination sub-phase if there is no Crossed Order Book within the Market Maker Spread or among the Quotes and Orders on the edge of the Market Maker Spread.

Price Determination

18.6.33. In this sub-phase, Order matching and execution happens in accordance with the Equilibrium-Price-Based Trade-Matching Algorithm specified in Section 15.9, provided there are Executable Orders in the Order Book.

Post-Trading

18.6.34. Rules governing the Post-Trading Phase are the same as those governing Post-Trading in the Continuous Trading with Auctions Trading Model.

18.6.35. In a particular security, the beginning of the Post-Trading Phase can be delayed at most with the maximum duration of the Call Phase, in case such a Phase occurs directly before the Post-Trading Phase.

CHAPTER 5

VOLATILITY INTERRUPTION PHASE

19. Volatility Interruption

- 19.1. Unless otherwise provided herein, throughout the points governing Volatility Interruption the notion of Order covers both Orders and Quotes.
- 19.2. Volatility Interruption is applied in the Continuous Trading with Auctions and in the Auction Trading Models.
- 19.3. Volatility Interruption is triggered not by a transaction but by an Order entered into the Order Book, in the instances when the Indicative Transaction Price falls outside the Dynamic or Static Price Range.
- 19.4. Volatility Interruption may occur several times during a given Exchange Day.
- 19.5. Volatility Interruption is triggered with respect to the following Price Ranges:
- a) Dynamic Price Range;
 - b) Static Price Range.
- 19.6. The Reference Price of the Price Ranges specified in Section 19.5 may differ.
- 19.7. The Reference Price of the Dynamic Price Range is always the Price of the last transaction generated by an executed Order-matching. The Reference Price of the Dynamic Price Range can vary after each executed transaction.
- 19.8. The Reference Price of the Static Price Range is the Price of last executed transaction generated that day in the last Auction Phase or Volatility Interruption; or in the absence of this, the Reference Price is defined as the Price of the last transaction concluded prior to the given Exchange Day.
- 19.9. Until the first transaction is executed in the given security, the Reference Price of the Dynamic and the Static Price Range is equal to the Reference Price, except when the Exchange modifies the Reference Price in accordance with Section 3.2 (see Section 7.8).
- 19.10. The percentage values of the Dynamic and Static Price Range are determined by the Exchange in accordance with Section 3.2.
- 19.11. The procedure and rules for the periodic review of the Dynamic and Static Price Ranges are specified by the Exchange in accordance with Section 3.2.
- 19.12. Before a transaction is concluded, the Trading System tests whether the transaction Price falls outside the Dynamic/Static Price Range (compared to the Reference Price). During the test the Price of the still non-executed transaction (i.e. the Indicative Transaction Price) determines whether or not the trading of the security switches to Volatility Interruption.
- 19.13. The test regarding the Reference Price of the Dynamic Price Range occurs only after Order matching is finished, even if the Order can be matched with more Counteroffers, thus several transactions are executed.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

- 19.14. Switching to Volatility Interruption occurs once the Indicative Transaction Price falls outside the Dynamic or Static Price Range compared to the Reference Price of the Dynamic/Static Price Range.
- 19.15. If an Order is executed by matching it with several Counteroffers, then, except in the case of Fill-or-Kill Orders specified in Section 19.16, Order matching will stop before the transaction the Price of which would fall outside the Static or Dynamic Price Range.
- 19.16. Fill-or-Kill Orders do not trigger Volatility Interruptions. If due to entering a Fill-or-Kill Order the Indicative Transaction Price falls outside the Dynamic or Static Price Range, then no transaction will be concluded from the Fill-or-Kill Order, even if it were executed by matching it with several Counteroffers. In this case, the Fill-or-Kill order will be deleted from the Order Book.
- 19.17. Within Volatility Interruption, in the Call phase, in the Extended Call phase as well as during Extended Volatility Interruption any kind of Order permissible in the Trading Model can be entered, modified, or withdrawn. If the Order is modified in such a way that it no longer meets the conditions of the given sub-phase, it will be deleted from the Order Book and will become an Active Order in the next trading phase that complies with the given Order Parameters.
- 19.18. In the Volatility Interruption, the Indicative Auction Price is determined by the Trading System using the Equilibrium-Price-Based Trade-Matching Algorithm specified in Section 15.8.

Operation of the Volatility Interruption in the Continuous Trading Phase of the Continuous Trading with Auctions Trading Model

- 19.19. In the Continuous Trading with Auctions Trading Model, Volatility Interruption consists of two sub-phases:
- a) Call phase with Random-end
 - b) Price determination

Call Phase

- 19.20. The length of the Call phase is determined by the Exchange.
- 19.21. The Call phase ends at a random time. The maximum length of the Random-end concluding the Call phase is determined by the Exchange.
- 19.22. Volatility Interruption which started in the Continuous Trading phase will switch to Closing Auction once the trading time of the Closing Auction begins, even if the time of Volatility Interruption has not run out yet.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

Price Determination

- 19.23. During the Price determination sub-phase, the Prices of the transactions are determined by the Trading System using the Equilibrium-Price-Based Trade-Matching Algorithm specified in Section 15.8.
- 19.24. If a transaction is executed during the Price determination sub-phase, trading will proceed with a Continuous Trading phase.
- 19.25. An Extended Volatility Interruption is triggered if the Indicative Auction Price generated after the Call phase falls outside the multiple of the Dynamic Price Range (considering Section 3.2). In this case, no transactions are concluded; instead, the Call phase will be automatically extended with the time specified by the Exchange in its own discretion, keeping Section 8.2 in consideration.
- 19.26. When an Extra Volatility Interruption occurs, the Exchange has the right to negotiate with Exchange Members affected via their Orders about their intention of buying/selling, as well as with Market Makers.
- 19.27. During Extended Volatility Interruption, a Freeze Phase is applied. During the Freeze Phase, in accordance with Section 8.1, Orders and Quotes cannot be entered, modified or withdrawn without participating in the volatility auction.
- 19.28. If the Crossed Order Book is ceased during the Extended Volatility Interruption, then the Extended Volatility Interruption ends.
- 19.29. After an Extended Volatility Interruption, trading proceeds with a Continuous Trading phase.
- 19.30. Sub-phases of Volatility Interruption triggered in the Continuous Trading phase are described in Section 1 of Annex No. 9.

Operation of Volatility Interruption in, the Opening Auction, Auction, Intraday Auction and in Closing Auction phases of the Continuous Trading with Auctions and the Auction Trading Models

- 19.31. Volatility Interruption can be applied in the Opening Auction, Auction, Intraday Auction and Closing Auction phases.
- 19.32. A Volatility Interruption specified in Section 19.31 consists of two sub-phases by default:
- a) Extended Call phase with Random-End
 - b) Price determination
- 19.33. If the Indicative Auction Price generated directly before Price determination falls outside the Dynamic or Static Price Range in any of the Auction Phases specified in Section 19.31, then the Call phase will be extended and the next phase by default will be a Volatility Interruption.

Extended Call Phase

- 19.34. The length of extension of the Call phase is determined by the Exchange.
- 19.35. The Extended Call phase ends at a random time with a Random-end process. The maximum length of the Random-end concluding an Extended Call phase is determined by the Exchange.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Price Determination

- 19.36. In the Price determination sub-phase, the Prices of the transactions are determined by the Trading System using the Equilibrium-Price-Based Trade-Matching Algorithm specified in Section 15.8.
- 19.37. If a transaction is executed during the Price determination sub-phase the Auction Phase will come to an end.
- 19.38. If the Indicative Transaction Price generated after the Extended Volatility Interruption falls outside the multiple of the Dynamic Price Range (considering Section 3.2), no transactions are concluded. Instead, the Extended Call phase will be automatically extended with the time specified by the Exchange in its own discretion, keeping Section 8.2 in consideration, and an Extended Volatility Interruption is triggered.
- 19.39. When an Extra Volatility Interruption occurs, the Exchange has the right to negotiate with Exchange Members affected via their Orders about their intention of buying/selling, as well as with Market Makers.
- 19.40. During Extended Volatility Interruption, a Freeze Phase may be applied. During the Freeze Phase, in accordance with Section 8.1, Orders and Quotes cannot be entered or modified.
- 19.41. If a transaction is executed during the Extended Volatility Interruption the Auction comes to an end.
- 19.42. Sub-phases of Volatility Interruption triggered in an Auction Phase are described in Section 2 of Annex No. 9.

CHAPTER 6

RULES FOR NEGOTIATED TRANSACTIONS

20. The Negotiated Transaction

- 20.1. A trader of an Exchange Member participant to a Negotiated Transaction agrees directly with another trader of an Exchange Member outside the Trading System on the details of the transaction involving an Exchange Product stipulated in Section 20.3. Thereafter either party may initiate the recording of the transaction in the Exchange System. The transaction is concluded by the confirmation of the counterparty. In the case of executing an order from an underlying client, the same Exchange Member and trader may be buyer and seller at the same time with regards to the compliance with Section 20.6.4.
- 20.2. Recording a Negotiated Transaction only the “TES (T7 Entry Service” Trading” function of the Trading System can be used.
- 20.3. A Negotiated Transaction can be concluded on the Spot Market for any equity securities or for those non-equity securities for which there is no liquid market under the MiFIR.
- 20.4. Negotiated Transactions may be concluded, in case of all Trading Models, from the beginning of the Pre-Trading Phase up to the end of the Post-Trading Phase, except for the instances when a Technical Halt or a Suspension is applied for the given security.
- 20.5. A Negotiated Transactions include at least the following information:
- a) name of the security;
 - b) Order Direction (bid or offer);
 - c) quantity;
 - d) Price;
 - e) the Exchange Member and trader selected for the trade;
 - f) Settlement Date;
 - g) Clear indication of the type of the Negotiated Transaction permitted Exchange as specified in Section 20.6.2.2 in the comment field. If the Negotiated Transaction is concluded on a fair price subject to 20.6.2.1, then the comment field shall be left empty.
- 20.6. A Negotiated Transaction shall comply with the following criteria:
- 20.6.1. Quantity
 - 20.6.1.1. The minimum price value of the Negotiated Transaction has to reach the volume specified by the Exchange in accordance with Section 3.2.
 - 20.6.2. Price
 - 20.6.2.1. Of the Exchange Products set forth in Section 20.3, only in case of equity instruments, the transaction shall be concluded within or at the edge of the actual volume-weighted average buy-sell order marge which is based on the Order Book or on the quotes of the Market Makers performing Market Making activities on the Exchange. Negotiated Transaction cannot be concluded for these products if a volume-weighted average buy-sell order marge is not available.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

20.6.2.2. Subject to Article 6 of the Commission Delegated Regulation (EU) 2017/587, the stipulations set forth in Section 20.6.2.1 shall be ignored in the case of any of the following cases:

- a) the transaction is executed in reference to a price that is calculated over multiple time instances according to a given benchmark, including transactions executed by reference to a volume-weighted average price or a time-weighted average price;
- b) the transaction is part of a portfolio trade;
- c) the transaction is contingent on the purchase, sale, creation or redemption of a derivative contract or other financial instrument where all the components of the trade are meant to be executed as a single lot;
- d) the transaction is executed by a management company as defined in Article 2(1)(b) of Directive 2009/65/EC or an alternative investment fund manager as defined in Article 4(1)(b) of Directive 2011/61/EU which transfers the beneficial ownership of financial instruments from one collective investment undertaking to another and where no investment firm is a party to the transaction;
- e) the transaction is a give-up transaction or a give-in transaction;
- f) the transaction has as its purpose the transferring of financial instruments as collateral in bilateral transactions or in the context of a central counterparty margin or collateral requirements or as part of the default management process of a central counterparty;
- g) the transaction results in the delivery of financial instruments in the context of the exercise of convertible bonds,
- h) the transaction is a securities financing transaction;
- i) the transaction is carried out under the rules or procedures of a trading venue, a central counterparty or a central securities depository to effect buy-in of unsettled transactions in accordance with Regulation (EU) No 909/2014;
- j) any other transaction equivalent to one of those described in these Paragraphs a) to i) in that it is contingent on technical characteristics which are unrelated to the current market valuation of the financial instrument traded.

20.6.3. Settlement

20.6.3.1. In the Equities Section, the party entering the Order may specify the Settlement Day to occur no sooner than T+1 Settlement Days and no later than T+7 Settlement Days.

20.6.3.2. In the case of securities traded in the Debt Securities Section, the Settlement Date is the day that complies with the settlement cycle applied in this Section.

20.6.4. Parties in the Negotiated Deal

20.6.4.1. An Exchange Member may not conclude a Negotiated Transaction where both legs of the transaction (buy and sell side) would be cleared and settled on the Exchange Member's own account.

20.6.4.2. Negotiated Deals can only be settled on the House Account (i.e. with a Proprietary Account Identification) of the Exchange Member that acts as the buyer in the absence of a client Order with identical content.

20.7. The Exchange is entitled to inspect whether the Negotiated Transaction was in compliance with the Exchange Regulation and the Exchange Member shall provide any information needed for the inspection on the Exchange's request. If it is discovered, that a Negotiated Transaction was not in compliance with the provisions of the Exchange Rules, then the Exchange applies sanctions

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

specified in the Regulations on Exchange Membership. The Exchange does not examine the compliance with the rules regarding a Negotiated Transaction in the course of its recording.

20.8. If the selected Exchange Member fails to confirm the Negotiated Transaction within the given Exchange Day, the transaction will not be concluded.

20.9. The Exchange provides information on Negotiated Transactions to the public by its Distributors.

20.10. Negotiated Transactions are exchange transactions but they will not be taken into account for the purpose of official Price statistics, generating Average Prices, triggering Stop Limit, ~~and~~ Stop Market, ~~Trailing Stop or OCO~~ Orders, calculating a Closing Price, nor with respect to Volatility Interruption.

20.11. The regulations – including business regulations or general terms of agreements and client agreements – applied by Exchange Members shall include provisions that reflect the specific features that distinguish Negotiated Transactions from normal transactions, and shall apply such provisions when accepting and performing underlying client Orders.

Chapter 7

**Exemptions from the Pre-Trade Transparency Requirements
Applied by the Exchange**

20/A. Exemptions regarding equity instruments

20/A.1. The rules set out in this Section shall be applied solely for equity instruments specified in Paragraph (1) of Article 3 of MiFIR which are exchange traded shares, depositary receipts, ETFs, certificates and other similar financial instruments.

20/A.1.1. The Exchange applies the exemptions regarding the obligation to publication and display in the public order book granted by the Supervision according to the Article 4 of the MiFIR and published by Exchange Resolutions.

20/A1.2. Subject to Article 5 of the MiFIR, the Exchange continuously provides data for ESMA, who continuously monitors the turnover of the Negotiated Transactions concluded in liquid instruments which fall under exemption as set forth in Section 20/A1.1. If the traded volume under exemption exceeds the limit prescribed by ESMA in the applicable law, then the competent supervisory authority may suspend the pre-trade transparency exemption for the Negotiated Transactions used by the Exchange with regards to the equity instruments that have a liquid market. In this case, the Exchange shall suspend the trading by Negotiated Transactions solely in the given instrument within 2 working days from the notification by the competent supervisory authority by Resolution of the Exchange.

20/B. Exemptions regarding non-equity instruments

20/B.1. The rules set out in this Section shall be applied solely for non-equity instruments specified in Paragraph (1) of Article 8 of MiFIR which are exchange traded bonds, structured finance products, emission allowances and derivatives.

20/B1.1. The Exchange – based on the waivers of obligations for the Exchange given by the Supervision – applies the exemptions granted by MiFIR in cases set forth in the Resolutions of the Exchange.

20/B1.2. ESMA supervises, determines and publishes the scope of the non-equity instruments without liquid market determined in consideration of the rules of MiFIR. The Exchange shall publish on its Website the instruments in which Negotiated Transactions may be concluded.

PART III

**TRADING RULES IN THE DERIVATIVES AND COMMODITIES
SECTIONS**

CHAPTER 1

GENERAL RULES APPLICABLE TO ORDERS

21. Orders

21.1. An Order is a unilateral statement of the intention to engage in a trade, made in a manner and with the contents specified herein.

21.2. Orders shall contain at least the following basic information:

- a) name of the Exchange Product;
- b) name of the Board;
- c) Order Direction (bid or offer);
- d) quantity;
- e) Price;
- f) Stop Limit for Stop Limit and Stop Market Orders;
- g) Order type – default: Limit;
- h) Order class – default: Fill Any;
- i) Order duration – default: Day;
- j) Trading Account ID (KELER Position Account);
- k) Direction of Position;
- l) 'Purge on Logoff' setting;
- m) The identification number of the person responsible for the execution (Execution ID): If the field is empty, the person according to Section 21.2.1.3 is identical to the user entered the Order in the Trading Systems, with the exception that if the trading account indicated in the Order is used for algorithmic trading according to Section 21.2.1.2, then the person responsible for the execution is the algorithm with the given identification number according to Section 21.2.1.2.

21.2.1. In order to ensure the compliance with the obligation of the Exchange to maintain records according to the Council and the Commission Delegated Regulation (EU) 2017/580 (supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the maintenance of relevant data relating to orders in financial instruments), in case of Section 21.2.1.3, the Exchange Member shall provide the following additional information to the Exchange and if necessary modify them in the course of entering the Order (Paragraph m) of Section 21.2). In any other cases, the information set forth in Section 21.2.1 shall be provided and modified in the KELER KID System related to the individual Position Accounts and if necessary, at the latest at the end of the given Exchange Day according to the description of the KID System provided by KELER.

21.2.1.1. Client type and identification number (as set forth in Annex II of Commission Delegated Regulation (EU) 2017/590):

In case of:

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

- natural persons the NATIONAL_ID;
- legal entities the LEI code;
- DEA clients the LEI code of the DEA user;
- aggregated orders the “AGGR” flag;
- pending allocations the “PNAL” flag;
- dealing on own account (in case of this type of positional account; and in the absence of client) the field shall be left empty.

21.2.1.2. The type of the person responsible for the investment decision making at the Exchange Member (as set forth in Article 8 of Commission Delegated Regulation (EU) 2017/590):

- In case of natural persons: NATIONAL_ID;
- In case of algorithms: alphanumerical identification number with fifty characters at maximum;
- In case of client order the field shall be left empty.

21.2.1.3. The identification number of the person at the Exchange Member responsible for the execution of the Order resulting in a trade (as set forth in Article 9 of Commission Delegated Regulation (EU) 2017/590):

- In case of natural persons: NATIONAL_ID
- In case of algorithms: alphanumerical identification number with fifty characters at maximum.

21.2.1.4. Whether the Exchange Member uses the position account for DEA client order executions (True/False).

21.2.1.5. Indicating whether the orders on the Position Account are entered as part of a market making strategy according to the Articles 17 and 48 of the Directive 2014/65/EU and based on the Market Making Agreement concluded with the Exchange (Liquidity Provision).

21.2.2. The Exchange Member shall be responsible for the correctness of the information, keeping the information up to date and for the correspondence of the information with its own internal records. If the Exchange Member does not comply with its obligations prescribed in Section 9.2.1, the Exchange may apply sanctions set out in the Exchange Rules.

21.3. Unless otherwise provided herein, the following data of an Order may be modified:

- a) quantity;
- b) Price;
- c) Stop Limit for Stop Limit and Stop Market Orders;
- d) duration;
- e) Trading Account ID;
- f) Direction of Position;
- g) Identification number of the person responsible for the executions (Execution ID).

21.4. In the Derivatives and Commodities Sections, the Trading Account IDs shall be determined on the basis of and identical to the Position Accounts provided by KELER prior to the start of the trading. If KELER cancels a Position Account, the related Trading Account ID will cease to exist. No new Trading Account IDs may be added in the course of a trading day. The Exchange shall provide the list of Position Accounts managed for the Exchange Members and the related additional data to KELER daily according to 21.2.1.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

21.5. In the given Sections, an Order Closing a Position must be suitable – with Active Orders Closing a Position also taken into account – for closing an Open Position on the Position Account associated with the particular Trading Account ID, otherwise the Order Closing a Position cannot be entered. In addition, no Order Closing a Position may be entered if the quantity specified in the Order – with Active Orders Closing a Position also taken into account – is greater than the quantity of the Open Position on the Position Account associated with the particular Trading Account ID.

21.5.1. Orders that remain valid for several days will not be cancelled if in conflict with the limitation set in Section 21.5; however, such Orders may not become Active Orders at the start of trading in the given period on any Exchange Day following Order entry if they are in conflict with the limitations on Orders Closing a Position.

21.6. Except for Stop Limit and Stop Market Orders, Order entry time shall be the Order time recorded and confirmed by the Trading System together with a unique Order number, unless otherwise provided herein. For Stop Limit and Stop Market Orders, the Order entry time shall be the time at which the Order is triggered to become active.

21.6.1. When an Order is modified, Order entry time changes to the time of Order modification if the Order Price is changed or if the quantity is increased.

21.6.2. In all other cases, the Order will keep its Order entry time and place in the Order Book.

21.7. The Trading System keeps a record of each Order in the Order Book.

21.8. The Order Book holds Orders queued in the Trading System for each Exchange Product, arranged into bid and offer sides, with detailed and aggregative break-down by Price levels, sorted according to Order entry time (as per Section 21.6), without identifying the name of the party that entered the Order.

21.9. In respect of a particular Exchange Product, the Price specified in an Order shall be interpreted in line with the method of Price determination specified in the Product List.

22. Limits on Orders Regarding all Derivative Products:

- a) in the case of bids, the Price cannot be higher than the Base Price plus the Maximum Daily Price Movement;
- b) in the case of offers, the Price cannot be lower than Base Price less the Maximum Daily Price Movement.

22.1. The Trading System will reject Orders that do not comply with the aforementioned Order Price limitations.

22.2. A Limit Order that remains valid for several days will become a Pending Order if it violates an Order Price limitation on any Exchange Day following the date of Order entry. A Pending Order may not be triggered to become an Active Order on any Exchange Day after the date of Order entry as long as it violates an Order Price limitation.

22.3. A Stop Limit Order that remains valid for several days will become a Pending Order if it violates an Order Price limitation at the onset of the free trading period on any Exchange Day following the date of Order entry. A Pending Order may not be triggered to become an Active Order on any Exchange Day after the date of Order entry as long as it violates an Order Price limitation.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

- 22.4. If a Pending Order covered by Sections 22.2 and 22.3 violates an Order Price limitation, it may only be modified in a manner to bring the Order Price in line with the Order Price limitation, thus eliminating the violation.
- 22.5. The restrictions on the Prices of Orders are also valid for Spread Orders, in keeping with Annex No. 6.
- 22.6. Order Price limitations shall not apply with respect to the Stop Limit in the case of Stop Limit and Stop Market Orders.

22/A Applying Position Controls for Commodity Derivative Products Traded in the Commodities Section

22/A.1. In order to comply with the rules set out in Sections 317/A and 317/B of the CMA and Commission Delegated Regulation (EU) 2017/591, the Exchange applies position controls for commodity derivative products traded in the Commodities Section. For this purpose, the Exchange:

- a) continuously monitors the open interests of the Exchange Members and their clients in the affected Exchange Products based on the regular provision of information by the Exchange Members;
- b) may order the Exchange Member to close or decrease – temporarily or permanently, dependant on the given circumstances – its or its client open interests, if the open interests calculated according to Paragraph a) exceed the positional limit determined by the Supervision in the given product or instrument at the given client level (including the Exchange Member's own accounts); or
- c) if the conclusion of the closing transaction is not possible due to the liquidity of the secondary market, the Exchange orders the Exchange Member or its client indirectly by the Exchange Member to maintain binding offer for the commodity derivative product concerned in the opposite direction with the agreed price and volume – at least for the volume exceeding the positional limit and with the price within the Spread determined by the Daily Price Movement – as long as the violation of the positional limits exists, in order to provide liquidity back into the market with the express intent of mitigating the effects of large or dominant position.

22/A.2. In the event, the Exchange Member fails to meet its obligations under Paragraphs b) or c) of Section 22/A.1, the Exchange may apply sanctions according to the Exchange Regulation as a unilateral measure under Paragraph c) of Section 317/A of the CMA, with the condition that this conduct is such a severe violation of the regulations that it may be sanctioned with immediate limitation or suspension of the trading rights.

22/A.3. The Exchange Member with trading right in the Commodities Section is obligated to provide information according to Paragraph e) of Section 15.1 of Book 3 of the Exchange Regulation.

22/B. The Exchange does not apply position controls for commodity based certificates and warrants traded in the Spot Market, as it is prohibited to list security series in commodity based certificates and warrants (Structured Products) with over 2,5 million number of security per series on the Exchange under the Exchange Regulation. Therefore, exceeding the positional limits under the applicable laws is not possible.

23. Order Types, Order Classes and Order Duration

23.1. Order Types (Orders Classified by Price)

23.1.1. A **Limit Order** can be executed at the Price specified in the Order or better.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

23.1.2. In the Derivatives and Commodities Sections, a **Market Order** is an Order entered without specifying the Price but taking into account the Order Price limitation set forth in Section 22. Market Orders may be filled with Orders of the opposite direction existing in the Order Book at Order entry time, even at different Prices and forming several trades if necessary. The unfilled portion of a Market Order will be removed. Market Orders may not be matched with Market Counteroffers.

23.1.3. A **Stop Limit Order** is a conditional Order that will automatically and without any intervention by the party entering it be triggered into an Active Limit Order whenever a transaction has been or is being concluded in line with the provisions in Section 6.7, on the same Exchange Day, either in the last trade immediately preceding the entry of the Order or after Order entry, at the Stop Limit indicated in the Order or better. This does not apply to transactions generated by matching a Spread Order with another Spread Order.

23.1.3.1. If triggered according to Section 23.1.3,

- a) a Stop Limit bid may be filled at best at the limit Price indicated in the Order;
- b) a Stop Limit offer may be filled at least at the limit Price indicated in the Order.

