

**ORDER
BY THE BUDAPEST STOCK EXCHANGE
LTD**

**ON THE ORDER OF
PROFESSIONAL REPRESENTATION**

Number and date of the Board approving/amending order:	No. of the CEO's order going into effect:	Effective date:
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I. GENERAL PROVISIONS

Chapter 1

PURPOSE, SUBJECT MATTER, PRINCIPLES AND EFFECT OF THE ORDER

1.1 Purpose of the order

- 1.2.1 The purpose of the order entitled “Order