23.1.4. A **Stop Market Order** is a conditional Order which will automatically and without any intervention by the party entering it be triggered into an Active Market Order whenever a transaction has been or is being concluded in line with the provisions in Section 6.7 on the same Exchange Day, either in the last trade immediately preceding the entry of the Order or after Order entry, at the Stop Limit indicated in the Order or better. This does not apply to transactions generated by matching a Spread Order with another Spread Order.

23.1.4.1. A Stop Market Order triggered in accordance with Section 23.1.4 becomes a Market Order as specified in Section 23.1.2.

23.2. Order class (Orders classified by quantity) can only be **Fill Any** Order, which may be filled partially, even by single Lot Sizes or by matching the Order quantity in full. All Orders where the Order class is left unspecified, shall be treated as Any Orders.

23.3. Classification of Orders by Duration

23.3.1. **Session Orders** remain valid until the end of the particular trading period.

23.3.2. **Immediate Orders** are only valid at the time they are entered. An Immediate Order may not be matched with an Immediate Counteroffer.

23.3.3. **Day Orders** remain valid until the end of the particular Exchange Day. All Orders that do not explicitly specify Order duration shall qualify as Day Orders.

23.3.4. **Good-Till-Date Orders** remain valid until the calendar day specified in the Order, up to a maximum of 30 (thirty) calendar days.

23.3.5. **Good-Till-Cancel Orders** remain valid until withdrawn, up to a maximum of 30 (thirty) calendar days.

23.4. Limit, Stop Limit, and Stop Market Orders can be assigned any of the Order classes and the resulting Orders can be made for any duration. A Market Order can be assigned any of the Order classes, but it may only be entered with Immediate duration.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

23.5. Unless otherwise provided herein, an Order expires:

- a) when the total quantity of the Order is covered by transaction(s);
- b) when its duration expires;
- c) upon cancellation
 - by the trader,
 - by the Exchange upon Suspending the right to trade as set forth in the Regulations on Exchange Membership,
 - by the Exchange applying Close-out status to limit a participant's right to trade,
 - by the Exchange upon request from the Exchange Member in accordance with Section 2.2,
 - by the Exchange upon certain corporate actions,
 - when the particular Exchange Product is cancelled or closed,
 -
 - in the Commodities and Derivatives Sections, if the limitation on Order Price as per Section 22 occurs,
 - in respect of a Stop Limit and a Stop Market Order, when such Stop Order is triggered while the trading of the Exchange Product is temporary halted,
 - in respect of a Stop Limit Order valid for several days, in case such non-Pending Order happens to violate the limitation set forth in Section 21.5,
 - upon logoff if the user enabled the 'Purge on Logoff' option at Order entry.

23.6. The Orders that can be submitted in the Derivatives Section are grouped in Annex No. 8.

CHAPTER 2

TRADE-MATCHING ALGORITHMS

24. Equilibrium-Price-Based and Continuous Trade-Matching Algorithms

24.1. General principles of the sequence of Order execution

24.1.1. Orders entered at a better Price will take priority over Orders with less favourable Price in the sequence of Order execution.

24.1.1.1. In the case of Stop Limit Orders, whenever the limit Price is identical, an Order with worse Stop Limit will take priority over an Order with a better Stop Limit in the sequence of Order execution.

24.1.1.2. If Orders are entered at the same Price, Orders entered earlier will take priority over those entered later in the sequence of Order execution. When determining the sequence of Order execution, the time at which Orders are entered shall be determined as per Section 21.6.1.

24.1.2. General principles for the sequence of triggering Stop Limit and Stop Market Orders

24.1.2.1. Whenever a Stop Limit or a Stop Market Order is triggered to become an Active Order as per Sections 23.1.3 and 23.1.4, the following shall be taken into account in addition to the provisions in Section 24.1.1:

- a) Stop Market and Stop Limit Orders to be triggered upon a transaction can only be executed once all the Stop Market and Stop Limit Orders triggered by the same transaction have become Active Orders, even if the Stop Limits of some of these Stop Market and Stop Limit Orders happened to be different.
- b) As regards Stop Market and Stop Limit Orders triggered by a transaction, Stop Market and Stop Limit bids are triggered to become Active Orders earlier than Stop Market and Stop Limit offers.

24.1.3. The transaction Price will develop in accordance with the Prices at which Exchange Members enter their Orders in the course of trading as specified below.

24.2. Equilibrium-Price-Based Trade-Matching Algorithm

24.2.1. Based on the Orders ranked according to their sequence of execution, the total volume for which bids and offer exist shall be determined for each Price for each Exchange Product in the Order Book, together with the quantity of Exchange Products that can be traded at the different Price levels. Based on the above, the Price at which the largest volume of Exchange Products can be traded shall be identified, and that will be the transaction Price of the transaction(s).

24.2.2. If there are several Prices at which the tradable volume of an Exchange Product is identical with the largest possible tradable volume of the Exchange Product, the transaction Price will be the one at which the unfilled volume of the Exchange Product is the smallest.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

24.2.3. If there are several Prices at which transactions can be concluded for the largest possible volume of an Exchange Product, and the volume of Exchange Products that cannot be filled at such Prices is also identical, then

24.2.3.1. the highest Price shall be determined as the transaction Price of such Prices, if unfilled volume is only on the buy side in the Order Book;

24.2.3.2. the lowest Price shall be determined as the transaction Price of such Prices, if unfilled volume is only on the sell side in the Order Book.

24.2.4. If there are several Prices at which transactions can be concluded for the largest possible volume of an Exchange Product, and the volume of Exchange Product that cannot be filled at such Prices is also identical, further, among such Price levels there are unfilled volumes either on the sell side or the buy side only, or there is no unfilled volume at all in the Order Book,

24.2.4.1. and the Price matches a Tick Size, then the mathematical average of these Prices will be selected as the transaction Price.

24.2.4.2. and the mathematical average of these Prices does not match a Tick Size, the average shall be rounded, in accordance with the Tick Size, towards the Base Price, and the resulting Price shall be the transaction Price. The average shall be rounded downwards in all cases where there is no Base Price for a security.

24.2.5. Examples of Price determination are given in Annex No. 5 of the Regulations on Trading.

24.3. Continuous Trade-Matching Algorithm

24.3.1. Orders are matched in the sequence of execution. Concerning Orders entered into the Trading System,

- a bid received by the Trading System will be matched with the best offer(s) existing in the Order Book that meet(s) all matching requirements, and
- an offer received by the Trading System will be matched with the best bid(s) existing in the Order Book that meet(s) all matching requirements.

24.3.2. Except as provided in Section 29.6, the transaction Price is determined by the Price of the Order(s) entered into the Order Book earlier.

24.3.3. If an Order received by the Trading System cannot be matched with any of the Orders in the Order Book, it will be entered in the Order Book according to the sequence of execution.

24.3.4. If Spread Orders are allowed in respect of an Exchange Product, implied Spread Orders generated from the best bids and offers in accordance with Section 28.2 may also be matched in line with Section 29 in the course of the Continuous Trade-Matching Algorithm.

CHAPTER 3

TRADING

25. Trading Periods

25.1. Taking Section 3.2 into consideration, trading is divided into the following periods:

- a) the opening period, which is comprised of the Opening Order-collection sub-period and the Opening transaction sub-period;
- b) the Free trading period;
- c) the closing period, which is comprised of the Closing Order-collection sub-period and the Closing transaction sub-period.

25.2. The trading phases in the Derivatives and Commodities Sections, and the Orders that can be submitted in the Sections, keeping Section 3.2 in mind, are described in Annex No. 8.

25.3. Opening Order-collection sub-period and Closing Order-collection sub-period

25.3.1. Except for Immediate, Orders of any duration can be entered in the Order-collection sub-periods, but Order type and class are restricted to Limit and Any Orders.

25.3.2. In the Order-collection sub-periods, any non-expired Orders (non-Active Orders) entered at an earlier time period and not eligible for entry in the particular period may not be modified, they can only be withdrawn.

25.3.3. The Trading System sorts any Active Orders that have remained in the Order Book from the previous Exchange Day together with the Active Orders entered in the Opening Order-collection sub-period by Price level and arranges them on the buy and sell sides.

25.3.4. The Trading System sorts any Active Orders that have remained in the Order Book from the previous trading period and the Orders entered in the Closing Order-collection sub-period by Price level, and arranges them on the buy and sell sides.

25.3.5. The Order-collection sub-periods are followed by transaction sub-periods.

25.3.6. No transactions are concluded during the Order-collection sub-periods.

25.4. Opening transaction sub-period and Closing transaction sub-period

25.4.1. In the transaction sub-periods, the Orders arranged in the Order Book are matched and filled, and transactions are listed, using the Equilibrium-Price-Based Trade-Matching Algorithm specified in Section 24.2.

25.4.2. No Orders may be entered, modified, or withdrawn during the transaction sub-periods.

25.5. Closing period for Grain Products

25.5.1. At the beginning of the closing period the Order Book contains Active Orders that have remained in the Order Book from the free trading period as they could not be matched therein.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

25.5.2. Except for Immediate, Orders of any duration may be entered in the closing period, but the Order type is restricted to Limit Order in accordance with Section 23.1.1.

25.5.3. Each transaction in the closing period can have an individual Price.

25.5.4. Transactions are conducted in the closing period in line with the Continuous Trade-Matching Algorithm.

25.6. Free trading period

25.6.1. At the start of the free trading period, the Order Book can only contain Orders that could not be matched in the Opening transaction sub-period and Active Orders that have remained in the Order Book from the previous Exchange Day but which were not eligible for participation in the Opening transaction sub-period.

25.6.2. On the spot, futures and options market of Grain Products, the Order Book does not contain any Orders at the start of the free trading period.

25.6.3. Each transaction in the free trading period can have an individual Price.

25.6.4. Transactions are conducted in the free trading period in line with the Continuous Trade-Matching Algorithm, as provided in Section 24.3.

26. Additional Rules and terms concerning trading in the Derivatives and Commodities Sections

26.1. Using Open Position information received from KELER, the Trading System uploads the Open Positions on the Position Accounts associated with each Trading Account ID and the resulting Net Positions before trading starts on an Exchange Day. These Trading System data are only modified in the course of an Exchange Day by the transactions concluded on that Exchange Day. Uploading the aforementioned data is not a prerequisite for trading on a particular Exchange Day.

26.2. Settlement Price

26.2.1. In the Derivatives and Commodities Sections, the Settlement Price Committee is entitled to review and to modify the Market Settlement Prices that evolve pursuant to the Settlement Price Manual. The Settlement Price may not be modified in a transaction sub-period.

26.2.2. In the Commodities Section, futures Settlement Prices for the given Exchange Day are defined after the closing period ends; option Settlement Prices for the given Exchange Day are defined after trading ends on that particular Exchange Day, pursuant to the Settlement Price Manual.

26.3. Base Price

26.3.1. The Base Price of a Derivative Product shall be the End-of-day Settlement Price generated on the previous Exchange Day, except in cases where there happens to be an End-of-day Ex-Settlement Price at the end of the previous Exchange Day for the particular Derivative Product, in this case said Ex-Settlement Price shall be taken as the Base Price. The value of the Theoretical Settlement Price determined in accordance with the

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

Settlement Price Manual shall be regarded as Base Price of futures Instruments and Option Series on the Listing Day and the Opening Day of such Instruments and Option Series, respectively.

26.3.2. In the course of trading, as long as the Base Price of a Derivative Product cannot be determined in line with the above, no Base Price for the particular Derivative Product will be specified.

26.3.3. In exceptional cases, after consulting with KELER, the Exchange may set the Base Price of a Derivative Product using methods that deviate from the rules set forth above, or may even decline setting a Base Price in order to ensure the smooth flow of trading. In line with the provisions set forth in Section 26.6.4, the Base Price may not be modified during a transaction sub-period.

26.4. Clearing Median Price

26.4.1. The last Settlement Price of Derivative Instruments shall be regarded as the Clearing Median Price, except in cases where there happens to be an Ex-Settlement Price of the given Derivative Product that was calculated after the last Settlement Price was determined, in which case said Ex-Settlement Price shall be regarded as the Clearing Median Price.

26.4.2. In the course of trading, as long as the Clearing Median Price of a futures Instrument cannot be determined in line with the above, no Clearing Median Price for the particular futures Instrument will be determined.

26.5. Maximum Daily Price Movement and the Clearing Spread

26.5.1. The futures market is subject to the rules governing both the Maximum Daily Price Movement and the Clearing Spread, whilst the options market is subject only to the rules governing the Maximum Daily Price Movement.

26.5.2. In accordance with Section 22, no transactions may be concluded at Prices greater than the sum of, or smaller than the difference between, the Base Price and the value of the Maximum Daily Price Movement.

26.5.3. Transactions at Prices not greater than the sum of and not smaller than the difference between the Clearing Median Price and the value of the Clearing Spread, except for transactions created by matching a Spread Order with another Spread Order, may be concluded without ordering a trading halt.

26.5.4. The Exchange is entitled to decide to modify the rate of the Maximum Daily Price Movement and the Clearing Spread, upon agreement with KELER, if

- a) the Clearing Median Price changes by at least 75% of the value of the Clearing Spread on three consecutive Exchange Days, or

26.5.5. The Exchange is entitled to decide to cancel or to modify the rate of the Maximum Daily Price Movement and of the Clearing Spread, upon agreement with KELER, if there is significant Price movement on the market of the Underlying Product.

26.5.6. Also, if reasonable and justified, the Exchange is entitled to decide to modify or to cancel the Maximum Daily Price Movement and the Clearing Spread. In such cases, the change

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

can only be introduced upon a written agreement in the matter between KELER and the Exchange.

26.5.7. The resolution on changing the Maximum Daily Price Movement and the Clearing Spread shall be published at least one Exchange Day before it takes effect, except if applying Sections 26.5.4, 26.5.5 or 26.5.6, or if KELER sets a shorter deadline as provided in the KELER Rules.

26.5.8. On the futures market of the Commodities Section, in respect of a Grain Product the Maximum Daily Price Movement shall not be applied on the Last Trading Day or Closing Day of the particular Grain Product.

26.6. Cases when Trading is Halted

26.6.1. The Price of transactions resulting from a Spread Order matched with another Spread Order shall be ignored for the purposes of ordering a trading halt.

26.6.2. If a Transaction Outside the Clearing Spread is concluded in an Instrument, in line with the provisions in Section 6.7, the Exchange orders a halt in the trading of the given Instrument.

26.6.3. The Exchange will halt trading of a particular Contract in the following cases:

- a) in the case of a Contract with an traded on the Exchange, if trading in that Underlying Product is Suspended via an Exchange resolution.

26.6.4. Whenever discretions granted to the Exchange as set forth in Sections 26.3.3, 26.5.4, 26.5.5 or 26.5.6 are applied, the Exchange may order the temporary halt of trading of the Contract or of the Instrument.

26.6.5. Once an Opening transaction sub-period has started and in the course of any equilibrium-Price-based sub-period, trading of a particular Contract will be halted as of the start of the next period in response to the halt or Suspension of trading of the Underlying Product in the meantime.

26.6.6. A trading halt ordered in line with the above will last as long as the reason triggering it exists. Trading halts ordered due to the reason set out in Sections 26.6.2, 26.6.3 or 26.6.4 are cancelled by the Exchange.

26.6.7. If a Transaction Outside the Clearing Spread in a particular Instrument is concluded in line with the provisions set forth in Section 6.7, the Exchange, following the temporary halt of trading of the Instrument generated by the Transaction Outside the Clearing Spread, is not obliged to apply the provisions set forth in Section 26.6.2 on the given Exchange Day.

26.7. The provisions herein regarding Open Position, Clearing Spread, Maximum Daily Price Movement, Settlement Price determination, and the halt of trading may only be amended upon prior consent from KELER.

27. Special Conditions of Exercising Trading Rights in the Derivatives and Commodities Sections

27.1. Limitation of trading rights by applying a close-out status

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

27.1.1. The Exchange will limit a Exchange Member's right to trade in the Derivatives or in the Commodities Section by applying close-out status upon receipt of a notice from KELER of a default by said Exchange Member under the rules of clearing and settling transactions concluded in the given Section, with the following exceptions:

- a) the information specified under Section 26.1 is unavailable;
- b) upon a specific request to the contrary by KELER;
- c) in all cases where the Exchange decides against the limitation.

27.1.2. If the right to trade is limited by close-out status, the limitation of the right to trade held by the Commodities and /or Derivatives Exchange Member covers all markets and Transaction Classes in all Sections.

27.1.3. Transactions concluded properly by the Exchange Member before the limitation of its right to trade must be duly performed by the Exchange Member.

27.1.4. A Exchange Member whose right to trade has been limited by the Exchange through the application of close-out status can only enter an Order Closing a Position on its Position Accounts associated with Trading Account IDs that results in transactions bringing the Net Position of the given Position Account closer to zero while the limitation of its right to trade is in effect.

27.1.5. When the right to trade is limited by close-out status, all Orders entered earlier by the Exchange Member for Exchange Products subject to the close-out status are cancelled.

27.1.6. An Exchange Member whose right to trade has been limited by the Exchange must immediately do everything it can to prevent any violation of the interests of its clients.

27.1.7. Limitations of the right to trade may be applied during an Exchange Day or even during trading hours.

27.2. Additional rules concerning Sub-clearing Members

27.2.1. Close-out status will be applied to limit the right to trade of a Sub-clearing Member upon the limitation of the right to trade held by its Clearing Member, or upon the breach of the Clearing Member's clearing obligation, or upon written request by the Clearing Member seeking to have the Exchange limit the right to trade of the Sub-clearing Member as set forth in the request.

27.2.2. If the limitation is applied upon request of a Clearing Member, limitation will only be effected if the Clearing Member sends in a written notification to the Exchange.

27.2.3. The Exchange disclaims any liability for any pecuniary consequences of legal disputes between the parties of a clearing agreement and will not examine whether or not a unilateral request for limiting a Sub-clearing Member's right to trade was made in accordance with the terms of a clearing agreement.

27.2.4. Any transactions concluded properly by a Sub-clearing Member in the Derivatives Section before the limitation of its right to trade must be duly performed by the Clearing Member performing clearing on behalf of the former.

27.3. For an Exchange Member entitled exclusively to perform commission activities, the right to trade will be limited, with respect to its house account, by a close-out status during all trading hours, and

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

therefore the said Exchange Member can only enter on its Position Account associated with its house Trading Account ID an Order Closing a Position that results in transactions bringing the Net Position of the given Position Account closer to zero.

CHAPTER 4

SPECIAL TRADING RULES FOR THE SPREAD BOARD

28. Orders Accepted on the Spread Board

28.1. Spread Order

28.1.1. A Spread Order includes the following basic information:

- a) name of Spread Product;
- b) name of the Board;
- c) Order Direction (bid or offer);
- d) quantity;
- e) Price;
- f) Trading Account ID;
- g) Direction of Position;
- h) 'Purge on Log-off' setting

28.1.2. Orders that can be entered for Spread Products can be Limit Orders in terms of Order type, Any Orders in terms of Order class, and Session Orders in terms of Order duration.

28.1.3. By entering a bid for a Spread Product, the party entering the Order places an Order to buy the Short leg and to sell an identical quantity of the Long leg of the Spread.

28.1.4. By entering an offer for a Spread Product, the party entering the Order places an Order to sell the Short Leg and to buy an identical quantity of the Long Leg of the Spread.

28.1.5. The Price of the Spread Order for both bids and offers is the difference between the Price of the Short Leg and the Price of the Long Leg of the Spread. The Price of a Spread Order can be zero(0) or a negative value.

28.1.6. Spread Orders may only be entered during the free trading period.

28.1.7. The Trading System marks the transactions resulting from Spread Orders and informs all Exchange Members by making them available for immediate display on all Traders' Trading Systems.

28.2. Implied Spread Orders

28.2.1. If the Spread value the system can generate from the best Orders existing in the Order Books of Spread Product Legs is better than or identical in Price with the best Order in the Spread Order Book, the Spread value the system can generate from the best Orders for Spread Product Legs will also appear as an implied Spread Order in the Spread Order Book.

28.2.2. The system can use the best Orders in the Order Books of Spread Product Legs to generate implied Spread Orders for a variety of Spread Products simultaneously. If several different implied Spread Orders can be generated using a best Order, the first of these different implied Spread Orders to be generated will be the one with a longer Uncommon Leg.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

28.2.3. The Price of an implied Spread Order is the difference between the Prices of the Best Orders entered for each Leg of a Spread Product, which can be zero (0) or even a negative value.

28.2.4. The time of entry of an implied Spread Order shall be the Order entry time of the latest Order involved in the implied Spread.

28.2.5. The quantity of an implied Spread Order is identical to the smallest quantity quoted in the Best Order entered for each Leg of the Spread product.

28.2.6. If the Order Books of Spread Product Legs contain several Orders at the best Price level, several implied Orders with identical Price can appear in the Spread Order Book.

28.2.7. Implied Spread Orders can be Limit Orders in terms of Order type, Any Orders in terms of Order class, and Session Orders in terms of Order duration.

28.2.8. In addition to the cases specified in Section 23.5, an implied Spread Order will also expire:

- a) if either of the Orders forming the implied Spread Order expires;
- b) upon the entry into the Order Book of a Spread Order with a Better Price;
- c) if an implied Spread Order with a Better Price can be generated from a new Order(s) entered into the Order Books of Spread Product Legs;
- d) if trading of either Leg of the Spread Product is halted or Suspended.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

29. Trade-Matching Algorithm of Spread Products

- 29.1. Transactions in Spread Products can be concluded by matching Spread Orders or by matching a Spread Order and an Order entered for one of the Legs of a Spread Product used in the generation of an implied Spread Order in the form of a transaction in the Legs of the Spread Product.
- 29.2. Orders are matched in the sequence of execution. Concerning Orders entered into the Trading System,
- a bid may be matched with the best offer(s) existing in the Spread Order Book that meet(s) all matching requirements, and
 - an offer may be matched with the best bid(s) existing in the Spread Order Book that meet(s) all matching requirements.
- 29.3. Whenever a trade is concluded, the Trading System performs a check to see whether an implied Spread Order can be generated before carrying on with continuous order matching.
- 29.4. If an Order entered into the Trading System cannot be matched with any of the Orders existing in the Spread Order Book, the Order will be recorded in the Spread Order Book according to the sequence of execution.
- 29.5. The Price of transactions concluded by matching a Spread Order with another Spread Order is determined by the Trade-Matching Algorithm set forth in Annex No. 6.
- 29.6. The Price of transaction concluded by matching a Spread Order with an implied Spread Order is determined by the Price of the implied Spread Order according to the Trade-Matching Algorithm set forth in Annex No. 6.
- 29.7. Transaction created by matching Spread Orders need not be taken into account for the purpose of generating Average Price, halting trade, triggering Stop Limit and Stop Market Orders, for official Price statistics, and when applying the rules of Settlement Price calculation.

CHAPTER 5

MANAGING CORPORATE ACTIONS

Derivative Products with a Single Underlying Equity

30. General Rules

- 30.1. The changes brought about by corporate actions will always coincide with such occurrences on the market of the Underlying Product of the particular Derivative Product, as such actions are published and as of the time specified, on the Ex-Date.
- 30.2. On the Exchange Day preceding an Ex-Date, the Exchange will publish an Ex-Settlement Price in addition to the Settlement Price of Derivative Products. The Ex-Settlement Price shall be the value of the Settlement Price recalculated using the procedure set forth in this chapter for modifying the trade Price of futures Contracts and the trade Price and Strike Price of Option Contracts.
- 30.3. KELER recognises the effect of a corporate action in its settlement of open trades by closing the open trades on the Exchange Day before the Ex-Date, using the Settlement Price of the particular day, and in turn opening an appropriate number of new Contracts of proper size using the Ex-Settlement Price on the next Exchange Day.
- 30.4. If a change in a Contract brought about by a corporate action changes the Contract size and the new Contract size is not an integer number, the Contract size shall be rounded to the nearest integer. Simultaneously, Ex-Settlement Prices and trade Prices of futures Contracts on the one hand, and Ex-Settlement Price, trade Prices and Strike Prices of Option Contracts shall be set so that there is no resulting change in the Price difference of open trades, and in turn said Prices shall be rounded to the nearest integer according to generally applied rounding rules.
- 30.5. The same principle shall be applied whenever a trade Price, Strike Price, or Settlement Price eventually comes to a fraction due to a corporate action to be regulated in this Code at a later time. Rounding will leave the total value of Contracts unaffected, but positions can become subject to a slight positive or negative change.
- 30.6. The Exchange will not adjust Derivative Products if
- a) the amount of dividends per share distributed in cash or as bonus shares falls short of 10% of the Average Price of the equity on the last Exchange Day prior to Ex-Coupon Date;
 - b) the subscription Price associated with the subscription rights granted to shareholders is in excess of 90% of the Average Price of the equity as it develops on the last Exchange Day prior to Ex-Date.
- 30.7. The Exchange sets up a Coordination Committee for the management of and with, the power to decide on, the corporate actions of Derivative Products with a single underlying equity. The Exchange sets up and regulates the operation of the Coordination Committee in a resolution. The Committee has four (4) members, with two (2) members delegated by KELER, two (2) by the Exchange.
- 30.8. The Coordination Committee has the power to decide on how to manage corporate actions not discussed in this chapter.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

- 30.9. If the adjustment laid out below cannot be universally applied in respect of a particular event, the Coordination Committee may specify an alternative method of adjusting the trade Price, Ex-Settlement Price, and the Contract size of futures Contracts; and the trade Price, Ex-Settlement Price, Contract size, Strike Price, and the Tick Between Strikes of Option Contracts.
- 30.10. If a corporate action also has an effect on the Tick Between Strikes of an Option Series, the Tick Between Strikes calculated according to the methods set forth in respect of each corporate action will only be applied to option Instruments that have already been opened and to related Option Series, which have already been or will be opened later on. The Exchange may apply Tick Size values with unique rounding between the Option Series of Instruments listed or opened after a corporate action has occurred.

31. Splitting and Merging Equities, Changing the Face Value

- 31.1. If a joint stock company modifies the number and the face value of equities outstanding and forming the Underlying Product of a futures Contracts (stock division or split), the trade Price of a single futures Contract with a trade Price of (K) and the trade Price, Strike Price (L) and the Tick Between Strikes (LK) of an Option Series with a trade Price of K will change as follows (N = original quantity, N_{ij} = new quantity):

$$K_{ij} = K \cdot \frac{N}{N_{ij}}$$

$$L_{ij} = L \cdot \frac{N}{N_{ij}}$$

$$LK_{ij} = LK \cdot \frac{N}{N_{ij}}$$

In case of those equity-based Contracts where the Underlying Product is traded on BSE's regulated market, the Contract size is set in the Product List in a manner whereby any change in face value causes the Lot Size to change automatically.

32. Dividends Distributed in Bonus Shares

- 32.1. A bonus share would normally mean new shares issued to the existing shareholders by an Issuer so as to pay dividends in this fashion. In such cases, to make the necessary adjustment required by the issuing of bonus shares, the Exchange will either change the number of Contracts or the Contract size of a Contract as laid out below (where X = number of shares before the issue of bonus shares, of which each quantity of P (determined by the Issuer) will earn a number (Q) of additional shares as dividends).

32.1.1. The number of securities in the Contract will change only in case the number of shares changes so that the resulting number of shares is an integral multiple of the original quantity. Hence if $P=1$, i.e. the Issuer distributes a number (Q) of shares as dividends against each one held, the resulting number of shares will be $X \cdot (1+Q)$. Those holding open positions in futures or options will get a Q number of additional futures or options Contracts for each Contract they have (their total holding will come to $Q+1$), while the trade Price will

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

come to $K/(1+Q)$, and for options the L Strike Price will come to $L/(1+Q)$ and the Tick Between Strikes (LK) will change to $LK/(1+Q)$. The Contract size remains unchanged.

32.1.2. The Contract size of a Contract will be modified in case the resulting number of shares is not an integral multiple. Hence, if $P > 1$, the number of shares after dividend distribution will come to $X/P*(P+Q)$. If the Contract size of a Contract was (N) with the trade Price at (K), or for an Option Series the Contract size of the Contract was (N), the trade Price was (K), the Strike Price was (L) and the Tick Between Strikes was (LK), following the adjustment the Contract size will come to $N*(P+Q)/P$, and the trade Price will change to $K*P/(P+Q)$, whilst with options, additionally, the Strike Price will come to $L*P/(P+Q)$ and the Tick Between Strikes to $LK*P/(P+Q)$.

33. Cash dividends

33.1. If dividends are distributed in cash, the Total Value of shares will change as a result of the cash outflow associated with the payment of dividends, but this is not normally followed by a change in the Product List.

The only case where the trade Price of futures Contracts and the traded and Strike Prices of options need adjustment is where the degree of dividends (d) calculated as set forth below is over 10% (DIV = dividend per share, S = the Average Price on the last Exchange Day prior to Ex-Coupon Date.)

$$d = \frac{DIV}{S}$$

In such cases, the new value shall be determined by the Coordination Committee, in line with the principle that the adjustment should only reflect the portion of dividends paid in excess of 10%.

34. De-listing

34.1. If action is taken under the Regulations on Listing and Continued Trading to de-list the Underlying Product of a Contract quoted on the Exchange, the Last Day of Trading of the Contracts may not be later than the Last Day of Trading of the Underlying Product.

34.2. The Coordination Committee determines the Last Day of Trading and the Date of De-listing of a Contract in line with the provisions in Section 34.1, in accordance with the Regulations on Listing and Continued Trading.

34.3. The Coordination Committee determines and publishes the Settlement Price in line with the provisions of the Settlement Price Manual and futures trading information.

34.4. Whenever a trade deviating substantially from the market Price prevailing on the last Exchange Day such that it will influence the Settlement Price to be determined comes to the attention of the Coordination Committee, the Committee has the option to ignore said trade when determining the Settlement Price and at the same time initiate an investigation with the Supervisory Authority.

35. Granting Subscription Rights to Shareholders

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

35.1. The subscription right granted to the shareholders is the right granted by an Issuer to its shareholders to subscribe to a specific number of shares typically at a Price lower than the actual market Price. In such cases, both the trade Price and the Contract size of futures Contracts, or the trade Price, the Lot Size, the Strike Price and the Tick Between Strikes of Option Contracts will normally be modified. If shareholders may subscribe to a quantity (Q) for each (P) number of shares held at the Price (I), and the actual market Price of the equity on the last Exchange Day before the Ex-Date is (S), the trade Price (K) of futures Contracts, or the trade Price (K), the Strike Price (L) and the Tick Between Strikes (LK) of Option Contracts, are determined using the following formula:

35.2. Trade Price (K) changes as follows:

$$K_{ij} = \frac{P*S+Q*I}{S} * K$$

35.3. Contract size (N) changes as follows:

$$N_{ij} = \frac{S}{\frac{P*S+Q*I}{P+Q}} * N$$

35.4. The Strike Price (L) of Option Series changes as follows:

$$L_{ij} = \frac{P*S+Q*I}{S} * L$$

35.5. The Tick Between Strikes (LK) of Option Series changes as follows:

$$LK_{ij} = \frac{P*S+Q*I}{S} * LK$$

35.6. Unless the Coordinate Committee decides otherwise, rules specified in Sections 32, 33 and 35 shall not be applied in the case of those equity-based contracts where the Underlying Product is traded on the BETa Market.

**PART IV
MISCELLANEOUS PROVISIONS**

CHAPTER 1

TRADING HOURS, TRADING HALT, SUSPENSION

36. Exchange Day, Non-Trading day, Trading Hours on the Exchange (trading hours)

- 36.1. A transaction on the Exchange can be concluded only on Exchange Days, in the period provided for trading on the Exchange (trading hours).
- 36.2. Any working day is an Exchange Day, unless the Exchange declares it a non-trading day for the Exchange in advance.
- 36.3. A non-trading day shall be specified and published, in line with the Regulations on Official Publications, in a way that those who have the right to trade shall be informed about any changes at least eight (8) Exchange Days in advance.
- 36.4. Non-trading days may differ in respect of Sections, markets, transaction classes, and Exchange Products.
- 36.5. Trading hours shall be specified and modified, as well as published in line with the Regulations on Official Publications, in a way that those who have the right to trade shall be informed about any changes at least three (3) Exchange Days in advance.
- 36.6. The time of the actual start of trading hours shall not fall on an earlier hour than previously published, and the sequence of trading periods cannot be changed.
- 36.7. In extraordinary cases, the Exchange may shorten the length of any trading period or may make a decision about skipping any period, in order to comply with the deadlines for the settlement data transfers to KELER.

37. Halt of Trading on the Exchange and of the Trading of Certain Exchange Products, Suspension of Trading of Certain Exchange Products

- 37.1. The Exchange halts trading on the Exchange or trading of certain Exchange Products, if the conditions determined herein occur, for a fixed or for an undetermined period established when the halt of trading is enacted; the Exchange may also Suspend trading in accordance with the provisions determined by law or in an Exchange Rule.
- 37.2. In the case of a halt of trading on the Exchange or a halt or Suspension of trading of an Exchange Product, no Order can be entered or modified, nor any transaction may be concluded, in respect of the Exchange Product(s) involved in the trading halt or the Suspension. Orders in these cases can be withdrawn only in the Derivatives and Commodities Sections.
- 37.3. The Exchange is entitled to suspend the entire trading in a specific Section in case within his own discretion he considers that under the given circumstances the maintaining of the trading on the stock market would endanger the legitimate interests of the investors, the equilibrium of the market, or the operation of the Exchange. The Exchange shall be obligated to suspend the entire trading in

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

a specific Section in case it is requested by at least 5 Exchange Members representing at least 50% of the turnover in that Section referring to technical problems, except for the case when he considers that the elimination of the above mentioned Exchange Members from the trading will not endanger the equilibrium of the market or the legitimate interests of the investors. If the Suspension is requested by at least 5 Exchange Members representing at least 50% of the turnover in that Section, then the Exchange shall issue and publish a formal Exchange resolution in relation to the suspension of the trading with appropriate reasoning without delay..

- 37.4. The Exchange Member shall only be entitled to request the Suspension of the entire trading in a specific Section if it cannot participate in the trading in that specific Section at all, or if it can only participate in the trading in that specific Section with considerable difficulties due to technical problems of any kind that occurred due to a reason not attributable to the Exchange Member. Considerable difficulties shall include especially, but not limited to, the significant increase of the response time of the Trading System or if the connection of the Exchange Member to the Trading System becomes instable or erratic.
- 37.5. The Exchange Member may request the Suspension of the trading via a written facsimile message signed in accordance with the rules of signing on behalf of the company or, following proper identification, via telephone that is recorded by the Exchange. If the Exchange Member submits the request via telephone, any of its registered Executive Chief traders shall be entitled to submit such request.
- 37.6. The Exchange Member in its request for Suspension shall indicate the technical difficulty or the experienced malfunction due to which the Suspension of the trading is requested and shall render that the cause of the difficulty was likely not attributable to the Exchange Member. The Exchange is not obligated to investigate the technical problem or its causes indicated by the Exchange Member substantively until the decision is made on the Suspension of the trading, however the Exchange is entitled to subsequently investigate the actual existence of the problem; during this the Exchange Member is obliged to cooperate with the Exchange and to provide the necessary information. If according to the Exchange's consideration the Exchange Member in its request for Suspension did not indicate the technical difficulty clearly, or failed to render that the cause of the difficulty was likely not attributable to it, then the Exchange is entitled to request further information from the Exchange Member before making a decision on the Suspension.
- 37.7. The turnover rate of the Exchange Member in the particular Section shall be established on the basis of the data of the calendar month prior to the request of the Suspension of the trading.
- 37.8. The duration of the Suspension as per Section 39.3 shall not exceed one Exchange Day. If the error giving reason to the Suspension persists on the following Exchange Day, the extension of the Suspension of the exchange trading shall be done on the basis of the resolution of the Supervisory Authority according to the CMA and other relevant legislation.
- 37.9. The Exchange Member requesting the suspension of the exchange trading is obliged to inform the Exchange in the manner specified in Section 37.5 without delay as soon as the technical problem justifying its request ceases to exist.
- 37.10. The Exchange is obliged to restore the exchange trading if he considers that the causes of the Suspension ceased to exist, i.e. the restoration of the trading under the given circumstances does not endanger the legitimate interests of the investors, the equilibrium of the market, or the operation of the Exchange.
- 37.11. If the Exchange becomes aware of the fact that the Exchange Member requested the Suspension of the exchange trading in the absence of the conditions defined in Section 37.4, the Exchange may apply any of the sanctions defined in the applicable Exchange Rule against that Exchange Member

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

considering the extent of the detriment of the conduct caused to the investors and other market participants and considering the manner of conduct of the Exchange Member, and the Exchange shall inform the Supervisory Authority immediately submitting all available information in relation to the above.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

38. Technical halts

- 38.1. If the elimination of any temporary disturbance due to technical reasons or the re-establishment of the regular course of trading requires the technical halt of trading, the Exchange shall inform without delay all Exchange Members of the Technical Halt and of the restart of uninterrupted trading.
- 38.2. In the case of a technical halt of the trading, the Exchange will make all effort to eliminate the fault as quickly as possible.
- 38.3. The technical halt will affect those Exchange Products, Instrument Groups, Boards or Sections which are affected by the fault in the Trading System or any other technical glitch.
- 38.4. Trading hours may be extended to cover the time of the technical halt or a portion thereof.

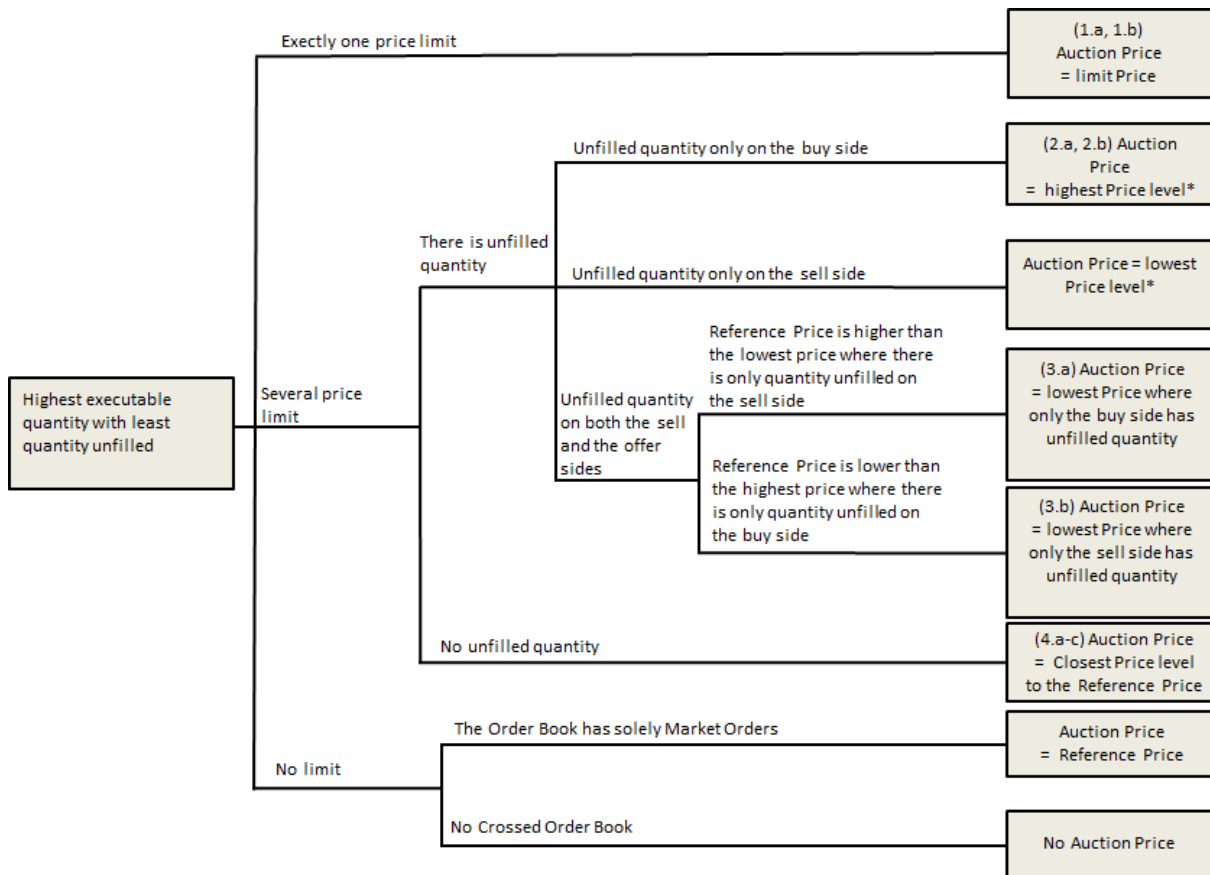
39. Handling Extraordinary Situations in Trading, Deviation from the Rules

- 39.1. In extraordinary situations occurring in the course of trading where trading cannot be carried out in line with the rules specified herein without the threat of a major infringement of the interests of Exchange Members holding a right to trade or of the market, the Exchange shall be entitled to deviate temporarily from the provisions herein and follow, as appropriate, the most rational procedure that appears to be the most appropriate to avert more serious consequences.
- 39.2. Any deviation from the rules is only permitted in exceptional situations and only for a period definitely justified by extraordinary reasons.
- 39.3. A deviation from the rules shall be applied also if the error resolution during Technical Halts, in accordance with Section 38 herein, remains unsuccessful. In such cases, another halt of maximum 3 (three) hours, or a halt for the whole of the trading may be enacted. If the regular course of trading still cannot be re-established within that period, trading shall be considered as closed for the particular Exchange Day or the remaining portion thereof. In these cases, in the Derivatives and Commodities Sections, the Settlement Price of the different futures Instruments and Option Series shall be established in accordance with Section 26.2, as well as the Closing Price of the different securities.

ANNEXES

Annex No. 1

ORDER MATCHING WITH THE EQUILIBRIUM-PRICE-BASED TRADE-MATCHING ALGORITHM IN THE CONTINUOUS TRADING WITH AUCTIONS AND IN THE AUCTION TRADING MODELS



* in case of unfilled Market Orders, the closest possible price level to the Reference Price

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

1. Since the (Limit) Orders entered can be filled at the specified Price or better, the orders entered and ranked according to the sequence of execution must be used for determining, for each Price featuring in the Order Book, the total quantity of Exchange Products for which bids and offers exist and the quantity of Exchange Products that can be traded at a given Price.

1. On this basis, the Price at which the largest quantity of Exchange Products can be traded must be determined with the least volume unfilled.

The Tick Size of the Exchange Product is HUF 1 in the following examples.

Case 1a: If there is only one Price at which the largest quantity of Exchange Products can be traded with the least quantity unfilled, that Price will be selected as the transaction(s) Price (as per Section 15.8.1):

Reference Price: 56

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
1	200	200	57		700		200	S500
2	400	200	56		700		400	S300
	400		55		700		400	S300
	400		54		700		400	S300
3	700	300	53	100	700	3	700	
	700		52		600		6700	B100
	700		51	200	600	2	6700	B100
	700		50	400	400	1	6700	B300

Transaction Price: HUF 53

The following transactions will trade (at HUF 53)

	Buyer		Seller
Transaction 1	'1' buys	200 pieces	from '1'
Transaction 2	'2' buys	200 pieces	from '1'
Transaction 3	'2' buys	200 pieces	from '2'
Transaction 4	'3' buys	100 pieces	from '3'

Case 1b: If there are only one Price at which the largest quantity of Exchange Products can be traded with the least quantity unfilled, the transaction Price will be that Price (as per Section 15.8.1):

Reference Price: 56

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
1	50	50	56	150	200	2	50	S150
2	150	100	55	50	50	1	50	B100

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Transaction Price: HUF55

The following transactions will trade (at HUF 55)

	Buyer		Seller
Transaction 1	'1' buys 50 pieces		from '1'

Case 2.a: If there are several Prices at which the largest quantity can be traded with the least quantity unfilled, and the unfilled volume at such Prices is only on the buy (sell) side, then the transaction(s) Price will be the highest buy (lowest sell) limit Price (as per Section 15.8.2):

Reference Price: HUF 56

BUY				SELL			Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution		
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
1	500	500	57		600		500	S100
2	800	300	56		600		600	B100
	800		55		600		600	B100
	800		54		600		600	B100
	800		53	400	600	2	600	B100
	800		52	200	200	1	200	B600
1	500	500	57		600		500	S100
2	800	300	56		600		600	B100

Transaction Price: 56 (of all the possible price levels, there is unfilled volume only on the buy side)

The following transactions will trade (at HUF 56)

	Buyer		Seller
Transaction 1	'1' buys 200 pieces		from '1'
Transaction 2	'1' buys 300 pieces		from '2'
Transaction 3	'2' buys 100 pieces		from '2'

Case 2.b: If there are several Prices at which the largest quantity can be traded with the least quantity unfilled, and the market orders on any side exceeds the total volume of the other side, then the transaction(s) Price will be at the closest Price level possible to the Reference Price (15.8.2.1).

Reference Price: 50

BUY				SELL			Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution		
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
1	500	500	Market		400		400	B100
	500		⋮		400		400	B100
	500		55		400		400	B100
	500		54		400		400	B100
	500		53	300	400	2	400	B100
2	600	100	52	100	100	1	100	B500

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

transaction(s) price: 53 (at the possible Price level closest to the Reference Price)

The following transactions will trade (at HUF 53)

	Buyer	Seller
Transaction 1	'1' buys 100 pieces	from '1'
Transaction 2	'1' buys 300 pieces	from '2'

Case 3.a: If there are several Prices at which the largest quantity can be traded with the least quantity unfilled, and among these Price levels there is such Price level where the unfilled volume is only on the sell side and such Price level where the unfilled volume is only on the buy side and the Reference Price is higher than or equal to the lowest Price at which only the sell side has unfilled volume, then the transaction(s) Price will be this the Price of this Order. (as per Section 15.8.3.1):

Reference Price: HUF 60

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
			59	200	400	3		
1	100	100	58		200		100	S100
	100		57		200		100	S100
	100		56	100	200	2	100	S100
2	200	100	55		100		100	B100
	200		54		100		100	B100
	200		53	100	100	1	100	B100
3	700	500	52					

Transaction Price: 56 (lowest possible price at which only on the sell side has unfilled volume)

The following transactions will trade (at HUF 56)

	Buyer	Seller
Transaction 1	'1' buys 100 pieces	from '1'

Case 3.b: If there are several Prices at which the largest quantity can be traded with the least quantity unfilled, and among these Price levels there is such Price level where the unfilled volume is only on the sell side and such Price level where the unfilled volume is only on the buy side and the Reference Price is lower than or equal to the highest Price at which only the buy side has unfilled volume, then the transaction(s) Price will be this the Price of this Order (as per Section 15.8.3.2):

Reference Price: HUF 50

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
			59	200	400	3		
1	100	100	58		200		100	S100

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

	100		57		200		100	S100
	100		56	100	200	2	100	S100
2	200	100	55		100		100	B100
	200		54		100		100	B100
	200		53	100	100	1	100	B100
3	700	500	52					

Transaction Price: 55 (lowest-highest possible price at which only on the sell-buy side has unfilled volume)

The following transactions will trade (at HUF 55)

	Buyer		Seller
Transaction 1	'1' buys 100 pieces		from '1'

Case 4a: If there are several Prices at which the largest quantity can be traded with the least quantity unfilled, and, and there is no unfilled volume at any of these Prices, then the transaction(s) Price will be the closest possible Price level to the Reference Price (as per Section 15.8.4):

Reference Price: 50

BUY			SELL			Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products
1	100	100	60		200		100
	100		59		200		100
2	200	100	58		200		200
	200		57		200		200
	200		56		200		200
	200		55		200		200
3	300	100	54		200		200
	300		53	200	200	1	200

Transaction(s) Price: 55

The following transactions will trade (at HUF 55)

	Buyer		Seller
Transaction 1	'1' buys -100 pieces		from '1'
<u>Transaction 2</u>	<u>'2' buys 100 pieces</u>		<u>from '1'</u>

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Case 4b: If there are several Prices at which the largest quantity can be traded with the least quantity unfilled, and, and there is no unfilled volume at any of these Prices, then the transaction(s) Price will be the closest possible Price level to the Reference Price (as per Section 15.8.4):

Reference Price: HUF 60

BUY				SELL			Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution		
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
1	500	500	Market		500		500	
	500		⋮		500		500	
	500		55		500		500	
	500		54		500		500	
	500		53	300	500	2	500	
2	600	100	52	200	200	1	200	B3400
4	500	500	Market		500		500	
	500		⋮		500		500	

Transaction Price: 60 (identical to the Reference Price)

The following transactions will trade (at HUF 60)

	Buyer	Seller
Transaction 1	'1' buys 200 pieces	from '1'
Transaction 2	'1' buys 300 pieces	from '2'

Case 4c: If there are several Prices at which the largest quantity can be traded with the least quantity unfilled, and, and there is no unfilled volume at any of these Prices, then the transaction(s) Price will be the closest possible Price level to the Reference Price (as per Section 15.8.4).

Reference Price: HUF 60

BUY				SELL			Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution		
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
1	500	500	Market		700		500	S200
	500		⋮		700		500	S200
	500		56		700		500	S200
2	700	200	55		700		700	
	700		54		700		700	
	700		53	300	700	2	700	
	700		52	400	400	1	400	B300

Transaction(s) Price: 55

The following transactions will trade (at HUF 55)

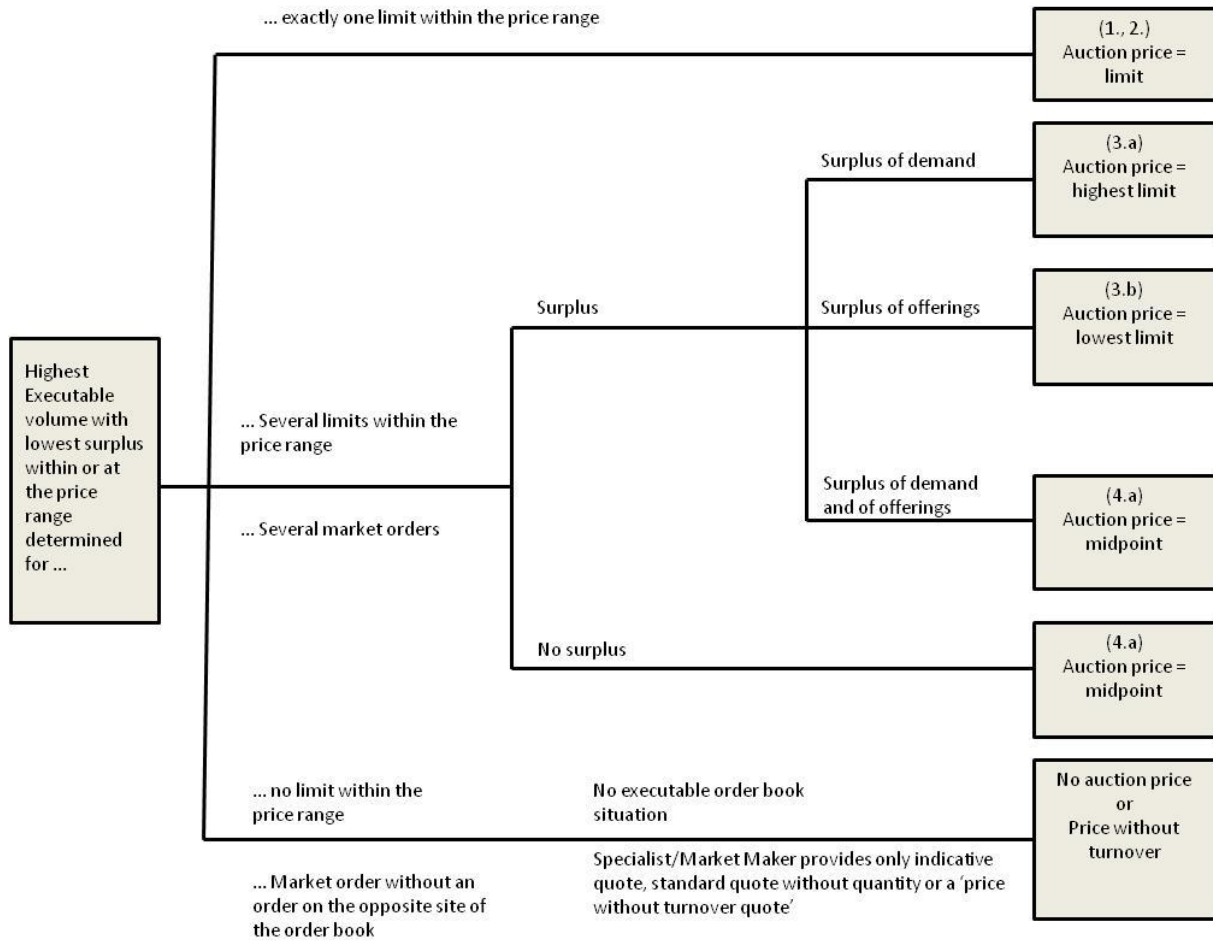
Buyer	Seller
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**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Transaction 1	'1' buys	400 pieces	from '1'
Transaction 2	'1' buys	100 pieces	from '2'
Transaction 3	'2' buys	200 pieces	from '2'

Annex No. 2

ORDER MATCHING WITH THE EQUILIBRIUM-PRICE-BASED TRADE-MATCHING ALGORITHM IN THE CONTINUOUS AUCTION TRADING MODEL



**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

1. Since the (Limit) Orders entered can be filled at the specified Price or better, the Orders entered and ranked according to the sequence of execution must be used for determining, for each Price featuring in the Order Book, the total quantity of Exchange Products for which bids and offers exist and the quantity of Exchange Products that can be traded at a given Price.
2. On this basis, the Price at which the largest quantity of Exchange Products can be traded must be determined.

Case 1: If there is only one Price at which the largest quantity of Exchange Products can be traded, that Price will be selected as the transaction Price as follows (as per Section 15.9.1):

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
6	75	10	5,200				0	
5	65	10	5,305				0	
4	55	10	5,315				0	
3	45	15	5,320	5	5	1	5	40
2	30	15	5,325	5	10	2	10	20
1	15	15	5,330	10	20	3	15	5
			5,350	10	30	4	0	
			5,700	10	40	5	0	

Transaction Price: HUF 5,330

The following transactions will trade (at HUF 5,330)

	Buyer	Seller
Transaction 1	'1' buys 5 pieces	from '1'
Transaction 2	'1' buys 5 pieces	from '2'
Transaction 3	'1' buys 5 pieces	from '3'

Case 2: If there are several Prices at which the largest quantity of Exchange Products can be traded, the transaction Price will be the one at which the quantity of Exchange Products that cannot be traded is the smallest (as per Section 15.9.2):

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
6	60	10	5,200				0	
5	50	10	5,305				0	
4	40	10	5,315				0	
3	30	15	5,320				0	
2	15	10	5,325	5	5	1	5	10
1	5	5	5,330	15	20	2	5	15
			5,350	10	30	3	0	
			5,700	10	40	4	0	

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Transaction Price: HUF 5,325

The following transactions will trade (at HUF 5325)

	Buyer	Seller
Transaction 1	'1' buys 5 pieces	from '1'

Case 3a: If there are several Prices at which the largest quantity of Exchange Products can be traded, and the quantity of Exchange Products that can be traded at such Prices is also identical, and the unfilled volume at such Prices is only on the buy side in the Order Book, the transaction Price will be the highest of these Prices, as follows (as per Section 15.9.4):

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
5	95	10	5,200				0	
4	85	10	5,245				0	
3	75	10	5,250				0	
2	65	15	5,290				0	
-	50	-	5,300	15	15	1	15	35
1	50	10	5,330	-	15	-	15	35
			5,350	10	25	3	0	
			5,700	10	35	4	0	

Transaction Price: HUF 5,330

The following transactions will trade (at HUF 5,330)

	Buyer	Seller
Transaction 1	'1' buys 15 pieces	from '1'

Case 3b: If there are several Prices at which the largest quantity of Exchange Products can be traded, and the quantity of Exchange Products that can be traded at such Prices is also identical, and the unfilled volume at such Prices is only on the sell side in the Order Book, the Transaction Price will be the lowest of these Prices, as follows (as per Section 15.9.5):

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
5	55	10	5,200				0	
4	45	10	5,245				0	
3	35	10	5,250				0	
2	25	15	5,290				0	
-	10	-	5,300	60	60	1	10	50
1	10	10	5,330	-	60	-	10	50
			5,350	10	70	2	0	
			5,700	10	80	3	0	

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Transaction Price: HUF 5,300

The following transactions will trade (at HUF 5,300)

	Buyer	Seller
Transaction 1	'1' buys 10 pieces	from '1'

Case 4a: If there are several Prices at which the largest quantity of Exchange Products can be traded, and the quantity of Exchange Products that can be traded and the unfilled volume is also identical, and there is unfilled volume both on the buy and sell sides in the Order Book or there is no unfilled volume at any of these Prices, then the transaction Price will be the arithmetic mean or the lowest and the highest Price (as per Section 15.9.6):

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
6	55	10	5,200				0	
5	45	10	5,305				0	
4	35	10	5,315				0	
3	25	15	5,320				0	
-	10	-	5,325	60	60	1	10	50
1	10	10	5,330	-	60	-	10	50
			5,350	10	70	2	0	
			5,700	10	80	3	0	

Transaction Price: The arithmetic mean or the lowest and the highest Price, i.e. HUF 5,330.

The following transactions will trade (at HUF 5,330)

	Buyer	Seller
Transaction 1	'1' buys 10 pieces	from '1'

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Case 4b: If there are several Prices at which the largest quantity of Exchange Products can be traded, and the quantity of Exchange Products that can be traded and the unfilled volume is also identical, and there is unfilled volume both on the buy and sell sides in the Order Book or there is no unfilled volume at any of these Prices, then the transaction Price will be the arithmetic mean or the lowest and the highest Price. If this does not fall on a Tick Size, then it will be rounded up to the next Tick Size (as per Section 15.9.7).

Tick Size = 1.

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
6	65	10	5,200				0	
5	55	10	5,305				0	
4	45	10	5,315				0	
3	35	15	5,320				0	
2	20	10	5,325	10	10	1	10	10
1	10	10	5,330	10	20	2	10	10
			5,350	10	30	3	0	
			5,700	10	40	4	0	

Transaction Price: The arithmetic mean or the lowest and the highest Price, i.e. HUF 5,327.5, which should be rounded up to the next Tick Size; hence the transaction Price will be HUF 5,328.

The following transactions will trade (at HUF 5,328)

	Buyer		Seller
Transaction 1	'1' buys 10 pieces		from '1'

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Annex No. 3

**GROUPING OF ORDERS PERMISSIBLE IN THE DIFFERENT TRADING PHASES OF THE EQUITIES AND DEBT SECURITIES
SECTIONS**

An Order can be entered:		Continuous Trading with Auctions (CTwA)				Volatility Interruption	Continuous Auctions (CA)	Several Auctions (SA)				Pre-Trading	Post-Trading
		Opening Auction	Continuous Trading	Closing Auction	Trade-at-Close			Opening Auction	Auctions	Closing Auction	Between Auction		
Order Type	Limit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Market	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Iceberg	✓	✓	✓	✓	✓	-	-	-	-	-	✓	✓
	Stop	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	OCO	✓	✓	✓	✓	✓	✓	=	=	=	=	✓	✓
	Trailing Stop	✓	✓	✓	✓	✓	✓	=	=	=	=	✓	✓
Trading Restrictions	Auction Only	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓
	Opening Auction Only	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓
	Intraday Auction Only	-	-	-	=	-	-	✓	✓	✓	✓	✓	✓
	Closing Auction Only	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓
Execution Restrictions	Book or Cancel Order	-	✓	-	✓	-	-	-	-	-	-	-	-
Validity Restrictions	Fill-or-Kill	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓
	Immediate-or-Cancel	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓
	Good-till-Cancelled	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Good-for-Day	✓	✓	✓	=	✓	✓	✓	✓	✓	✓	✓	-
	Good-till-Date	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**



~~Not applicable in Continuous Trading with Auctions Model~~

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

GROUPING OF ORDERS PERMISSIBLE IN THE DIFFERENT TRADING PHASES OF IN THE EQUITIES AND DEBT SECURITIES SECTION

An Order is valid:		Continuous Trading with Auctions (CTwA)			Trade-at-Close*	Volatility Interruption	Continuous Auctions (CA)	Several Auctions (SA)				Pre-Trading	Post-Trading
		Opening Auction	Continuous Trading	Closing Auction				Opening Auction	Auctions	Closing Auction	Between Auction		
Order Type	Limit	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-
	Market	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-
	Iceberg	✓☐	✓✗	✓☐	=	✓☐	-	-	-	-	-	-	-
	Stop	✓	✓	✓	=	✓	✓	✓	✓	✓	✓	-	-
	OCO	✓	✓	✓	=	✓	✓	=	=	=	=	=	=
	Trailing Stop	✓	✓	✓	=	✓	✓	=	=	=	=	=	=
Trading Restrictions	Auction Only	✓	✗	✓	=	☐	-	✓	✓	✓	=	=	=
	Opening Auction Only	✓	☐	☐	=	☐	=	✓	☐	=	=	=	=
	Intraday Auction Only	=	☐	=	=	=	=	☐	✓	-	-	-	-
	Closing Auction Only	☐	☐	✓	=	☐	=	☐	☐	✓	-	-	-
Execution Restrictions	Book or Cancel Order	-	✓	=	✓	=	=	=	=	-	-	-	-
Validity Restrictions	Fill-or-Kill	=	✓	=	✓	-	-	=	=	=	-	-	-
	Immediate-or-Cancel	=	✓	=	✓	-	-	=	=	=	-	-	-
	Good-till-Cancelled	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-
	Good-for-Day	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-
	Good-till-Date	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-

* If the Trade-at-Close indicator was selected in the Order.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Annex No. 4

POSSIBLE COMBINATIONS OF ORDER PARAMETERS IN THE EQUITIES AND DEBT SECURITIES SECTIONS

Continuous Trading with Auctions Trading Model

Order Type	Execution Restrictions	Validity Restrictions	Pre-Trading	Opening Auction	Continuous Trading	Closing Auction	Post Trading
Market		Fill or Kill	✓	✓	✓	✓	✓
Market		Good For Day	✓	✓	✓	✓	☐
Market		Good Till Cancel	✓	✓	✓	✓	✓
Market		Good Till Date	✓	✓	✓	✓	✓
Market		Immediate or Cancel	✓	✓	✓	✓	✓
Market	Auction Only	Good For Day	✓	✓	✓	✓	✓
Market	Auction Only	Good Till Cancel	✓	✓	✓	✓	✓
Market	Auction Only	Good Till Date	✓	✓	✓	✓	✓
Market	Opening Auction	Good For Day	✓	✓	☐	☐	☐
Market	Opening Auction	Good Till Cancel	✓	✓	✓	✓	✓
Market	Opening Auction	Good Till Date	✓	✓	✓	✓	✓
Market	Closing Auction	Good For Day	✓	✓	✓	✓	☐
Market	Closing Auction	Good Till Cancel	✓	✓	✓	✓	✓
Market	Closing Auction	Good Till Date	✓	✓	✓	✓	✓
Market	STOP	Good For Day	✓	✓	✓	✓	☐
Market	STOP	Good Till Cancel	✓	✓	✓	✓	✓
Market	STOP	Good Till Date	✓	✓	✓	✓	✓
Limit		Fill or Kill	✓	✓	✓	✓	✓
Limit		Good For Day	✓	✓	✓	✓	☐
Limit		Good Till Cancel	✓	✓	✓	✓	✓
Limit		Good Till Date	✓	✓	✓	✓	✓

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Limit		Immediate or Cancel	✓	✓	✓	✓	✓
Limit	Auction Only	Good For Day	✓	✓	✓	✓	☐
Limit	Auction Only	Good Till Cancel	✓	✓	✓	✓	✓
Limit	Auction Only	Good Till Date	✓	✓	✓	✓	✓
Limit	Opening Auction	Good For Day	✓	✓	☐	☐	☐
Limit	Opening Auction	Good Till Cancel	✓	✓	✓	✓	✓
Limit	Opening Auction	Good Till Date	✓	✓	✓	✓	✓
Limit	Closing Auction	Good For Day	✓	✓	✓	✓	☐
Limit	Closing Auction	Good Till Cancel	✓	✓	✓	✓	✓
Limit	Closing Auction	Good Till Date	✓	✓	✓	✓	✓
Limit	STOP	Good For Day	✓	✓	✓	✓	☐
Limit	STOP	Good Till Cancel	✓	✓	✓	✓	✓
Limit	STOP	Good Till Date	✓	✓	✓	✓	✓
Limit	Book or Cancel	Good For Day	☐	☐	✓	☐	☐
Limit	Book or Cancel	Good Till Cancel	☐	☐	✓	☐	☐
Limit	Book or Cancel	Good Till Date	☐	☐	✓	☐	☐
Limit	Iceberg Order	Fill or Kill	✓	✓	✓	✓	✓
Limit	Iceberg Order	Good For Day	✓	✓	✓	✓	☐
Limit	Iceberg Order	Good Till Cancel	✓	✓	✓	✓	✓
Limit	Iceberg Order	Good Till Date	✓	✓	✓	✓	✓
Limit	Iceberg Order	Immediate or Cancel	✓	✓	✓	✓	✓

Auction Trading Model

Order Type	Execution Restrictions	Validity Restrictions	Pre-Trading	Opening Auction	Between Auction	Auctions	Closing Auction	Post Trading
Market		Good Till Cancel	✓	✓	✓	✓	✓	✓

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Market		Good For Day	✓	✓	✓	✓	✓	☐
Market		Good Till Date	✓	✓	✓	✓	✓	✓
Market	Auction only	Good Till Cancel	✓	✓	✓	✓	✓	✓
Market	Auction only	Good For Day	✓	✓	✓	✓	✓	☐
Market	Auction only	Good Till Date	✓	✓	✓	✓	✓	✓
Market	Opening auction	Good Till Cancel	✓	✓	✓	✓	✓	✓
Market	Opening auction	Good For Day	✓	✓	☐	☐	☐	☐
Market	Opening auction	Good Till Date	✓	✓	✓	✓	✓	✓
Market	Intraday auction	Good Till Cancel	✓	✓	✓	✓	✓	✓
Market	Intraday auction	Good For Day	✓	✓	✓	✓	☐	☐
Market	Intraday auction	Good Till Date	✓	✓	✓	✓	✓	✓
Market	Closing auction	Good Till Cancel	✓	✓	✓	✓	✓	✓
Market	Closing auction	Good For Day	✓	✓	✓	✓	✓	☐
Market	Closing auction	Good Till Date	✓	✓	✓	✓	✓	✓
Market	Stop	Good Till Cancel	✓	✓	✓	✓	✓	✓
Market	Stop	Good For Day	✓	✓	✓	✓	✓	☐
Market	Stop	Good Till Date	✓	✓	✓	✓	✓	✓
Limit		Good Till Cancel	✓	✓	✓	✓	✓	✓
Limit		Good For Day	✓	✓	✓	✓	✓	☐
Limit		Good Till Date	✓	✓	✓	✓	✓	✓
Limit	Auction only	Good Till Cancel	✓	✓	✓	✓	✓	✓
Limit	Auction only	Good For Day	✓	✓	✓	✓	✓	☐
Limit	Auction only	Good Till Date	✓	✓	✓	✓	✓	✓
Limit	Opening auction	Good Till Cancel	✓	✓	✓	✓	✓	✓
Limit	Opening auction	Good For Day	✓	✓	☐	☐	☐	☐
Limit	Opening auction	Good Till Date	✓	✓	✓	✓	✓	✓
Limit	Intraday auction	Good Till Cancel	✓	✓	✓	✓	✓	✓

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Limit	Intraday auction	Good For Day	✓	✓	✓	✓	☐	☐
Limit	Intraday auction	Good Till Date	✓	✓	✓	✓	✓	✓
Limit	Closing auction	Good Till Cancel	✓	✓	✓	✓	✓	✓
Limit	Closing auction	Good For Day	✓	✓	✓	✓	✓	☐
Limit	Closing auction	Good Till Date	✓	✓	✓	✓	✓	✓
Limit	Stop	Good Till Cancel	✓	✓	✓	✓	✓	✓
Limit	Stop	Good For Day	✓	✓	✓	✓	✓	☐
Limit	Stop	Good Till Date	✓	✓	✓	✓	✓	✓

Continuous Auction Trading Model

Order Types	Execution Restrictions	Validity Restrictions	Pre-Trading	Continuous Auctions	Post-Trading
Piaci	-	Good Till Cancel	✓	✓	✓
Piaci	-	Good For Day	✓	✓	
Piaci	-	Good Till Date	✓	✓	✓
Piaci	Stop Order	Good Till Cancel	✓	✓	✓
Piaci	Stop Order	Good For Day	✓	✓	
Piaci	Stop Order	Good Till Date	✓	✓	✓
Limit	-	Good Till Cancel	✓	✓	✓
Limit	-	Good For Day	✓	✓	
Limit	-	Good Till Date	✓	✓	✓
Limit	Stop Order	Good Till Cancel	✓	✓	✓
Limit	Stop Order	Good For Day	✓	✓	
Limit	Stop Order	Good Till Date	✓	✓	✓

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Annex No. 5

ORDER MATCHING WITH THE EQUILIBRIUM-PRICE-BASED TRADE-MATCHING ALGORITHM IN THE DERIVATIVES AND COMMODITIES SECTIONS

1. Since the (Limit) Orders entered can be filled at the specified Price or better, the Orders entered and ranked according to the sequence of execution must be used for determining, for each Price featuring in the Order Book, the total quantity of Exchange Products for which bids and offers exist and the quantity of Exchange Products that can be traded at a given Price.
2. On this basis, the Price at which the largest quantity of Exchange Products can be traded must be determined.

Case 1: If there is only one Price at which the largest quantity of Exchange Products can be traded, that Price will be selected as the transaction Price as follows:

Base Price: HUF 5,320

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
6	75	10	5,200				0	
5	65	10	5,305				0	
4	55	10	5,315				0	
3	45	15	5,320	5	5	1	5	40
2	30	15	5,325	5	10	2	10	20
1	15	15	5,330	10	20	3	15	5
			5,350	10	30	4	0	
			5,700	10	40	5	0	

Transaction Price: HUF 5,330

The following transactions will trade (at HUF 5,330)

	Buyer		Seller
Transaction 1	'1' buys	5 pieces	from '1'
Transaction 2	'1' buys	5 pieces	from '2'
Transaction 3	'1' buys	5 pieces	from '3'

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Case 2: If there are several Prices at which the largest quantity of Exchange Products can be traded, the transaction Price will be the one at which the quantity of Exchange Products that cannot be traded is the smallest:

Base Price: HUF 5,320

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
6	60	10	5,200				0	
5	50	10	5,305				0	
4	40	10	5,315				0	
3	30	15	5,320				0	
2	15	10	5,325	5	5	1	5	10
1	5	5	5,330	15	20	2	5	15
			5,350	10	30	3	0	
			5,700	10	40	4	0	

Transaction Price: HUF 5,325

The following transactions will trade (at HUF 5,325)

	Buyer		Seller
Transaction 1	'1' buys 5 pieces		from '1'

Case 3a: If there are several Prices at which the largest quantity of Exchange Products can be traded, and the quantity of Exchange Products that can be traded at such Prices is also identical, and the unfilled volume at such Prices is only on the buy side in the Order Book, the transaction Price will be the highest of these Prices, as follows:

Base Price: HUF 5,335

BUY				SELL				
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution	Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
5	95	10	5,200				0	
4	85	10	5,245				0	
3	75	10	5,250				0	
2	65	15	5,290				0	
-	50	-	5,300	15	15	1	15	35
1	50	10	5,330	-	15	-	15	35
			5,350	10	25	3	0	
			5,700	10	35	4	0	

Transaction Price: HUF 5,330

The following transactions will trade (at HUF 5,330)

	Buyer		Seller
Transaction 1	'1' buys 15 pieces		from '1'

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Case 3b: If there are several Prices at which the largest quantity of Exchange Products can be traded, and the quantity of Exchange Products that can be traded at such Prices is also identical, and the unfilled volume at such Prices is only on the sell side in the Order Book, the transaction Price will be the lowest of these Prices, as follows:

BUY				SELL			Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution		
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
5	55	10	5,200				0	
4	45	10	5,245				0	
3	35	10	5,250				0	
2	25	15	5,290				0	
-	10	-	5,300	60	60	1	10	50
1	10	10	5,330	-	60	-	10	50
			5,350	10	70	2	0	
			5,700	10	80	3	0	

Transaction Price: HUF 5,300

The following transactions will trade (at HUF 5,300)

	Buyer		Seller
Transaction 1	'1' buys 10 pieces		from '1'

Case 4: If there are several Prices at which the largest quantity of Exchange Products can be traded, and the quantity of Exchange Products that can be traded and the unfilled volume is also identical, and there is unfilled volume both on the buy and sell sides in the Order Book, further, the arithmetic mean of these Prices does not fall on a Tick Size, then it will be rounded to the next Tick Size in the direction of the Base Price.

Base Price: HUF 5,335

BUY				SELL			Quantity that can be traded at Price level	Quantity of Orders that cannot be traded at Price level
Sequence of execution	Total Order volume for the given Price	Qty.	Price	Qty.	Total Order volume for the given Price	Sequence of execution		
	Number of Exchange Products			Number of Exchange Products			Number of Exchange Products	
6	65	10	5,200				0	
5	55	10	5,305				0	
4	45	10	5,315				0	
3	35	15	5,320				0	
2	20	10	5,325	10	10	1	10	10
1	10	10	5,330	10	20	2	10	10
			5,350	10	30	3	0	
			5,700	10	40	4	0	

Transaction Price: The arithmetic mean or the lowest and the highest Prices is HUF 5327.5, hence the transaction Price will be rounded in the direction of HUF 5,335 to the next Tick Size to HUF 5,330.

The following transactions will trade (at HUF 5,330)

	Buyer		Seller
Transaction 1	'1' buys 10 pieces		from '1'

**DETERMINING THE TRANSACTION PRICE IN SPREAD PRODUCTS AND THE
MAXIMUM DAILY PRICE MOVEMENT (CLEARING SPREAD) OF A SPREAD
PRODUCT**

1. Determining the transaction Price in a Spread Product

Spread transactions can be concluded by:

- Matching a Spread Order with another Spread Order;
- Matching a Spread Order with an implied Spread Order.

Transactions in a Spread Product are concluded in the Legs of the Spread Product.

Without regard to Order Direction, the Price of a Spread Order will be identical to the Price difference between the Short Leg of the Spread Product (for the purposes of this Annex, hereinafter: Short Leg) and the Long Leg of the Spread Product (for the purposes of this Annex, hereinafter: Long Leg).

1.1 Price of a transaction in the Legs of a Spread Product when a Spread Order is matched with another Spread Order:

The Clearing Median Price of the Short Leg is given. This is used to determine the quasi 'trade Price' of the Long Leg by subtracting the Price of the Spread Order entered earlier from the Clearing Median Price of the Short Leg.

- a) If the resulting Price does not violate the Order Limit of the Long Leg, then the Clearing Median Price and the Price calculated in the manner set forth above will be used as the transaction Price in the Short Leg and the Long Leg of the Spread transaction, respectively.
- b) If the resulting Price violates the Order Limits of the Long Leg, the two Prices are calculated as follows:
 - Long Leg: depending on whether the Price calculated according to Section 2 is closer to the high or the low value of the Order Limit for the Long Leg, the transaction Price of the transaction in the Long Leg shall be the high or low limit value of the Order Limit, respectively.
 - The trade Price of the Short Leg is identical to the sum of the Price of the Long Leg and the Price of the Spread Order entered earlier.

Example 1

The Price of the earlier Spread Order: –100.

Clearing Median Price of the Short Leg: 7800 points.

Order Limits for the Short Leg: 6000 and 8000 points.

Order Limits for the Long Leg: 7000 and 9000 points.

Hence, the Price of the Short Leg is 7800 points, whilst the Price of the Long Leg equals the Price of the Short Leg less the Spread Order value of –100, which is 7900 points, since 7900 does not violate the Order Limits of the Long Leg.

Example 2

The Price of the earlier Spread Order: –1400.

The Clearing Median of the Short Leg: 7800 points.

Order Limits for the Short Leg: 6000 and 8000 points.

Order Limits for the Long Leg: 7000 and 9000 points.

Using the Clearing Median Price of the Short Leg would yield a Price of 7800 points for the Short Leg, but the Price of the Long Leg would come to 9200 points after subtracting the Spread Order value of –1400, which violates the Order Limit of the Long Leg.

Hence, the (high) Order Limit value of the Long Leg, i.e. 9000, which is nearer to 9200 points, will be used as the Price of the Long Leg.

Adding the Price of the Spread Order yields 7900 points (7000 + 900), which is the Price of the Short Leg.

$9000 + -1400 = 7600$ points.

Example 3

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

The Price of the earlier Spread Order: +900.

Clearing Median Price of the Short Leg: 7800 points.

Order Limits for the Short Leg: 6000 and 8000 points.

Order Limits for the Long Leg: 7000 and 9000 points.

Using the Clearing Median Price of the Short Leg would yield a Price of 7800 points for the Short Leg, but the Price of the Long Leg would come to 6900 points after subtracting the Spread Order value of +900, which violates an Order Limit of the Long Leg.

Hence, the (low) Order Limit value of 6900, which is nearer to 7000 points, will be used as the Price of the Long Leg.

Adding the Price of the Spread Order yields 7900 points (7000 + 900), which is the Price of the Short Leg.

$7000 + 900 = 7900$ points.

1.2. Price of a transaction in the Legs of a Spread Product where a Spread Order is Matched with an implied Spread Order:

The transaction Prices in the Legs of a Spread Product are calculated from the Prices of Orders used to generate the implied Spread Order.

2. Other Rules

If a Spread Order entered can be matched – in addition to the best Spread Counteroffer or an implied Spread Counteroffer listed in the Spread Order Book – also with the Order next in priority or even lower priority Orders (due to the Price of the Order, e.g. a lower Price offer), then in cases where the quantity of the Order is not filled completely by the Counteroffer with the best Price, the Trading System will attempt to generate a new implied Spread Order, and will, if possible, match the remainder with this implied Spread Order, before matching it with the Spread Counteroffer quoted at the next lower Price level.

Example 1

Buy		Sell	
Quantity	Price	Quantity	Price
20	-100	20	-90
30	-110		

The best Spread Order the Trading System can generate from the Order Books of the Legs of the Spread Product has a quantity of 30 at a Price of –105. This is not quoted in the Spread Order Book because the Trading System will only generate implied Orders at the best Price level.

If an offer for a quantity of 50 indicating a Price of –110 is received, the Trading System fills the best Order (20 at –100) as the first step, and checks whether it is possible to generate an implied Spread from the original Order Books at a Price that is superior to –110. Since it is possible, the system will fill the 30 remaining units from the offer with an implied bid generated for this quantity (30) at a Price of –105.

Example 2

Buy		Sell	
Quantity	Price	Quantity	Price
20	-100	20	-90
30	-110		

The best Spread bid the Trading System can generate from the Order Books of the Legs of the Spread Product has a quantity of 30 at a Price of –115. This is not quoted in the Spread Order Book because the Trading System will only generate implied Orders at the best Price level.

If an offer for a quantity of 50 indicating a Price of –110 is received, the Trading System fills the best Order (20 at –100) as the first step, and checks whether it is possible to generate an implied Spread from the original Order Books at a Price that is superior to –110. Since this is not possible, the system will fill the 30 remaining units from the offer with the original bid in the Spread Order Book for 30 units at a Price of –110.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

3. Calculating the Order Limits of a Spread Product:

The Base Price of the Order Limit equals the difference between the Base Price of the Short Leg and the Base Price of the Long Leg.

- a) The value of the Order Limit for a Spread bid equals the difference between the (high) bid limit value of the Short Leg and the (low) offer limit value of the Long Leg ($V1-E2$)
- b) The value of the Order Limit for a Spread offer equals the difference between the (low) offer limit value of the Short Leg and the (high) bid limit value of the Long Leg ($E1-V2$).

The Spread Order Limits for the examples above are:

Spread bid: (Short Leg bid – Long Leg offer), that is, $8000 - 7000 = 1000$

Spread offer (Short Leg offer – Longer Leg bid): $6000 - 9000 = -3000$

- The Order Limits set for Spread Orders are calculated on the basis of the Order Limits of the Legs of the Spread Product, which ensures that the Price calculated for the Short Leg will not come to a value outside the Clearing Spread of the Short Leg if the method set out above is used, since:
- Whenever the Price of the Spread Order is low, the Price of the Long Leg will be set to correspond to the top Order limit (9000 points) of the Long Leg (see Example 2), hence the Price of the Short Leg will come to no more than 6000 points after adding the minimum Spread Order value of -3000 , that is to say the Price will stay below the Order Limit.
- Whenever the Price of the Spread is high, the Price of the Long Leg will be set to correspond to the bottom Order limit (7000 points) of the Long Leg (see Example 3), hence the Price of the Short Leg will come to no more than 7000 points after adding the minimum Spread value of 1000, that is to say the Price will not surpass the Order Limit.

**MATHEMATICAL FORMULAE FOR THE PURPOSES OF INTERPRETING THIS
CODE**

1. Rated Average Net Prices:

$$Av = \frac{(S1 \times N_A1) + (S2 \times N_A2) + \dots + (Sn \times N_An)}{S1 + S2 + \dots + Sn}$$

where Av: rated average Price
N_A1... N_An: Prices to be rated
S1 ... Sn: quantity values for individual Prices

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Annex No. 8

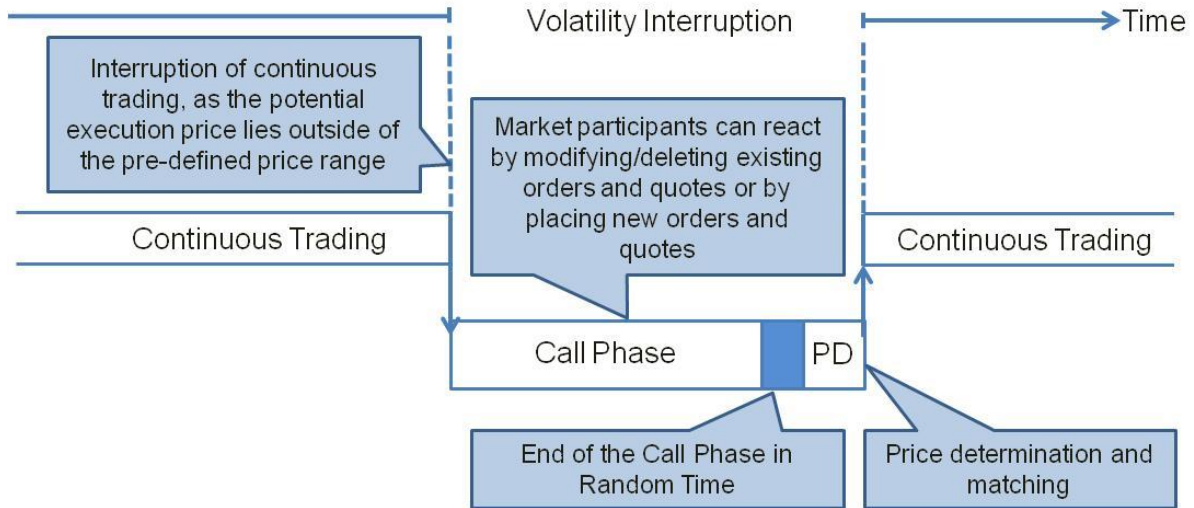
**GROUPING OF ORDERS PERMISSIBLE IN THE DERIVATIVES AND
COMMODITIES SECTIONS**

Classification of Orders		Futures market					Option market		
		Equity segment			Financial segment		Equity segment		Financial segment
		Opening phase	Free phase	Closing phase	Free phase	Closing phase	Opening phase	Free phase	Closing phase
By Price	Limit	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Stop Limit	No	Yes	No	No	No	No	Yes	No
	Market	No	Yes	No	Yes	No	No	Yes	Yes
	Stop Market	No	Yes	No	No	No	No	Yes	No
By quantity	Immediate-or-Cancel	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
By Validity Restriction	Fill-or-Kill	No	Yes	No	Yes	No	No	Yes	Yes
	Phase	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Good-for-Day	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Good-till-Date	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Good-till-Cancelled	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

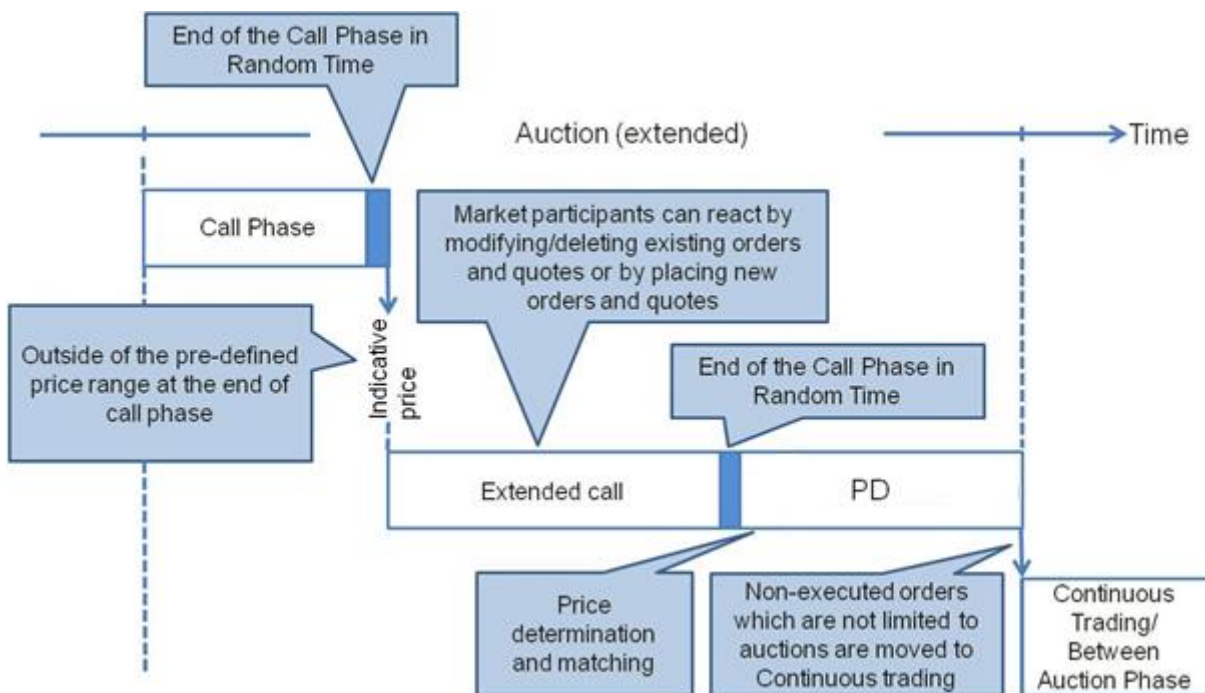
Classification of Orders		Grain Futures market		Grain options	Commodity futures	
		Free phase	Closing phase	Free phase	Free phase	Closing phase
By Price	Limit	Yes	Yes	Yes	Yes	Yes
	Stop Limit	no	no	no	no	no
	Market	Yes	Yes	Yes	Yes	Yes
	Stop Market	no	no	no	no	no
By quantity	Immediate-or-Cancel	Yes	Yes	Yes	Yes	Yes
By Validity Restriction	Fill-or-Kill	Yes	Yes	Yes	Yes	Yes
	Phase	Yes	Yes	Yes	Yes	Yes
	Good-for-Day	Yes	Yes	Yes	Yes	Yes
	Good-till-Date	no	no	no	Yes	Yes
	Good-till-Cancelled	no	no	no	Yes	Yes

SUBPHASES OF THE VOLATILITY INTERRUPTION

1. Sub-phases of the Volatility Interruption if it is triggered in Continuous Trading phase



2. Sub-phases of the Volatility Interruption if it is triggered in the Auction Phase



**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Annex No. 10

FORM CONTRACT FOR SALE AND PURCHASE ON THE SPOT MARKET

Name, registration number, address, customer code of the Seller:

.....
Name, registration number, address, customer code of the Buyer:

.....

Product designation:

.....

Contracted amount:

.....

Contractual Price:

.....

Contractual parity / place of delivery:

.....

Quality of the goods, designation of the independent quality review organisation that issued the quality certificate, and the date of said certificate:

.....

Issuer of the phytosanitary certificate for the goods, its content, and date:

.....

Independent quality review organisation selected by the Seller/Buyer and approved by the Exchange:

.....

Independent quality review organisation in charge of the quality assessment, approved by the Exchange:

.....

Place of the storage of the goods:

.....

Name, address, telephone number of the recipient:

.....

Delivery deadline:

.....

Term and method of payment:

.....

Schedule of daily deliveries:

.....

Other special terms and conditions:

.....

The undersigned parties commit themselves to execute the present contract in line with the Exchange Rules of the Budapest Stock Exchange Ltd. Any disputes shall be settled in line with applicable law and the Exchange Rules of the Budapest Stock Exchange Ltd.

The equivalent of % of the above contractual value, that is, HUF shall be paid, as commission, to the account of the Budapest Stock Exchange Ltd. (account no.:, separately by Seller and Buyer).

Budapest,,

.....
Seller

.....
Buyer

**BOOK SIX
REGULATIONS ON
OFFICIAL PUBLICATIONS**

TABLE OF CONTENTS

<u>I. GENERAL</u>	263
CHAPTER 1 PURPOSE, SUBJECT MATTER, PRINCIPLES AND EFFECT OF THE PRESENT BOOK	263
CHAPTER 2 DEFINITION OF BASIC TERMS	265
<u>II. PARTICULAR</u>	266
CHAPTER 1 THE PROCEDURE OF FORMULATING EXCHANGE RULES	266
2 EXCHANGE RULES	266
3 EXCHANGE REGULATION	266
4 EXCHANGE ORDER	267
5 BOARD RESOLUTION	267
6 RESOLUTION OF EXCHANGE'S WORK ORGANISATION	267
7 INTERPRETATION OF EXCHANGE RULES	268
8 EXCHANGE RECOMMENDATIONS	268
CHAPTER 2 THE RULES OF PUBLICATION	269
9 THE PLACE OF PUBLICATION	269
10 LIABILITY	271
CHAPTER 3 CLOSING PROVISIONS	272
11 AUTHORIZATIONS	272
BOOK SIX	262
REGULATIONS ON OFFICIAL PUBLICATIONS	

I. GENERAL

Chapter 1

PURPOSE, SUBJECT MATTER, PRINCIPLES AND EFFECT OF THE PRESENT BOOK

1.1 Purpose of the present Book

1.1.1 The present Book Six of the General Terms of Service – Regulations on Official Publications (hereinafter: Regulations on Official Publications) is designed to set forth the provisions concerning the process of formulating Exchange Rules and to provide the rules of publishing information regarding the persons covered by the present Book and that arising from the operation of the Exchange and intended to reach the public domain, whenever an Exchange Rule so requires, in accordance with the provisions of law, as amended from time to time.

1.1.2 The main objective of the regulations envisaged in the previous section is to ensure that the formulation of Exchange Rules, which is the prerogative of the Exchange under law, is uniform and transparent and that the publication of exchange information occurs in compliance with the provisions of law, is easy to access and control, so that the purposes of concentrating information in a single location and of providing the most comprehensive information to market participants rapidly and economically are met.

1.2 Subject Matter of the present Book

1.2.1 The subject matter hereof is to capture in writing the rights and obligations of the Exchange and of the persons subject to Exchange Rules in connection with determining the bylaws of the regulation procedure on the Exchange and the rules of publishing Exchange information as well as the related rules of procedure in line with the purpose also mentioned in the present Book.

1.3 Basic Principles of the present Book

1.3.1 The please find enclosed application and interpretation of the present Book are set out in Section 6 of Book One – Introductory and Interpretative Provisions.

1.4 Effect of the present Book

1.4.1 The substantive effect of the present Book covers the Exchange Rules formulated by the organs of the Exchange and all Exchange information that arises from the operation of the Exchange and is specified in Exchange Rules, and which needs to get published as envisaged hereunder because of a requirement set forth in an Exchange Rule or the provisions of applicable Hungarian and EU laws.

1.4.2 The present Book does not cover the disclosure requirements specified in other effective provisions of law in respect of the Exchange and of persons subject to an Exchange Rule.

1.4.3 The persons covered by the present Book include the Exchange and all organs thereof which are authorized to formulate an Exchange Rule as well as the persons subject to an Exchange Rule, provided that the effect of these Bylaws maybe extended to cover persons in some other contractual relationship with the Exchange if an agreement to that effect is concluded between the parties.

**Chapter 2
DEFINITION OF BASIC TERMS**

The terms in the present Book indicated with capital letters shall have the meaning defined in the definitions set out in Book One – Introductory and Interpretative Provisions.

II. PARTICULAR

Chapter 1

THE PROCEDURE OF FORMULATING EXCHANGE RULES

2 Exchange Rules

2.1 The organs of the Exchange are authorized to specify the following Exchange Rules:

2.1.1 The Board may specify

- a) the Exchange Regulation and Exchange Orders;
- b) Board resolutions;

2.1.2 – The Exchange’s work organisation may specify

- a) Exchange (BSE) resolutions;
- b) Interpretations of Exchange Rules;
- c) Non-obligatory recommendations.

2.2 An Exchange Rule subordinated to a higher level Exchange Rule, as described in section 2.1 above, may not be contrary to the latter.

2.3 The Board has the power to decide all issues it removes from the competence of the Exchange’s work organisation and reserves the right to decide on.

3 Exchange Regulation

3.1 The Regulation include every rules that are regulated by Exchange Regulation according to CMA.

3.2 The Board may authorize the Exchange’s work organisation in the Exchange Regulation or in a resolution issued in approval of the Exchange Regulation to specify additional rules within the framework of the authorization in order to enforce the provisions of the Exchange Regulation. Such authorization shall specify the person authorized the subject matter and the terms. The person authorized this way may not grant authorization to another party to formulate rules. No authorization may be given to set the rules of fundamental rights and obligations covered by the Exchange Regulation.

3.3. The Exchange Regulation is adopted by the Board in a resolution and become effective and valid upon approval by the Supervision. The date of effect of Exchange Regulation is specified by resolution of the Exchange’s work organisation on the basis of the Board resolution issued in approval thereof or on the basis of the authorization given by the Board. Exchange Rules and the amendments thereof – with the exception of Exchange Rule specified in subsection 3.1 f) – must be disclosed on the website operated by the Hungarian Financial Supervisory Authority and the website of the Exchange. The date of effect of the Exchange Regulation may not be earlier than the date it is published in the manner specified above.

4 Exchange Order

4.1 The Board of Directors issues Exchange Orders to specify:

- a) the fees charged by the Exchange and payable by the users of its services;
- b) the rules of the composition and operation of the Exchange organization;
- c) the procedures of representing the interest of Exchange traders, issuers on the Exchange and investors.

4.2 The Board may authorize the Exchange's work organisation in an Exchange Order or in a resolution issued in approval of an Exchange Order to specify additional rules within the framework of the authorization in order to enforce the provisions of the Exchange Order. Such authorization shall specify the person authorized the subject matter and the terms. The person authorized this way may not grant authorization to another party to formulate rules. No authorization may be given to set the rules of fundamental rights and obligations covered by an Exchange Order.

4.3 The Board approves Exchange Orders in a resolution and the Exchange's work organisation issues a resolution to specify the date an Order takes effect on the basis of the resolution issued in approval or the authorization given by the Board. The date of effect of an Exchange Order may not be earlier than the date it is published at the Website.

5 Board Resolution

5.1 In addition to the approval of the Exchange Regulation and Exchange Orders, the Board issues a Board Resolution concerning:

5.1.1 appeals submitted in respect of decisions by the Exchange's work organisation,

5.1.2 other matters requiring a decision and identified as the competence of the Board in the Articles of Association or an Exchange Rule.

5.2 The Board may issue resolutions to specify the rights and obligations of issuers, exchange traders, brokers and other persons using the services of the Exchange. In the event a Board resolution is violated the sanctions envisaged in the relevant Exchange Rule shall be applied.

6 Resolution of Exchange's work organisation

6.1 The Exchange's work organisation may issue an Exchange resolution specifying the execution of an Exchange Rule or under an authorization granted in the Exchange Regulation, an Exchange Order or a Board Resolution issued in approval thereof. The Exchange may issue resolutions to specify the rights and obligations of issuers, exchange traders, brokers and other persons using the services of the Exchange. In the event an Exchange resolution is violated the sanctions envisaged in the relevant Exchange Rule shall be applied. The rules of decision-making in issues within the

competence of the work organization of the Exchange, in particular which employee of the Exchange is entitled to make decisions, as well as the rules of delegation and substitution are contained in the Regulation of the Budapest Stock Exchange Regarding Organisational and Operational Rules.

7 Interpretation of Exchange Rules

- 7.1 The Exchange's work organisation is entitled to issue interpretations of Exchange Rules. Interpretations issued by the Exchange may not impose more stringent obligations in addition to those set forth in the Exchange Regulation.

8 Exchange recommendations

- 8.1 The Exchange's work organisation is entitled to issue exchange recommendations to facilitate compliance with Exchange Rules. Exchange recommendations are not mandatory for issuers, exchange traders, and other persons using the services of the Exchange.

**Chapter 2
THE RULES OF PUBLICATION**

9 The Place of Publication

- 9.1 The official place of publications by the Exchange is the Website, which is a uniform and secure electronic system of forwarding and storing data and qualifies as an official publication site.
- 9.2 The Exchange and Persons Responsible for Publication shall abide by their obligation to fulfil the publication requirement set forth in an Exchange Rule by using the Website for publications required under these Bylaws.
- 9.3 deleted
- 9.4 The following shall be published at the Website:
- a) the text of the Exchange Regulation, any amendments thereto;
 - b) the information specified in § 332(1) of the CMA;
 - c) the resolutions of General Meetings
 - d) Board resolutions that
 - da) specify rights and/or obligations in respect of issuers and/or section members;
 - db) contain a decision on an appeal;
 - dc) approves, amends or supersedes the Exchange Regulation or an Exchange Order;
 - dd) the Board orders the publication of;
 - e) the agenda items of Board meetings except for those where the related resolution adopted by the Board is not public;
 - f) the resolutions of the Exchange;
 - g) Exchange data with a delay of fifteen (15) minutes, except for Exchange orders;
 - h) Exchange Information;
 - i) information set forth in Articles 3-7. of the Commission Delegated Regulation (EU) 2017/575;
 - j) announcements intended for publication by the Person Responsible for Publication as required in the Regulations on Official Publications regarding information required under and intended for publication by an Exchange Rule.
- 9.5 In order to meet the publication requirements laid down in the Regulations on Official Publications and in Exchange Rules, the Person Responsible for Publication shall:
- a) ensure that the contact described in the Publication Guide is established and maintained;
 - b) provide the technical infrastructure and human resources beyond its control whenever such are related to the performance of the publication requirement laid down in these Bylaws and Exchange Rules;
 - c) publish at the Website, through the client application made available to the Person Responsible for Publication, all the data subject to the information disclosure requirement laid down in Regulations on Official Publications and the relevant Exchange Rule, by the

deadline set therein, in the file format and corresponding to technical specification identified in the Publication Guide;

- d) take information security measures reasonably expected of the issuer in order to minimize the risks associated with the provision of data;
- e) immediately contact the Exchange if no confirmation of receipt of the materials intended for publication and of their publication on the Website is received , or if the materials intended for publication and the information published at the Website deviate from each other;
- f) deleted
- g) shall ensure the fulfilment of the disclosure requirement in any other ways specified by law, even if, for whatever reason, the issuer fails to comply with a disclosure requirement set by an Exchange Rule and outlined in the Publication Guide.

9.6 Deleted

9.7 Exchange data shall be the property of the Exchange upon creation.

9.8 Notwithstanding point 9.9., the Exchange shall ensure that Exchange Data other than Exchange Orders are accessible at the Website following the fifteenth (15th) minute after such Exchange Data are generated, with the result that the data published this way are generally accessible but may only be used by the Exchange and by the certain authorized parties in compliance with the terms provided under law.

9.9 The Exchange shall make public the pre- and post-trade information both as close to real time as is technically possible and during the trading hours on a continuous basis, according to the transparency provisions of the relevant laws. By way of derogation of point 9.8., the Exchange may provide the real-time publication set forth in this point on a reasonable commercial and non-discriminatory basis, as follows:

- a) The Exchange makes public the pre-trade data, the current bid and offer prices, the depth of trading interests at those prices and its offer book via its official Distributors (vendors).
- b) The Exchange makes public the post-trade data, the price, volume and time of the transactions executed, and the trade list accordingly via its official Distributors (vendors).
- c) In addition to the access via the Distributors, the Exchange also provides direct access for investment firms to the arrangements it employs for making public the pre- and post-trade data.

10 Liability

10.1 The Person Responsible for Publication shall be liable for the content and the format of the data provided.

10.2 In the event the Person Responsible for Publication fails to meet the disclosure obligation in line with the requirements set forth by the Exchange in a resolution issued under these Regulations on Official Publications and the authorization given hereunder or with those provided in an Exchange Rule, the Person Responsible for Publication shall be liable for the consequences of such failure.

10.2.1 The Exchange shall not be liable for

- a) legal consequences and damages in case the Person Responsible for Publication fails to meet the disclosure obligation in line with the requirements set forth by the Exchange in a resolution issued under the Regulations on Official Publications and the authorization given hereunder or with those provided in an Exchange Rule, particularly whenever
 - the Person Responsible for Publication fails to provide the information requested by the client application in the manner specified in the Publication Guide);
 - there is a conflict between the content of information intended for publication, as required by the client application and as sent attached by the Person Responsible for Publication in the client application;
- b) any delay in performing, incorrect performance, or failure to perform the disclosure obligation required under the Regulations on Official Publications, provided such delay or failure arises from an external cause beyond the control of the Exchange, or an act of God, including but not limited to power outages, the failure of telecommunications, operating disorders of Internet service providers or the failure or any equipment.

10.3 deleted

**Chapter 3
CLOSING PROVISIONS**

11 Authorizations

- 11.1 The Exchange's work organisation is authorized herewith to specify – in line with the framework set by the Regulations on Official Publications – the contents of the Publication Guide the detailed rules of publishing announcements not required in an Exchange Rule as such are applied to persons not covered by these Bylaws and to the Person Responsible for Publication.

Book Seven

Regulations on Handling of Conflicts of Interest

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

I. GENERAL	276
CHAPTER 1	276
PURPOSE, SUBJECT MATTER AND EFFECT OF THE PRESENT BOOK	276
1. Subject Matter and purpose of the Present Book	276
2. Principles of the present Book	276
3. Effect of the present Book	276
CHAPTER 2	277
DEFINITION OF BASIC TERMS	277
II. PARTICULAR	278
CHAPTER 1	278
RULES OF CONFLICTS OF INTEREST AND INVESTMENT ACTIVITIES	278
4. Conflicts of Interest of Persons in Management Positions of the Exchange	278
5. Special rules of conflicts of interests of the members of the Management Body	278
6. Conflicts of Interest of the Exchange Employees	281
7. Rules Governing the Investment Activities of Persons in Management Position of the Exchange	281
8. Rules Governing the Investment Activities of the Employees of the Exchange and their Affected Parties	282
9. Rules Governing the Investment Activities of the providers of Acquired Services	283
10. Rules Governing the Investment Activities of Interns of the Exchange and employees of the Exchange with contract of employment for a fixed term less than 3 (three) months	285
11. Handling of declarations regarding Conflicts of Interest and investment activities	285
12. The handling of potentially arising conflicts of interest among the interests of the Exchange itself, the interests of the shareholders or the operators of the Exchange and the sound operation of the Exchange	287
CHAPTER 2	289
SANCTIONS UPON VIOLATING THE CONFLICT OF INTEREST RULES	289
13. Sanctions	289
CHAPTER 3	290
TRANSITIONAL PROVISIONS	290
14. Handling of the declarations submitted to the Internal Auditor	290
15. Transitional rules regarding the existing relationships	290

I. GENERAL

Chapter 1

PURPOSE, SUBJECT MATTER AND EFFECT OF THE PRESENT BOOK

1. Subject Matter and purpose of the Present Book

- 1.1. The purpose of the present Book Seven of the General Terms of Service of the Budapest Stock Exchange Ltd. – Regulations on Handling Conflicts of Interest (hereinafter: Regulations on Conflicts of Interest) is designed to provide, and bring in complete harmony with effective statutory regulations the rules of conflicts of interest and the related procedure and liability rules for the Persons in Management Positions, the employees and the Interns of the Exchange and for the providers of Acquired Services, of the investment activities such persons may engage in, and furthermore of the handling of potentially arising conflicts of interest among the interests of the Exchange itself, the interests of the shareholders or the operators of the Exchange and the sound operation of the Exchange.
- 1.2. The main purpose of these Rules is to ascertain that the Exchange, the Persons in Management Positions, the employees and the Interns of the Exchange and the providers of Acquired Services may act in compliance with the legal requirements and this Book by excluding and ensuring control over circumstances that may give rise to conflicts of interest.

2. Principles of the present Book

- 2.1. Within its regulated framework and according to the applicable laws, the Exchange shall ensure its independent operation and the free pricing according to the market conditions, for which purpose the Persons in Management Positions, the employees and the Interns of the Exchange and the providers of Acquired Services shall treat any insider information they may be aware of as confidential and shall only transfer them to the authorized persons to the extent necessary for their work. For the treatment of insider information as set forth in this Section, the Persons in Management Positions, the employees and the Interns of the Exchange and the providers of Acquired Services, but in particular the division heads shall be held responsible.
- 2.2. The principles to be applied concerning the application and interpretation of the present Book are set out in Section 6. of Book One – Introductory and Interpretative Provisions.

3. Effect of the present Book

- 3.1. The handling of potentially arising conflicts of interest among the interests of the Exchange itself, the interests of the shareholders or the operators of the Exchange and the sound operation of the Exchange and further the circumstances of conflicts of interest of the Persons in Management Positions, the employees and the Interns of the Exchange and

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

the providers of Acquired Services and any investment activities with Rated Investment Assets such persons engage in shall be subject to the rules set out in the present Book.

- 3.2. The persons covered by the rules set out in the present Book shall include the market operator of the Exchange the Persons in Management Positions, the employees and the Interns of the Exchange and the providers of Acquired Services.
- 3.3. The CEO may classify any asset which is listed on or its listing had been requested to the Exchange or any trading platform operated by the Exchange as Rated Investment Asset, if the CEO deems necessary the application of the investment restrictions contained in this Book.

Chapter 2

DEFINITION OF BASIC TERMS

The terms in the present Book indicated with capital letters shall have the meaning defined in the definitions set out in Book One - Introductory and Interpretative Provisions.

For the purposes of the present Book, the term “disposal” shall also mean the complete and appropriate closure of the bid and offer positions.

II. PARTICULAR

Chapter 1

RULES OF CONFLICTS OF INTEREST AND INVESTMENT ACTIVITIES

4. Conflicts of Interest of Persons in Management Positions of the Exchange

- 4.1. Persons in Management Position of the Exchange shall continually comply with the regulations of the applicable laws, in particular of the CMA and Civil Code to the fullest extent possible and ensure that there are no reason for conflicts of interests or ground for refusal set out in the applicable laws and in this Book for them during the term of their mandate. In the event of a reason for conflicts of interest or ground for refusal, the Persons in Management Position of the Exchange shall promptly notify that Management Body which the affected person is its member, any other Person in Management Position shall notify the Compliance Officer. The affected Person in Management Position shall act without undue delay in order to eliminate such reason. The Person in Management Position shall eliminate the reason for conflicts of interest or ground for refusal within 30 days of its occurrence, and in the event of its failure the Person in Management Position shall bear the legal consequences specified in the law and this Book thereof.
- 4.2. The Exchange has the right to examine the existence of the reasons of conflicts of interest for the Persons in Management Position of the Exchange. Accordingly, Persons in Management Position of the Exchange shall make a declaration on the conflicts of interest - at the latest - upon the commencement of employment. If the mandate of the Person in Management Position exceeds three (3) years, the Compliance Officer requests the Person in Management Position of the Exchange to make a declaration after three (3) years of the commencement of the mandate in connection with the conflicts of interest. Persons in Management Position of the Exchange shall promptly fulfill such request.

5. Special rules of conflicts of interests of the members of the Management Body

- 5.1. The following circumstances may result in conflicts of interest regarding the members of the Management Body, if such circumstance may impede their ability to perform their duties independently or subject them to undue influence:
- a) personal, professional or economic relationships with other persons (such as concerned shareholders of BSE or of a competing market operator);
 - b) past or present positions held (such as held or holding a Management Position at a competing market operator);
 - c) personal, professional or economic relationships with other Persons in Management Positions (or with other such persons of affiliates of BSE, for example, close relatives or economic dependence);

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

- d) other economic interests (such as loans to a member's or prospective member's company);
 - e) other interests, including family interest, that may create actual conflicts of interest (for example close relative of a relevant administrator employee of the Supervision, whose work includes the supervision of BSE or the approval of BSE regulations).
- 5.2. If the appointment of a member of the Management Body is on the agenda of the General Meeting and identity of this prospective member is known, the Chairman of the Board of Directors shall request this person to make a declaration of conflicts of interest under this Book prior to their appointment.
- 5.3. Prior to the renewal general meeting, the member of the Management Body shall make a statement of the existence or absence of the circumstances may result in conflicts of interests set out in Section 5.1, which statement shall contain at least the following information:
- a) is or has been a shareholder whose participation reaches or exceeds 5% of voting rights of BSE or an officer of, or otherwise associated directly with, a shareholder whose participation reaches or exceeds 5% of voting rights of BSE;
 - b) is employed, or has previously been employed in the previous 18 months in an executive capacity by BSE or another affiliate of BSE;
 - c) is or has been, within 18 months, a principal of a material professional adviser or a material consultant to BSE or BSE's affiliate or an employee materially associated with the service provided;
 - d) is or has been, within 18 months, a shareholder whose participation reaches or exceeds 5% of voting rights of BSE or a member of the management body of a company listed on BSE;
 - e) is or has been a material supplier or customer of a market operator or another entity of a market operator's group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer (for the purposes of this sub-paragraph, "a market operator or data supply operator" includes a market operator whose the person is the member or prospective of the management body and the competing market operators);
 - f) has or used to have any other material contractual relationship with BSE or any of BSE's affiliates.
- 5.4. The existence of any of the above or other circumstances that may give rise to conflicts of interest shall not preclude in itself a person or a prospective member of the Management Body to become the member of the Management Body of the Exchange; in order to decide on that conflicts of interest arose, it is mandatory to raise serious concerns that the

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

member or prospective member of the Management Body will not be able to perform its duties objectively and independently or subject them to undue influence.

- 5.5. If the Chairman of the Board of Directors presumes – taking into account Section 5.4 above – that there is conflicts of interest regarding the prospective member of the Management Body, then the Chairman shall promptly request the affected Management Body to take a resolution without holding a meeting whether the conflicts of interest is presumed by the board. The Management Body shall notice the Supervision of its resolution regarding the conflicts of interest for information purposes and shall present it to the General Meeting prior to the discussion of the agenda point of the appointment of the prospective member.
- 5.6. After their appointment, the Members of the Management Body shall promptly report any new circumstances to the concerned Management Body that may result in conflicts of interest. If a decision on a transaction or contract between the Exchange and another third party is on the agenda of the Management Body, and the Member of the Management Body is a member of the other party's Management Body or a person in management position or an employee of the other party, or a shareholder in the other party with more than 5% ownership, or otherwise biased towards the other party, then the member of the Management Body shall notify the Management Body of this circumstance prior to the decision.
- 5.7. In case of notification by the member of the Management Body according to Section 5.6, the concerned Management Body - of which the notifier is a member – shall examine whether the circumstance is presumably results in conflicts of interest with their position or with the decision on the particular transaction. If the concerned Management Body considers that the conflicts of interest is presumed, the Management Body shall decide on mitigating measures or, if the Management Board decides on that the conflicts of interest regarding the position may not be remedied by a mitigating measure, requests the member to terminate the circumstance resulting in conflicts of interest within 30 days, or in case of failure, requests the resignation of the concerned member. If the Management Body member concerned does not resign, the Management Body shall promptly initiate the convening of the General Meeting with putting on the agenda the decision regarding the concerned member's conflicts of interest and dismissal. The Management Body shall notify the Supervision of its decisions related to conflicts of interest for information purposes and, if a resolution is required by the General Meeting, the decisions of Management Body shall be presented to the General Meeting before the discussion of the relevant agenda item.
- 5.8. The Management Body shall determine the mitigating measures referred to in Section 5.7 above in accordance with the applicable laws. In particular, a mitigating measure may be that the member concerned may not participate in the discussion and implementation of matters in which conflicts of interest arose regarding this member. In the framework of such a mitigating measure, the Management Body may, in particular, decide that the concerned member of the Management Body may not participate in voting in matters of conflicts of interest, may not be present at the discussion of the case or may not receive any prior or posterior information on the case and the relevant agenda item.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

- 5.9. The concerned member of the Management Body shall not vote regarding the existence of their conflicts of interest.
- 5.10. In the event of a breach of the obligations set forth in this Book, in particular a breach of the notification obligation, the member of the Management Body shall be requested to terminate such breach or to rectify the missing statement within 30 days. If the infringement of the rules of this regulation is particularly severe (in particular failure to report circumstances resulting in conflicts of interest regarding to transactions) or notwithstanding the notice, the member omits to fulfill its obligations by the specified deadline, then the Management Body may request its member to terminate their position or decide on the application of mitigating measures, in case the conflicts of interest can be remedied by these measures. If the concerned member of the Management Body does not resign, despite the request for resignation, the Management Body shall promptly initiate the convening of the General Meeting by placing the dismissal of the member on the agenda.

6. Conflicts of Interest of the Exchange Employees

- 6.1. Persons employed by the Exchange shall meet the conditions stipulated in the CMA and the Civil Code and other provisions in the applicable laws, and they shall not be subject to any conflicts of interest or ground for refusal set forth in the applicable laws (hereinafter referred to collectively as Conflicts of Interest).
- 6.2. Employees of the Exchange and their Close Relatives living in the same household with them may not acquire an interest in excess of five (5) percent in an organization holding a stake in an exchange trader.
- 6.3. The Exchange has the right to examine the existence of the reasons of Conflicts of Interest for the employees. Accordingly, the Compliance Officer requests the employee to make a declaration at the commencement of the employment relationship and thereafter in every three (3) years in connection with the Conflicts of Interest. The employee shall promptly fulfill such request.
- 6.4. If it is found that there is any reason of Conflict of Interest, the employee shall terminate the reason immediately or at the latest within eight (8) days or the CEO shall take appropriate measures in order to terminate the employment relationship of the employee who became incompatible. In justified cases, the CEO acting on the proposal of the Compliance Officer may set a deadline for the ceasing of the reason of Conflict of Interest that is longer than eight (8) days as defined in this Section but at most 60 (sixty) days.

7. Rules Governing the Investment Activities of Persons in Management Position of the Exchange

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

- 7.1. In view of the fact that the Persons in Management Position of the Exchange do not typically become aware of insider information as such, the Exchange does not restrict their or their Affected Parties' investment activities. The above regulation shall not be applied to those Persons in Management Position who are employees of the Exchange, in which case, regulations on employees shall be applied.
- 7.2. Notwithstanding the above, the Persons in Management Position of the Exchange shall comply with the relevant legal provisions at all times when conducting their investment activities, in particular for Rated Investment Assets, and pay particular attention to avoid even the appearance of insider trading or any other infringement of law.
- 7.3. An employee or a provider of Acquired Services of the Exchange who transfers insider information to a Person in Management Position of the Exchange, except those who are employed by the Exchange, shall inform the Person in Management Position of the Exchange on the nature of the insider information indicating exactly which information is considered to be such information. Employees or providers of Acquired Services of the Exchange shall request the Compliance Officer's guidance and act accordingly, if they have any doubts about the insider nature of the information in question. Failure to provide information of the nature of the insider information according to this Section does not exempt the Person in Management Position of the Exchange from the legal consequences of insider trading.

8. Rules Governing the Investment Activities of the Employees of the Exchange and their Affected Parties

- 8.1. For the purposes of the present Section 8, an employee shall mean only employees of the Exchange who have established a fixed-term or indefinite employment relationship with the Exchange exceeding 3 (three) months. The regulations on employees shall be applied to those Persons in Managing Positions who are employees of the Exchange.
- 8.2. The above-mentioned employees of the Exchange and their Affected Parties may not conclude transactions for Rated Investment Assets and may not acquire any Rated Investment Assets during their employment relationship with the Exchange except in the case of inheritance and the case if a neutral person Affected Party receives equities or corporate bonds from its employer, which is an Issuer, under the term of the employment relationship.
- 8.3. The provisions of this Book, with the exception of those set forth in paragraph 8.2, shall not be applied to those equities or corporate bonds of the Issuer, which are in the possession of a neutral person Affected Party employed by the Issuer during the term of employment.
- 8.4. Employees of the Exchange shall declare within 5 (five) working days of the commencement of employment according to Section 11, whether they or their Affected Parties have any Rated Investment Assets or not. If any of them has Rated Investment

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Assets, the employee shall indicate the proper name and the quantity of the possessed Rated Investment Assets in the declaration.

- 8.5. If the employee of the Exchange or any of their Affected Parties has any Rated Investment Assets at the commencement of the employment relationship of the employee of the Exchange, the employee shall ensure the disposal of such Rated Investment Assets within thirty (30) days of commencement of employment relationship.
- 8.6. Employees of the Exchange shall report any instance of acquiring Rated Investment Assets by inheritance either by them or by their Affected Parties within 5 (five) working days of the crediting of the Rated Investment Assets to the securities account according to Section 11 and shall ensure the disposal of such Rated Investment Assets within thirty (30) days of the crediting to the securities account.
- 8.7. Employees shall report all of the transactions made by them or their Affected Parties under the disposal obligations of Sections 8.5 and 8.6 within 3 (three) working days after the transaction has been executed in accordance with Section 11.
- 8.8. Employees shall respond in a written declaration to specific inquiries by the Board of Directors, the CEO or the Compliance Officer about the information of the investment activities they or their Affected Parties engage in and of the acquisition or disposal of Rated Investment Assets within 3 (three) working days of receipt.
- 8.9. If a neutral person shall be considered as a new Affected Party of an employee and this person possesses Rated Investment Assets, than the employee shall report the Rated Investment Assets – in accordance with Section 11 and with the exception of the investment assets set forth in Section 8.3 – within 5 (five) working days of the changing of circumstances and shall ensure the disposal of the Rated Investment Assets within 30 (thirty) days thereof.
- 8.10. If the rules of exemptions set forth in Section 8.3 may not be applied for the investment assets of the neutral person Affected Party, than the employee shall report the concerned Rated Investments Assets as set forth in Section 11 within 5 (five) working days of the changing of circumstances and shall ensure the disposal of the Rated Investment Assets within 30 (thirty) days thereof.

9. Rules Governing the Investment Activities of the providers of Acquired Services

- 9.1. On the proposal of the Compliance Officer, the CEO decides on the necessity to apply the Regulations on Conflicts of Interest set out in this Book for persons performing the Acquired Services, prior to the conclusion of a contract. Prior to the decision, the CEO assesses whether there is any possibility that the provider of Acquired Services has access to insider information during providing such services, furthermore, assesses as well that such access is ad hoc or permanent. In the case of ad hoc access to insider information, the use of the Regulations on Conflicts of Interest is not mandatory, but at the latest when

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

the insider information is known, the employee providing such information (in the absence of such a person, especially if access to potentially insider information is accessed via some IT system or database, the Compliance Officer) shall inform the provider of Acquired Services on the nature of the insider information indicating exactly which information is considered to be insider information. Failure to provide information of the nature of the insider information according to this Section does not exempt the provider of Acquired Services from the legal consequences of insider trading.

- 9.2. In the event that the CEO orders the application of the Regulations on Conflicts of Interest, the Exchange makes contractual obligation of the provider of Acquired Services to apply and to comply with Sections 9, 11 and 13 of the Regulations on Conflicts of Interest and to apply procedures ensuring that the insider information is only accessible to the extent necessary and solely to those persons whose knowledge of insider information is absolutely necessary to perform the Acquired Services. The department head responsible for concluding the contract with the given provider of Acquired Services (in accordance with the Regulation of the Exchange regarding Organisational and Operational Rules) shall ensure that the contract contains such commitments. If the CEO orders the application of the Regulations on Conflicts of Interest and the provider of Acquired Services refuses to undertake to comply with Sections 9, 11 and 13 of the Regulations on Conflicts of Interest, the Exchange shall not enter into a contract with such persons.
- 9.3. Natural or legal person providers of Acquired Services who undertake to apply the Regulations on Conflicts of Interest are responsible for ensuring that both themselves and the natural or legal person providing services for the Exchange on their behalf, as well as other persons who have access to insider information and the Affected Parties of the abovementioned persons are aware of and in compliance with provisions of Section 7 of this Book subject to the provisions of the present Section 9.
- 9.4. The providers of Acquired Services shall ensure that the monitoring of the investment activity of the above persons for Rated Investments Assets is documented in such a way that the exact assets and quantity of the present and former Rated Investments Assets owned by the above persons concerned and the date of the transaction thereof could be determined from the documentation.
- 9.5. Providers of Acquired Services shall report all of the transactions for Rated Investment Assets made by them or parties referred to in Section 9.3 within 3 (three) working days after the transaction has been executed in accordance with Section 11.
- 9.6. Providers of Acquired Services shall provide the full documentation or specific parts of it in a written declaration on the request by the Board of Directors, the CEO or the Compliance Officer about the information of acquisition or disposal of Rated Investment Assets concluded by them or by persons referred in Point 9.3 within 3 (three) working days of receipt.

10. Rules Governing the Investment Activities of Interns of the Exchange and employees of the Exchange with contract of employment for a fixed term less than 3 (three) months

10.1. Interns and employees of the Exchange with contract of employment for a fixed term not more than 3 (three) months shall issue a written commitment referred in Section 11 at the beginning of their legal relationship for work, in which they choose one of the following:

a) They undertake to ensure to dispose of all Rated Investment Assets owned by them or by their Affected Parties on the day of commencement of their contract with the Exchange within thirty (30) days thereof. Furthermore, they undertake to ensure that they or their Affected Parties do not make any transactions (including buy or sell) for Rated Investment Assets during their contract, with the exception of the fulfillment of the obligation referred in the previous sentence.

or

b) They undertake to ensure that they or their Affected Parties do not make any transactions (including buy, sell and taking part in auction or subscription) for Rated Investment Assets during their contract and the following 30 (thirty) days of its termination.

10.2. Interns and employees of the Exchange with contract of employment for a fixed term less than 3 (three) months are not allowed to modify their choice set forth in Section 10.1 during their contract.

10.3. In the event of acquiring Rated Investment Assets by inheritance, or a new neutral person became Affected Party and this person possesses Rated Investment Assets – with the exceptions set forth in Section 8.3 – or the exemptions set forth in Section 8.3 shall not be applied to the Affected Party's investment asset anymore, then the Interns and employees of the Exchange with contract of employment for a fixed term less than 3 (three) months shall issue a commitment according to Section 10.1 again with the deadlines set forth in Sections 8.6 and 8.9 accordingly.

10.4. In the event of the extension of the contract of employees of the Exchange with contract of employment for a fixed term not more than 3 (three) months for more than 3 months, the employees concerned shall be subject to the provisions referred in Section 8.

10.5. In relation of Interns and employees of the Exchange with contract of employment for a fixed term not more than 3 (three) months, provisions of Section 8. shall apply accordingly unless provided otherwise in Section 10.

11. Handling of declarations regarding Conflicts of Interest and investment activities

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

- 11.1. Declarations referred to in the present Book shall be sent to the Compliance Officer unless provided otherwise in this Book.
- 11.2. Declarations shall include at least their date of execution, the name of the declarant and, in the case of a Rated Investment Asset declaration, their exact names and quantity (number of shares). Declarations shall be made in writing and signed duly, unless the declaration is made relates only to the existence, acquisition or disposal of Rated Investment Assets, in which case the declaration may be made via e-mail, or in case of reasonable obstruction, it could be done by telephone or in person, but in the latter case, the declaration shall be confirmed by e-mail or in writing within 1 (one) working day after the reason for obstruction is ceased.
- 11.3. Declarations of Rated Investment Asset shall also be made where the disposal applies only to a part of the Rated Investment Assets.
- 11.4. The Compliance Officer examines all the received declarations, and if the Compliance Officer presumes that any person covered by this Book has not complied with the provisions of this Book, or of the relevant laws prohibiting insider trading and market manipulation, the Compliance Officer shall notify the CEO of his or her opinion and the supporting evidences without delay. The CEO may apply the legal consequences set out in Section 13 of this Book, if necessary.
- 11.5. The Compliance Officer shall keep the declarations and the documents prepared during the examinations conducted by the Compliance Officer separately and locked away for a period of at least five (5) years from the date of its creation and shall destroy them after the expiry of the abovementioned deadline within the shortest reasonable time with the exception of those documents which relates to any pending procedures or any investigations conducted by the Exchange or the Supervision.
- 11.6. The content of the declarations may solely be recognized by the Compliance Officer, his/her working organization, the CEO and in case of an investigation, the relevant authorities for the purpose of the specific investigation.
- 11.7. With regards to the Compliance Officer and his or her working organization, the tasks of the Compliance Officer regarding the investment activities shall be performed by the Internal Auditor of the Exchange. The relevant declarations shall be made to the Internal Auditor and the relevant rights and obligations of the Compliance Officer regarding investment activities shall also be exercised by the Internal Auditor.
- 11.8. If the consent of a third party is required to make a declaration, the person obliged to make a declaration shall obtain such consent and be responsible for it. The Exchange assumes that the consent of the third party for the declaration is appropriate. The Exchange shall not be liable in case of the absence of the appropriate consent.
- 11.9. If the issuer of a Rated Investment Asset transfers insider information to the Persons in Management Position, employees, or providers of Acquired Services of the Exchange or

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

informs the Exchange that such person has been included in the insider's list held by the issuer, the Compliance Officer shall immediately prepare the list of persons who have got access to insider information determined by the issuer according to Paragraph 3 of Article 18 of MAR and the relevant legislation. The Compliance Officer shall immediately inform the persons included in the insider's list and at the same time draw their attention to the prohibition of the insider trading and request a written acknowledgment pursuant to Paragraph 2 of Article 18 of MAR thereof.

12. The handling of potentially arising conflicts of interest among the interests of the Exchange itself, the interests of the shareholders or the operators of the Exchange and the sound operation of the Exchange

- 12.1. The primary purpose of the operation of the Exchange is to facilitate the efficient flow of capital, the expansion and unification of the Hungarian stock market, the alignment and accession to trends of the international capital market, the maintenance of the investors' trust, the objective assessment of capitals and assets as well as the development and the keeping of public and controlled market mechanisms by its regulated form, publicity and capacity to develop the forms of commercial usage as well as the marketing channels. The Exchange contributes to the efficient operation of a market economy by concentrating the supply and demand of products traded on the Exchange and ensuring the transparent assessment of such products by public exchange rate trends.
- 12.2. Throughout the operation of the Exchange it shall be ensured that the principles settled in Section 12.1, as well as the effective statutory regulations, the provisions of the articles of association, the resolutions of the General Meeting and other corporate resolutions are satisfied in all areas of the management and operation of the Exchange. Primarily, it is the task and responsibility of the Board of Directors to ensure the compliance with the above mentioned.
- 12.3. The determination of the existence of a potentially arising conflict of interest among the interests of the Exchange itself, the interests of the shareholders or the operators of the Exchange and the sound operation of the Exchange is the sole competency of the Board of Directors. Any shareholder or any Person in Management Positions are entitled to initiate in writing the determination of the existence of the above mentioned conflict of interest from the Board of Directors. The Chairman of the Board of the Directors shall put the item on the agenda of the forthcoming meeting of the Board of Directors after the receipt of the initiative regarding the determination of the existence of a conflict of interest, in which meeting the Board of Directors shall make a resolution with regard to the determination of the existence or non-existence of a conflict of interest in accordance with the applicable rules of such decision-making.
- 12.4. The Exchange shall send the initiative regarding the determination of the existence of a conflict of interest to the Supervision immediately after receipt. The Exchange shall invite a representative of Authority to the meeting of the Board of Directors discussing the conflict of interest and shall provide opportunity for the representative of Authority to elaborate its position on the subject matter either at the meeting of the Board of Directors

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

or beforehand in writing. The position of Authority is not binding on the Board of Directors, however, the Board of Directors shall take it into consideration in the course of its decision, and in case it makes a resolution that differs from the position of Authority the resolution shall contain the reasons of the deviation.

- 12.5. In particular, the Board of Directors shall determine the existence of a Conflicts of Interest laid down in Section 12.3 when the operation of the Exchange under the principles set forth in Sections 12.1 and 12.2 cannot be ensured due to the reason of the incurred Conflicts of Interest.
- 12.6. In case of determining the existence of a conflict of interest laid down in Section 12.3 the Board of Directors shall promptly take the necessary measures in order to terminate the conflict of interest or, if necessary, the Board shall give appropriate instructions to the CEO for their implementation in the same resolution. If the necessary measures to terminate the conflict of interest belong to the competency of the General Meeting the Board of Directors shall immediately convene the General Meeting and put the necessary measures to eliminate the conflict of interest on the agenda of the General Meeting together with its resolution proposal.
- 12.7. Resolutions of the Board of Directors and of the General Meeting regarding conflict of interest cases can be challenged in accordance with the applicable rules of law regarding the judicial review of corporate resolutions; other legal remedy shall not be available against these resolutions.
- 12.8. In order to avoid a conflict of interest set forth in Section 12.3 the prior approval of the General Meeting is required to conclude contracts between the Exchange and its shareholders except for the contracts listed in the Articles of Association of the Exchange.

Chapter 2

SANCTIONS UPON VIOLATING THE CONFLICT OF INTEREST RULES

13. Sanctions

- 13.1. The employees of the Exchange, the Interns and the providers of Acquired Services are responsible to ensure that their Affected Parties comply with the provisions of the present Book.
- 13.2. The Exchange may, within the framework of applicable laws, be entitled to take all measures necessary to identify, assess, and eliminate any possible causes and circumstances of Conflict of Interest.
- 13.3. With regard to the legal consequences of a conflict of interest, the Exchange shall act in accordance with the principle of proportionality and shall take into account all the circumstances of the case, the severity of the infringement, the extent of the damages caused by the infringement, the personality and the former working behavior of the person committed the infringement.
- 13.4. Any failure or significant delay of the fulfillment of any obligations, in particular the submissions or declarations required in the Regulations on Handling Conflicts of Interest, or any incomplete disclosure or failure to show true and fair contents regarding the submissions or declarations will may be deemed to constitute reason for:
- a) apply sanctions under the applicable Labor Code, including termination of employment with immediate effect;
 - b) in the case of providers of Acquired Services and the Interns working under service contracts, apply the legal consequences of the breach of contract referred in the contract concerned or in the Civil Code, including termination of the contract by extraordinary termination.
- 13.5. In cases that deserve exceptional consideration and not listed as exemptions from acquisition prohibition in Point 8.2, the CEO may, acting on the proposal of the Compliance Officer, not apply the legal consequences resulting from the acquisition, but the employees of the Exchange, Interns or providers of Acquired Services are subject to the disposal obligation set out in Points 8.5 and 8.6.

Chapter 3

TRANSITIONAL PROVISIONS

14. Handling of the declarations submitted to the Internal Auditor

14.1. Declarations made to the Internal Auditor by a closed envelope before 19 February 2018 shall be subject to the Regulations on Handling of Conflicts of Interest in force on 18 February 2018, except that such declarations shall be destroyed by the Exchange after 19 February 2023.

15. Transitional rules regarding the existing relationships

15.1. Employees and Interns working for the Exchange on 19 February 2018 shall submit the declarations referred in Sections 6.3, 8.4 and 10.1 within 3 (three) working days of 19 February 2018.

15.2. In relation of the providers of Acquired Services providing services on 19 February 2018, the Exchange shall adopt the decision referred to in Section 9.1 within 30 (thirty) days of 19 February 2018 and shall immediately notify the providers of Acquired Services thereof. The Exchange shall arrange for the amendment of the contract in accordance with the provisions of Section 9.1 within 60 (sixty) days of the notification. In the event that the provider of Acquired Services has refused to amend the contract in accordance with the provisions of this Book, the CEO shall arrange for the termination of the contract in question in accordance with the provisions of the contract concerned (ordinary or, if applicable, extraordinary termination).

15.3. Employees referred to in Section 8.1 and Interns and employees with contract of employment for a fixed term less than 3 (three) months, who made such an undertaking according to Point 10.1, shall dispose of their Rated Investment Assets owned by them on 19 February 2018 within 30 (days) of 19 February 2018.

15.4. Persons referred to in Section 15.2 shall ensure the compliance with the provisions of Section 9 within 30 (thirty) days of the conclusion of the amendment of the contract prescribed in Section 15.2.

**BOOK EIGHT
REGULATIONS ON OPERATIONAL RISK
MANAGEMENT**

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

TABLE OF CONTENTS

CHAPTER 1 PURPOSE, SUBJECT MATTER, FUNDAMENTAL PRINCIPLES AND SCOPE OF THE REGULATIONS ON OPERATIONAL RISK MANAGEMENT	293
1 PURPOSE OF THESE REGULATIONS ON OPERATIONAL RISK MANAGEMENT.....	293
2 SUBJECT MATTER OF THESE REGULATIONS ON OPERATIONAL RISK MANAGEMENT	294
3 BASIC PRINCIPLES OF THESE REGULATIONS ON OPERATIONAL RISK MANAGEMENT.....	294
4 SCOPE OF THE REGULATIONS ON OPERATIONAL RISK MANAGEMENT	294
CHAPTER 2 DEFINITION OF KEY TERMS	295
CHAPTER 3 PRINCIPLES APPLICABLE FOR THE MANAGEMENT OF THE EXCHANGE’S OPERATIONAL RISKS	296
5 DEFINITION OF OPERATIONAL RISKS	296
6 CATEGORIES OF LOSS INCIDENTS DUE TO OPERATIONAL RISKS AND RISK FACTORS	296
7 PROCESS-BASED APPROACH TO OPERATIONAL RISK MANAGEMENT.....	296
CHAPTER 4 OPERATIONAL RISK ASSESSMENT PROCESS IN THE EXCHANGE	298
8 THE OPERATIONAL RISK MANAGEMENT PROCESS	298
9 KEEPING RECORD OF OPERATIONAL RISKS AND LOSS DATA.....	302
CHAPTER 5 INDIRECT-EFFECT CONTROLS FOR OPERATIONAL RISK MANAGEMENT AND KEY CORRECTIVE CONTROLS.....	304
10 INTEGRATION OF OPERATIONAL RISK MANAGEMENT INTO DAILY ACTIVITIES	304
11 INDIRECT-EFFECT MEASURES FOR MITIGATING OPERATIONAL RISKS RELATED TO HUMAN RESOURCES	304
12 CRITERIA RELATED TO THE PROTECTION OF IT SYSTEMS.....	304
13 BUSINESS CONTINUITY AND DISASTER RECOVERY PLANS	305
CHAPTER 6 RESPONSIBILITY	306
14 SUPPORT BY MANAGEMENT, DELEGATION OF RESPONSIBILITY	306
CHAPTER 7 CLOSING PROVISIONS	307
15 EFFECTIVE DATE, AMENDMENTS	307
ANNEXES	308
ANNEX 1: OPERATIONAL RISK ASSESSMENT METHODOLOGY APPLIED BY THE EXCHANGE	308
ANNEX 2: ESTABLISHING THE OPERATIONAL RISK COMPONENT LEVELS OF EXCHANGE PROCESSES	315
ANNEX 3: OPERATIONAL RISK ASSESSMENT TEMPLATE FORM	317
ANNEX 4: OPERATIONAL RISK MAP TEMPLATE.....	318
ANNEX 5: DECLARATION ON THE ACCEPTED OPERATIONAL RISKS.....	320
ANNEX 6: ANNUAL OPERATIONAL RISK REPORT.....	326

Chapter 1

**PURPOSE, SUBJECT MATTER, FUNDAMENTAL PRINCIPLES AND SCOPE OF
THE REGULATIONS ON OPERATIONAL RISK MANAGEMENT**

1 Purpose of the Regulations on Operational Risk Management

1.1 The present Book Eight of the General Terms of Service of the Budapest Stock Exchange Ltd. – Regulations on Operation Risk Management (hereinafter: “Regulations on Operational Risk Management”) contain provisions to regulate specifically the operational risk management activity of the Exchange.

Since its foundation, the Exchange has devoted attention to taking measures aiming to manage and mitigate its operational risks. These also appeared successively in the effective system of Exchange Rules (Exchange Regulation, Exchange Provisions and Decisions) affecting general and specific areas.

1.2 According to the newly introduced requirement by Section 317 (3) (a) of the Hungarian Capital Market Act (“CMA”), effective as of January 1, 2010:

“Stock exchange regulations must ensure that

a) appropriate systems and solutions are applied in order to manage and mitigate the risks that arise in connection with the operation of the stock exchange”.

In connection with the change in legislation referred to with regard to the management and mitigation of operational risks the Board of Directors considered it necessary

- to review solutions and Exchange Rules applied earlier and recast them as necessary,
- to establish the theoretical guidance embodied in the document “Operational Risk Management Policy of the Budapest Stock Exchange Private Ltd.” with regard to processes and solutions applicable to operational risk management, and
- to make the relevant exchange rules coherent by the adoption of the present Regulation, providing for the management of the Exchange’s operational risks.

1.3 The Regulations on Operational Risk Management aim, in accordance with the Exchange’s Operational Risk Management Policy

- to lay down, in a coherent and transparent system, the obligations related to operational risk management;
- to set out processes and methods to be applied in the Exchange to manage and mitigate operational risks;
- to ensure compliance with the relevant statutory requirements and other legislation.

In order to achieve these, the Regulations on Operational Risk Management lay down requirements and standards with regard to

- determination of risk levels;
- decision-making related to immediate and long-term risk management;
- developing a risk awareness approach by the management and the staff; and
- taking the relevant sectoral standards and supervisory recommendations into account.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

The procedures set out by the Regulations on Operational Risk Management shall be in line with the activity of the Exchange and in compliance with its core objectives, policy level documents and owners' interests, as well as the sectoral practice.

2 Subject matter of the Regulations on Operational Risk Management

- 2.1 The subject matter of the present Book is to lay down the rights and obligations of the Exchange and the persons subject hereto in connection with the management of operational risks, and to set forth the applicable rules of procedure in line with the purpose referred to in the Regulations on Operational Risk Management.

3 Basic principles of the Regulations on Operational Risk Management

The principles to be applied concerning the application and interpretation of the present Book are set out in Section 6. of Book One – Introductory and Interpretative Provisions.

4 Scope of the Regulations on Operational Risk Management

- 4.1 Any information, material and information assets, as well as processes, infrastructure and IT systems ensuring the operation of the Exchange shall be subject to the present Book.
- 4.2 The present Book contains no rules on the obligations of the Exchange in connection with business and financial risks.
- 4.3 The persons covered by the provisions set out in this Book include the Exchange, its management and employees and, subject to an agreement being concluded between the relevant parties, coverage may be extended to cover natural and legal persons in other contractual relationships with the Exchange.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

**Chapter 2
DEFINITION OF KEY TERMS**

The terms in the present Book indicated with capital letters shall have the meaning defined in the definitions set out in Book One - Introductory and Interpretative Provisions.

**Chapter 3
PRINCIPLES APPLICABLE FOR THE MANAGEMENT OF THE EXCHANGE'S
OPERATIONAL RISKS**

5 Definition of operational risks

- 5.1 The Regulations on Operational Risk Management follows the Basel II recommendations in terms of the definition of operational risks.
- 5.2 Operational risk shall be understood to mean risk of loss resulting from human resources, inadequate or failed work processes, faults of infrastructural resources or systems as well as from external events.
- 5.3 This definition of operational risk excludes business risks (strategic and management) and financial risks (market, credit, and liquidity). However, in the broader sense, any risks other than business and financial risks are to be treated as operational risks.
- 5.4 The risk of damage related to strategy is to be classified as business risk; however, under the broader definition legal risks, infringement risks and risks to the company's reputation are to be considered as operational risks.

6 Categories of loss incidents due to operational risks and risk factors

- 6.1 Under the Basel II recommendation, operational risk incidents are to be classified into seven main groups or loss incident categories. These types or categories of incidents are as follows: internal fraud; external fraud; employment practices and workplace safety; clients, products and business practice; damage to physical assets, system failures; execution, delivery and process management.
- 6.2 In the identification and detection of operational risks, other groupings or categories can be applied if necessary. According to the methodology used for formal risk assessment of the Exchange's operational processes, any threats posed by the loss incident categories must be translated into one of the four classic risk factors.
- 6.3 The risk assessment of the Exchange's operational processes uses the four main risk factors under the operational risk definition as its starting point:
- **Environmental risk:** the risk of a damage incident related to the environment or external events
 - **Human risk:** the risk of a damage incident related to human factors or resources
 - **IT risk:** the risk of a damage incident related to the defect or failure of IT systems
 - **Complexity:** the risk of a damage incident arising from the complexity or inadequate organisation of work processes

7 Process-based approach to operational risk management

- 7.1 The operational risk management methodology used by the Exchange applies a bottom-up process-based approach. During risk assessment, key processes ensuring the

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

operation of the Exchange must be identified by the organisational unit or by several organisational units as necessary. The activity of the Exchange must be divided into key processes only to the extent absolutely necessary; however, it must be ensured that each activity with a significantly different function, effect and risk exposure is assigned to a separate process.

- 7.2 Before and during risk assessment, the identification of key processes to be distinguished in terms of risk assessment shall be carried out jointly by the heads of organisational units, the associates responsible for the operational processes (those in charge of processes), and employees involved in the risk self-assessment.
- 7.3 The risk exposure of the Exchange's infrastructure, information assets and IT system must be taken into account when identifying the risk factors to the processes using them.
- 7.4 In the risk self-assessment procedure the extent of each risk factor must be identified for the established key Exchange process, then an aggregated risk indicator must be calculated by taking the extent of the effects and any risk mitigating factors into account. The detailed description of the assessment and calculation procedure is given in Annex 1.

**Chapter 4
OPERATIONAL RISK ASSESSMENT PROCESS IN THE EXCHANGE**

8 The operational risk management process

The operational risk management of the Exchange shall herein be understood to mean the interdependent and cyclically repeated processes in the comprehensive programme aimed at the detection, identification and mitigation of operational risks.

In detail, the Regulations on Operational Risk Management distinguish four interdependent and cyclically repeated key phases of the operational risk management process:

- **Risk identification:** identification of risk factors.
- **Risk assessment:** the assessment of the occurrence probability and effect of risk factors, and their change in comparison with the preceding assessment period.
- **Risk management measures:** the application of controls to avoid and transfer risks and, in the event of accepting the risks, to mitigate them or the damage following the determination of the acceptable risk level.
- **Risk monitoring:** the ongoing monitoring of the Exchange's risk profile, the risks to key processes and the risk management system.

8.1 Identification of operational risks and the applicable approach

The identification of operational risks must be carried out with regard to the key processes ensuring the operation of the Exchange.

The identification of the potential risks must be based on the Basel II loss incident categories, other possible events, or previous internal and external loss incidents and their effects (loss database, benchmarks).

In the identification and assessment of operational risks the risk self-assessment method must be used. In the risk self-assessment procedure, the head(s) of the affected organisational unit(s), the person in charge of the process concerned and the associates operating the process shall be involved.

The workshop meetings organised for the risk self assessment must be attended by, in addition to the participants listed above, the Internal Auditor, the Security Officer, the representative of the IT Security Department and the senior manager of the Exchange responsible for that specialty area as required.

In identifying the operational risks all potential risks related to a process must be mapped, irrespective of the existence of a control established by the Exchange for that risk.

Special attention must be devoted to the identification of risks to key processes related to Exchange Information that determines the core activity as well as to processes related to the Trading System.

GENERAL TERMS OF SERVICE OF THE BUDAPEST STOCK EXCHANGE LTD.

8.2 Assessment of operational risks

The assessment of operational risks shall be carried out in the framework of the risk self-assessment procedure described in the section on the identification of operational risks.

In order to assess the operational risks, any mapped potential loss incidents included in Basel II or other classifications must be assigned to one of the four risk factors (environmental, human, IT and complexity).

In the application of the risk assessment methodology, in addition to the four risk factors, the value of risk mitigating factors and risk effects must also be estimated. The methodology considers the stability and the regulated and controlled state of a process as risk mitigating factors, and the effects on reputation and direct financial effects as risk effects.

When estimating risk mitigating factors and risk effects, values on a scale from 1 to 4 must be used. The value 4 shall mean a risk factor with the highest occurrence probability, the strongest mitigating factor and the most significant risk effect. Estimates must be made in accordance with the guidance provided in the table in Annex 2.

As part of the risk self-assessment procedure, the Operational Risk Assessment Template Form in Annex 3 must be completed for each key operational process of the Exchange, then on the basis of the completed template the aggregated risk indicator of the process must be calculated, using the algorithm specified in the methodology. Before or in addition to the completion of the Operational Risk Assessment Template Form, surveys, interviews or work meetings shall be organised as necessary. All participants in the risk self-assessment shall sign the completed Operational Risk Assessment Template Forms.

In the risk self-assessment procedure the effect of any controls in place must also be considered, on the one hand when estimating risk factors' occurrence probability and risk mitigating factors, and, on the other hand, when establishing the effects related to the process.

On the basis of a linear scale showing the aggregated operational risk indicator, key processes ensuring the operation of the Exchange must be classified according to low, acceptable, average and high risk levels.

The outcome of the risk assessment will be the list of key operational processes of the Exchange, ranked according to their risk levels within the individual organisational units; this list must be indicated and maintained on the Operational Risk Map as specified in Annex 4.

This ranking according to risk levels may materially influence the priority of any risk management measures outstanding with regard to a given process.

The established operational risk management procedure must be carried out in the following cases:

- upon the initial assessment of the Exchange's operational risks;
- upon launching a new project or preparing a feasibility study,

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- following the deployment of a new operational process or in the event of a significant change to an existing process; or
- during the operational risk review, due every two years.

The methodology used by the Exchange to assess operational risks is specified in Annex 1, together with the detailed description of the risk assessment and calculation procedures.

8.3 Risk management measures

On the basis of the Operational Risk Map resulting from the operational risk assessment phase, further opportunities to manage these risks must be determined, also taking cost efficiency criteria into account.

The solutions in the following categories can be used as risk management measures:

- **Risk aversion:** If, due to its risky nature or low effectiveness, a certain process or activity can be terminated or avoided without any significant reduction in the core activity.
- **Risk transfer:** Allocation of potential losses to contractual partners by using insurance or contractual penalties.
- **Risk assumption:**
 - **Risk acceptance:** Creating risk awareness and monitoring risks without any specific risk mitigation measures
 - **Risk mitigation:**
 - Preventive controls (protective measures)
 - Corrective controls (damage mitigation, business continuity planning, disaster recovery plan, critical situation and incident management, crisis communication plan)

In addition to risk mitigation measures with direct effects (protective, technical and organisational solutions), appropriate attention must be devoted to measures with indirect effects. The latter should include the integration of the operational risk management process into the Exchange's activity and into its organisational and work culture; increased support for the risk management system by the management; and use of an independent internal control system.

8.3.1 Setting the level of accepted operational risks

As a result of the risk assessment, the Operational Risk Map of the Exchange will show the list of key operational processes of the individual organisational units, ranked according to risk levels. The indication of the aggregated risk indicator's numeric value is of importance for setting the priority of the risk management measures.

The acceptable risks levels, above which the Exchange will in any case take measures to manage the assessed risks, must be determined before developing any specific risk management measures.

The determination of the acceptable risk level is of key importance with regard to the specific risk management measures; the level itself will depend on the risk considered to be acceptable by the Exchange. During the risk analysis examinations, carried out

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within various organisational units at different times and for different purposes, different decisions can be made on the risk levels considered acceptable. Therefore individual organisational units can apply different accepted risk levels.

The management of risks related to processes below the acceptable risk level is worth considering if it can be implemented easily and cost-efficiently or as a complementary effect of measures required to manage the risks of other processes.

8.3.2 Declaration on the accepted operational risks

Following the completion of the risk assessment phase and the setting of the accepted operational risk, the heads of organisational units shall sign a declaration on the accepted risks regarding their respective fields. This declaration shall state the processes of the organisational unit shown on the Operational Risk Map, as well as their operational risk levels.

In this declaration the head of the organisational unit shall conform that, subject to the operation of the controls in place, the Exchange considers the risk level of a process to be acceptable.

The second part of this declaration lists the processes and any related new controls to be introduced where, by management decision, the level of operational risks is to be mitigated.

This Declaration on Accepted Operational Risks shall also be signed by the CEO. The template for the Declaration on Accepted Operational Risks is set out in Annex 5.

8.3.3 Decision on taking risk management measures

Proposed decisions, to be prepared by the heads of the affected organisational units and directorates, on the ways to manage operational risks and to further mitigate them, shall appear in the Declarations on Accepted Operational Risks. Following approval by the CEO, these documents may be used for drafting a Risk Management Plan as required, the elements of which must also be displayed on the comprehensive Operational Risk Map.

Effects of the risk management measure chosen must be assessed and compared with the final outcome planned or calculated initially.

Any measures to manage the risks of processes must be determined by taking cost-efficiency criteria into account, in such a way that direct and indirect costs incurred to mitigate risks would not go beyond the benefits that can be achieved by mitigating the risk to be managed.

Priority must be given to measures to be taken in connection with the risk of highest priority, i.e. the highest risk. Measures capable of managing multiple risks must be given priority. Preventive measures must be prioritised against controls aiming at detection or recovery.

The Exchange is not subject to the capital requirements in connection with operational risk management under the Basel II recommendations. Therefore, the Regulations on

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Operational Risk Management provide for the application of a set of tools comprising controls, ongoing monitoring and interventions as part of security- and risk-conscious, high-standard performance of work.

Key components of the set of controls to manage operational risks are the Exchange Rules, the critical situation and incident management procedures, and the Business Continuity and Disaster Recovery Plans.

8.4 Risk monitoring and reporting

In the broader sense, risk monitoring means the ongoing monitoring of the Exchange's risk profile, the risks to key processes and the risk management system. In this framework, the heads of individual organisational units, the appointed persons in charge of operational risks and employees must continuously check the effectiveness of risk management measures in place.

The specific objectives with regard to the review of processes and control mechanisms used for operational risk management must be included in the annual audit plan of the Internal Auditor.

When fine-tuning or amending the applied processes and control mechanisms, observations of Supervisory Authority audits and reports of the independent (appointed) auditor must be taken into account.

The process of operational risk identification, Risk Map updating and the analysis of loss data must take place at least with biennial frequency, or if justified by the integration of a new process into the system or a significant change in any of the core processes.

Loss incidents with a great risk effect or significant changes in the Exchange's risk profile must be reported to the CEO in an ad-hoc report by the head of the organisational unit concerned.

Every year an Annual Operational Risk Report must be submitted to the Board of Directors on the operational risk exposure and on any loss incidents with a significant reputation effect or in excess of the limit value of HUF 50,000. The annual report must contain any measures taken to prevent the repeated occurrence of loss incidents. The content and format of this report must follow the template set out in Annex 6. The updated Operational Risk Map, showing the current situation must also be attached to this annual report.

9 Keeping record of operational risks and loss data

9.1 Based on the ongoing maintenance of the Operational Risk Map, record must be kept of the Exchange's operational risks. In addition to the risks identified for each process, the name of the process owner and any applied controls must also be displayed on the Operational Risk Map.

9.2 In order to establish these records, an adequate initial risk analysis procedure based on self-assessment must be launched to identify the risks. Alternatively, an appropriate

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

update of or addendum to any existing analysis or reports made for other purposes can also be used to this end. The same applies to assessments made for the purposes of regular updates.

- 9.3 All actual losses must be recorded, broken down by operational risk incident categories according to Basel II. Loss data must be stored together with any supplementary data and information, in a format suitable for preparing reports and to carry out analyses at a later stage.
- 9.4 When establishing the actual loss, the damage value and any costs incurred when mitigating the damage must also be taken into account.

Chapter 5

**INDIRECT-EFFECT CONTROLS FOR OPERATIONAL RISK MANAGEMENT
AND KEY CORRECTIVE CONTROLS**

10 Integration of operational risk management into daily activities

- 10.1 In addition to consistent compliance with these Regulations on Operational Risk Management setting forth risk management activities and the thorough development of and compliance with other Exchange Rules and procedures, risk self-assessment procedures with the involvement of as many associates in the organisational units as possible must be used to strengthen risk-conscious approach and work performance.
- 10.2 Every two years internal training sessions must be held for the Exchange's staff on the system established for the management of operational risks. The the IT Security Department shall be responsible for arranging and holding these internal training sessions.

11 Indirect-effect measures for mitigating operational risks related to human resources

- 11.1 Within the Exchange, measures must be taken in order to develop and maintain a supportive, safe and healthy work environment. In this way, both internal and external risks arising from human factors can be reduced through staff commitment as well as high-quality, risk-conscious and security-conscious work performance.
- 11.2 Regular checks and targeted examinations by the Internal Auditor and the line management on the staff's work may also constitute a successful risk reduction measure. Similarly, the automatic logging of critical activities, on account of its retentive power against bad practice or abuse, must also be used.
- 11.3 Detection and reporting to the appropriate forum of any activities in breach of laws, by-laws or procedures, as well as activities that are questionable on ethical grounds, negligent or wasteful, must be supported by the establishment of Exchange Rules, job descriptions and managerial practices. The confidentiality and anonymity of these reports must be maintained, and the protection of the reporting person must be ensured.
- 11.4 Strengthening risk-conscious and security-conscious staff behaviour and performance of work requires a high level of attention. In order to achieve this, the Regulations on Operational Risk Management and the other relevant Exchange Rules must be communicated to each staff member. The Exchange shall assist the strengthening of risk awareness and security awareness by regular internal training.

12 Criteria related to the protection of IT systems

- 12.1 Operating the Trading System and the market information systems is part of the Exchange's core activities. Accordingly, special attention must be devoted to the management of operational risks in these areas.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

- 12.2 Due to the significant IT dependency of operational processes, the set of controls applied by the Exchange are, in great part, of IT-related. These controls must be planned, tested and applied in accordance with the established sectoral practices and the relevant recommendations by the Supervisory Authority.
- 12.3 At the same time, operational risks of the Exchange's processes cannot be limited to risks related to IT infrastructure. The controls applied, including the Exchange's Business Continuity and Disaster Recovery Plans, must also take into account operational risks in a general sense.

13 Business continuity and disaster recovery plans

- 13.1 In the management of the Exchange's operational risks the existence of a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP) represents a highly important corrective control, through which the effect of a loss incident (disaster) can be radically reduced by using substitute processes and a secondary operation site and infrastructure.
- 13.2 The maintenance and review of the Exchange's operational risk management system must cover the availability of BCP and DRP plans and tests, as well as checking their establishment and implementation dates. These latter factors will also significantly influence the outcome of the risk assessment.

**Chapter 6
RESPONSIBILITY**

14 Support by management, delegation of responsibility

- 14.1 The Board of Directors shall be informed of the operational risk management-related Exchange activities on a regular basis through the Annual Operational Risk Report.
- 14.2 The Board of Directors delegates its responsibility for the Exchange's risk management activities to the CEO. The CEO shall be responsible for maintaining the Regulations on Operational Risk Management and for specifying the responsibility for individual risk incidents at appropriate organisational levels within the Exchange, as well as for the integration of the risk management system into the daily activities of the Exchange.
- 14.3 When drawing up, implementing and making process-integrated checks of business plans, the heads and associates of individual organisational units must follow the operational risk management policy, the Regulations on Operational Risk Management and any other related Exchange Rules. A risk-conscious and security-conscious approach and responsible work must be required in daily Exchange activities, and also in managing smaller projects and critical situations.
- 14.4 Within each organisational unit of the Exchange, a person in charge of operational risk management must be appointed from the staff. The tasks of the person in charge of operational risk management are the following:
- Maintaining and monitoring key processes from a risk aspect within that area;
 - Maintaining the parts of the Operational Risk Map related to the given organisational unit;
 - Keeping records of loss incidents and loss data related to that area;
 - Supporting the preparation of ad hoc or annual operational risk management reports;
 - Supporting the identification of operational risks and the annual review and update of the operational risk map;
 - Organising and supporting the operational risk assessment upon launching new projects and material changes to core processes.

**Chapter 7
CLOSING PROVISIONS**

15 Amendments

- 15.1 The Regulations on Operational Risk Management and their amendments must be made known among the entire staff of the Exchange, and therefore its availability in a suitable internal folder must be ensured.
- 15.2 The Regulations on Operational Risk Management must be amended in the following cases:
- a.) In the event of any changes in legislation affecting the validity of the provisions contained herein;
 - b.) If their amendment becomes justified on the basis of any change in the features, operation, and risk environment of the Exchange,
 - c.) If the amendment is necessary due to a change in the operational risk policy of the Exchange or other Exchange Rules.
- 15.3 The amendments must be effected within 90 days following the occurrence of the reason thereof.

ANNEXES

Annex 1: Operational risk assessment methodology applied by the Exchange

1.1 Application of a process-based risk assessment

The operational risk management methodology used by the Exchange applies a bottom-up process-based approach.

During risk assessment, key processes ensuring the operation of the Exchange must be identified by the organisational unit or by several organisational units as necessary. The activity of the Exchange must be divided into key processes only to the extent absolutely necessary; however, it must be ensured that each activity with a significantly different function, effect and risk exposure is assigned to a separate process. The risk self-assessment procedure takes place in the identification of processes and assessment of risks posed by them.

The process-based risk assessment determines the following: the type and level of risk that might be posed by any eventual deficiencies in a given process for the operation and profitability of the institution, at the same time the extent to which the process-integrated controls cover the identified risks.

1.2 Translating operational risk loss incidents categories into risk factors

Upon their mapping, operational risk incidents can be manifestly classified into the widely used seven main groups or loss incident categories under the Basel II recommendation. These types or categories of incidents are as follows: internal fraud; external fraud; employment practices and workplace safety; clients, products and business practice; damage to physical assets, system failures; execution, delivery and process management.

At the same time, this risk assessment methodology used by the Exchange uses the four main risk factors under the operational risk definition as its starting point:

- **Environmental risk:** the risk of a damage incident related to the environment or external events
- **Human risk:** the risk of a damage incident related to human factors or resources
- **IT risk:** the risk of a damage incident related to the defect or failure of IT systems
- **Complexity:** the risk of a damage incident arising from the complexity or organisational features of work processes

The threats posed by the loss incident categories under the Basel II framework and the other potential risks are therefore to be translated into one of the four classic risk factors. In the translation a certain category of incidents may appear in several risk factors, and risk factors may integrate several loss incident categories, as is shown by the chart below.

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BUDAPEST STOCK EXCHANGE LTD.**

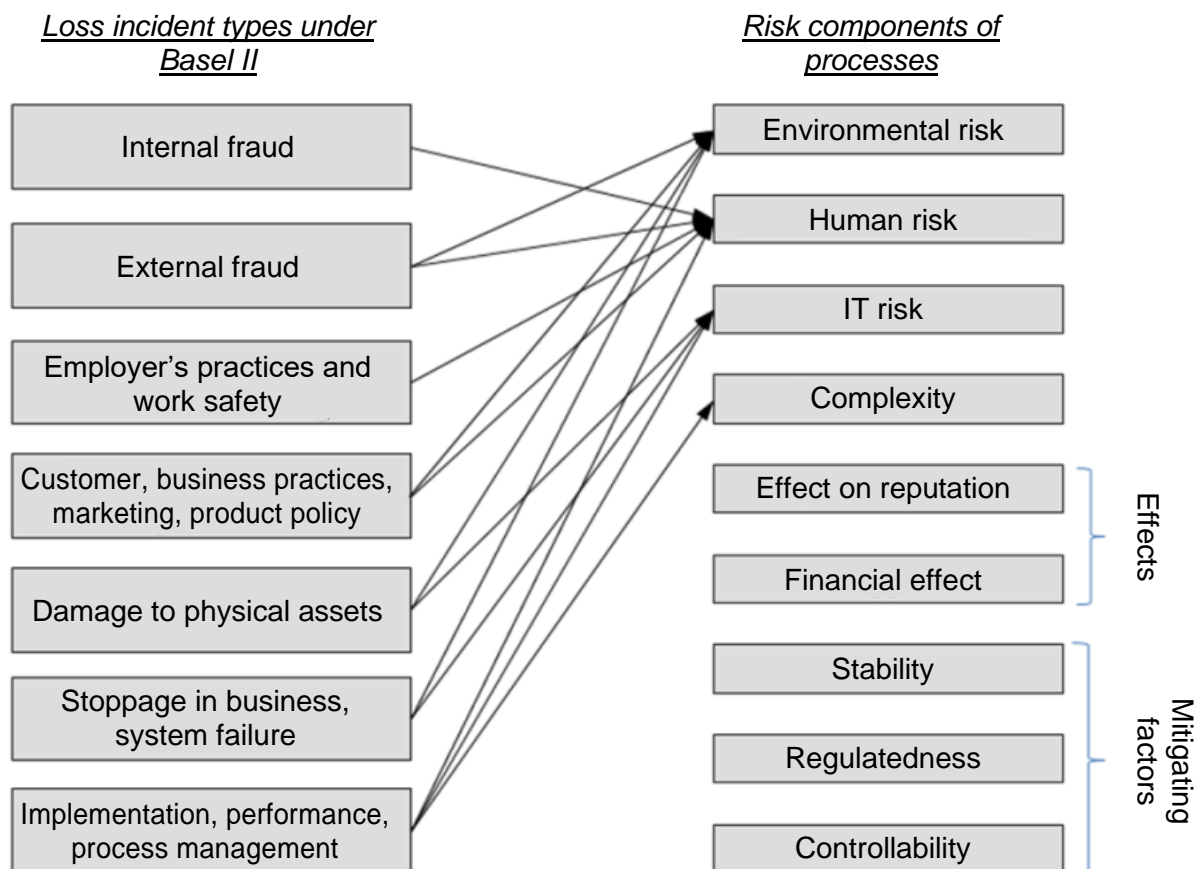


Chart 1: Translation of loss incident categories into risk factors

1.3 Principles of the risk assessment methodology

The methodology used by the Exchange takes the classic risk definition as its premise, according to which

$$\text{Risk level} = \text{Probability of occurrence} * \text{Effect},$$

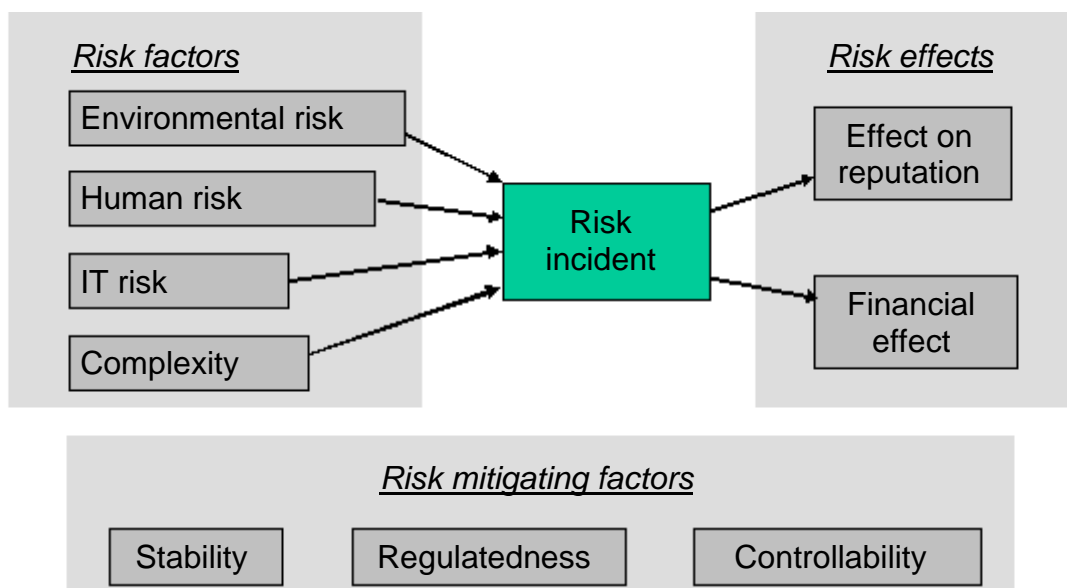
where *effect* is the measure of loss caused by the loss incident.

For the purposes of risk assessment of the Exchange's operational processes this classic definition shall be applied and supplemented as follows:

- The strength of *risk factors* (in posing risk or increasing risk) inherent in each process must be estimated;
- The extent of factors influencing (*decreasing*) the prevalence of risk factors under the specific operational conditions of the process must be estimated;
- The above risk factors, together with the factors decreasing their prevalence jointly determine the occurrence *probability* of loss incidents;
- For the assessment of the process risk, the occurrence probability of loss incidents must be multiplied by their *risk effects* (to reputation and financial standing).

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Input data for risk assessment calculation procedure, i.e. risk factors, risk mitigating factors and risk effects corresponding to the risk profile of the Exchange, and the concept of the risk assessment algorithm, are demonstrated on the chart below:



$$\text{Risk level} = \text{Probability of occurrence} \times \text{Effect}$$

$$= n \times (\text{MAX}[\text{Risk factors}] - c \times \text{AVERAGE}[\text{Risk mitigating factors}]) \times \text{MAX}[\text{Risk effects}]$$

Chart 2: Determination of aggregated risk indicator for processes

From the risk assessment procedure each process receives a score measuring the risk volume (aggregated risk indicator), on the basis of which processes can be classified into four (A, B, C, D) risk categories.

1.4 Determinants for risk increasing and risk mitigating factors and risk effects

When estimating risk factors, risk mitigating factors and risk effects, the following components and criteria must be considered:

1.4.1 Risk factors

Risk factor	Criteria to be considered
Environmental risk	<ul style="list-style-type: none"> • Legislative environment • Influence of external partners • Physical environment
Human risk	<ul style="list-style-type: none"> • Suitability of workplace conditions • Availability of human resources • Adequacy of headcount and competence • Competence substitutability • Level of staff turnover

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

IT risk	<ul style="list-style-type: none"> • Level of IT dependency • Security level of IT assets used • Adequacy of the authorisation system and data security
Complexity	<ul style="list-style-type: none"> • Number of activities within the process • Number of related processes • Number of logical switches (decisions) • Number of organisational units affected

1.4.2 Risk mitigating factors

Risk mitigating factor	Criteria to be considered
Stability	<ul style="list-style-type: none"> • Volatility of the process (frequency of reorganisation) • Level of load (constant or in shocks) • Planability (routine or ad hoc)
Adequate regulations	<ul style="list-style-type: none"> • Existence of a procedure • Level of documentation of the process, activity • Document management • Role separation, sharing of tasks and competences
Tightness of control	<ul style="list-style-type: none"> • Existence of process-integrated preliminary and subsequent management controls • Existence and frequency of external control • Regularly reported and/or monitored by senior management or independent internal audit

1.4.3 Risk effects

Risk effect	Criteria to be considered
Reputation	<ul style="list-style-type: none"> • Effect on external image
Financial	<ul style="list-style-type: none"> • Value managed in the process • Direct effect on capital or profit / loss

1.5 Estimation of risk component levels

The risk factors, risk mitigating factors and risk effects determining the aggregated risk indicator of processes must be scored in the risk self-assessment procedure on a scale of 1 to 4 according to the following table:

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Risk components	1 ►	◄ 4
Risk factors	Weak risk increasing effect	Strong risk increasing effect
Risk mitigating factors	Weak risk mitigating effect	Strong risk mitigating effect
Risk effects	Low effect	Strong effect

The score of each risk component from 1 to 4 must be estimated in accordance with the table set out in Annex 2 of the Regulations on Operational Risk Management, which is part of the methodology.

1.6 Determination of the aggregated risk indicator

The final outcome of the operational risk assessment carried out with regard to core operational processes of the Exchange is the aggregated risk indicator, calculated for the individual processes. The aggregated risk indicator is an indicator to express, in a comprehensive way, the level of risk components of individual processes as estimated in the risk self-assessment, reflecting the level of “riskiness” of a given process as estimated by considering several factors.

The aggregated risk indicator of individual processes must be calculated according the following algorithm:

$$\text{Risk indicator} = n * (\text{MAX}[\text{Risk factors}] - c * \text{AVERAGE}[\text{Risk mitigating factors}]) * \text{MAX}[\text{Risk effects}],$$

where

- *n* is a norming coefficient that converts the (*MAX[Risk Factors] – c * AVERAGE[Risk Mitigating factors]*) expression, as occurrence probability, into a value between 0 and 1¹;
- *MAX[Risk factors]* is the highest value of the risk exposure levels established for the risk factors;
- *c* is a coefficient expressing the level of the risk mitigating factors’ prevalence;
- *AVERAGE[Risk mitigating factors]* is the average of the levels established for the risk mitigating factors;
- *MAX[Risk effects]* is the higher value of the levels established for the two risk effects;

The algorithm for the calculation of the aggregated risk indicator reflects a prudent risk philosophy as it considers the effect of any potential risk increasing components to the greatest extent possible, while it only includes the effects of potential risk mitigating factors to a limited extent. Under the approach applied by this methodology, the high value of a risk factor within a process will not be outweighed by the low value of another risk factor or risk effect; therefore it always considers the highest risk increasing factor within the category concerned. At the same time, the algorithm calculates with the average effect of risk

¹ In the applied model the value of *n* is 0.25.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

mitigating factors, and in addition it outweighs the risk increasing factors by the presence of risk mitigating factors only to a limited extent (as expressed by the *c* coefficient²).

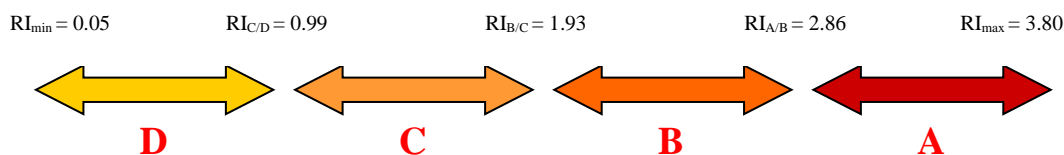
1.7 Determination of the risk level of a process

The final step in the risk self-assessment procedure is the determination of the risk level of the processes assessed, which will classify the processes, for the sake of easier overview and handling, into risk categories on the basis of the established aggregated risk indicators.

The operational risk assessment methodology used by the Exchange distinguishes between four process risk levels as follows:

Process risk levels	
A	High risk
B	Average risk
C	Acceptable risk
D	Low risk

Classification of processes into risk categories shall be performed by dividing the scale of aggregated risk indicators into four equal parts. The resulting category thresholds are as follows³:



1.8 Completing the Operational Risk Assessment Template Form

The risk assessment of the Exchange’s individual processes is documented by completing the Operational Risk Assessment Template Form. This template must be completed for each core operational process of the Exchange. All participants in the risk self-assessment procedure shall sign the completed template.

Regarding completion of the Operational Risk Assessment Template Form when estimating the level of individual risk components from 1 to 4, guidance can be found in the table set out in Annex 2 of the Regulations on Operational Risk Management, part of this methodology.

1.9 Completion and maintenance of the Operational Risk Map Template

The outcome of the process mapping and risk assessment carried out in the risk self-assessment procedure must be recorded in the Operational Risk Map document, containing the levels set by the self-assessment for the risk components of the core operational processes

² In the applied model the value of *c* is 0.2.

³ The aggregated risk indicators range between 0.05 and 3.80.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

of the Exchange, as well as the aggregated risk indicator for each process and the process risk levels.

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Annex 2: Establishing the operational risk component levels of Exchange processes

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Annex 2: Establishing the operational risk component levels for the processes of the Exchange

Levels of risk components	Risk factors				Risk mitigating factors			Risk effects	
	Environmental risk	Human risk	IT risk	Complexity	Stability	Adequate regulations	Tightness of control	Effects on reputation	Direct financial effects
Conditions to be taken into account in establishing (estimating) levels of risk components	Legislative environment	Working conditions	Extent of IT dependency (number and complexity of IT applications, are the applications specific or replaceable)	Number of tasks within the process	Volatility of processes (reorganisations)	Scripts for procedures	Ex ante and ex post management control integrated into the processes	Damage to the external image, the reliability or the authenticity of the Exchange	Direct effect on the capital or on the revenue of the Exchange
	Influence of partners	Level of staff turnover	Security level of IT support tools	Number of interconnected tasks	Nature of work load (constant or fluctuant)	Documented procedures	Frequency of external audits		
	Physical environment	Availability of human resources	Adequacy of data security and access control	Number of logical switches (decisions)	Calculability (routine or ad hoc tasks)	Document management	Regular reporting, independent internal audits, followed with attention by the senior management		
		Headcount, adequacy and competence of staff		Number of affected (co-operating) departments		Role separation			
		Substitution of competences							
1	Low risk, comprehensive legal regulations, task do not depend on the co-operation of external partners, the physical environment of the processes can be considered stable	Working conditions are adequate and stable, human resources with the required competence and staff numbers are available, competences can be replaced	High availability IT equipment and support tools, the replacement of applications can be solved and data security is adequate	The sequence of tasks within the process is linear	The workload within the process is fluctuant, not foreseeable, there are several ad hoc tasks and events	The availability of internal scripts for procedures is contingent, document management is not regulated, role separation is not defined	There is no ex ante and ex post management control built into the processes, external audits are rare	The outcome of the process has no direct effect on the external image of the Exchange	Low effect on the capital or on the revenue (under 1 million HUF)
2	Acceptable risk, certain tasks within the process are subject to legal regulations, activity is slightly influenced by external partners, the physical environment of the process is generally stable	Working conditions are generally stable, human resources with the required competence and staff numbers are available or being trained, competences can be replaced	Secure IT support tools, the replacement is not available, but the data security is adequate	The process has multiple threads, logical switches, decisions, feedbacks exist, but the number of tasks within the process is less than 10	The workload within the process is fluctuant, but the tasks are stable and calculable. However ad hoc tasks and events can occur	Internal scripts for individual procedures are available, document management is not regulated, role separation and sharing of tasks is not clearly defined in critical situations	Only few ex ante and ex post management controls are built into the processes, external audits are also rare	The outcome of the process has only a slight influence on the external image, but certain activities may effect the notion about the reliability of the Exchange	Moderate effect on the capital or on the revenue (between 1 and 5 million HUF)
3	In certain cases the process does not comply to legal standards, the outcome is affected by external partners, the physical environment of the process shows signs of instability	Working conditions are varying, continuous training is required to replace staff members or shortage of human resources may occur in certain cases. Difficulties are liable to occur in the replacement of competences	The process is highly dependent on specific IT applications the replacement of which is not available, data security and access control systems exist	The number of tasks within the process is greater than 10, the sequence is not linear, the process affects at least two co-operating departments	The majority of tasks within the process are stable and calculable, but ad hoc events can occur	Major part of the process is covered by internal scripts for the individual procedures, the process is documented, role separation is used	A smaller number of ex ante and ex post management controls are built into the processes, but there are frequent external or independent internal audits	Deficiencies of the process directly effect the external image, the notion about the reliability and authenticity of the Exchange	Medium effect on the capital or on the revenue (between 5 and 10 million HUF)
4	No tight legal regulations apply to the process, the outcome is determined by external partners, the physical environment of the process is unreliable	Working conditions are varying, continuous training is required to replace staff members. Shortage of human resources are frequent, replacement of competences is critical	The majority of tasks within the process is supported by specific IT applications that can not be replaced, data security is not consistent	The number of tasks within the process is greater than 20, the sequence of tasks is not linear, several feedbacks and decision points exist and the process affects several co-operating departments	The process is permanent, stable and calculable	The process is regulated by internal scripts for the procedures and properly documented, role separation and efficient sharing of tasks exists	Adequate ex ante and ex post management controls are built into the processes, frequent external audits	Deficiencies of the process have significant direct effect on the external image, damage the authenticity of the Exchange	Significant effect on the capital or on the revenue (above 10 million HUF)

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Annex 3: Operational Risk Assessment Template Form

Operational Risk Assessment Template Form

1.) Process ID	
2.) Division/Unit	
3.) Process owner (Name, Assignment, Contact details)	
4.) Denomination of the process:	
5.) Is the process covered by the BCP? (Date and result of the latest test)	
STRENGTH OF RISK FACTORS	
6.) Environmental risk: (External fraud, Damage to physical assets, Business stoppage of partners or suppliers, Customer and business practices of suppliers)	<ul style="list-style-type: none"> •Legislative environment •Effect of external partners •Physical environment
7.) Human risk: (Internal fraud, External fraud, Customers, products and business practices, Implementation, performance, process management)	<ul style="list-style-type: none"> •Adequacy of working conditions •Availability of human resources •Adequacy of headcount and competence of staff •Substitutability of competences •Level of staff turnover
8.) IT risk: (Damage to physical assets, Stoppage in business, system failure, Implementation, performance, process management)	<ul style="list-style-type: none"> •Level of IT dependency •Security level of IT tools used •Adequacy of authorization system and data security
9.) Complexity: (Implementation, performance, process management)	<ul style="list-style-type: none"> •No. of activities within the process •No. of related processes •No. of logical switches (decisions) •No. of departments/units affected
RISK EFFECTS	
10.) Effect on reputation	<ul style="list-style-type: none"> •Adverse effect on the external image of the Exchange
11.) Direct financial effect	<ul style="list-style-type: none"> •Direct adverse effect on assets or profit loss
RISK MITIGATING FACTORS	
12.) Stability	<ul style="list-style-type: none"> •Volatility of the process (frequency of reorganisations) •Nature of workload (constant or fluctuant) •Plannability (routine or ad hoc tasks)
13.) Adequate regulations	<ul style="list-style-type: none"> •Existence of procedure scripts •Level of documentation of the process, activity •Document management •Role separation, sharing of tasks
14.) Tightness of control	<ul style="list-style-type: none"> •Ex ante and ex post management control integrated into the process •Existence and frequency of external audit •Regularly reported and/or monitored by senior management or independent internal audit
Notes	

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Annex 4: Operational Risk Map Template

Annex 5: Declaration on the accepted operational risks

DECLARATION ON THE ACCEPTED OPERATIONAL RISKS

This is to confirm that based on the Operational Risk Analysis and Risk Assessment performed in: ***Month Year***

and under the currently applied controls the Budapest Stock Exchange Ltd. accepts the operational risks levels identified for the following processes:

Denomination of the process or activity	Division/Organisational Unit	Process owner	Risk level

Further measures are to be taken in order to mitigate the operational risks and the associated risk levels of the processes listed below:

Denomination of the process or activity	Risks to be mitigated	Additional controls required	Target risk level

.....
Head of Division/Organisational Unit

.....
CEO

Dated Budapest, *Day/Month/Year*

**GENERAL TERMS OF SERVICE OF THE
BUDAPEST STOCK EXCHANGE LTD.**

Annex 6: Annual Operational Risk Report

Annual Operational Risk Management Report

Reported period:

- 1. Newly implemented or identified processes in Exchange operation within the reported period:**

Denomination of the process or activity	Division/Organisational Unit	Process owner	Risk level

- 2. Changes in the risk categories in the period covered:**

Denomination of the process or activity	Division/Organisational Unit	Process owner	Reason of change	Former risk level	Current risk level

- 3. Number of loss events resulting from operational risks in the reported period:**

Total number of loss events in the period covered:

- 4. List of events with financial loss effect exceeding 50 thousand HUF**

Denomination of the process or activity	Risk level	Division/Organisational Unit	Description of loss event	Loss (HUF)

- 5. List of events with significant effect on the reputation of the Exchange**

The effect on the reputation is ranked by a score between 1 and 4 where 1 denotes the lowest effect.

Denomination of the process or activity	Risk level	Division/Organisational Unit	Description of loss event	Effect on reputation

6. Analysis and conclusions of the most serious loss events

7. Operational processes requiring further measures

Further measures need to be taken in order to mitigate the operational risks related to the processes listed below:

Denomination of the process or activity	Risks to be reduced	Controls to be applied	Target risk level

.....
CEO

Dated Budapest, *Day/Month/Year*

Annex: Actual Operational Risk Map of the Exchange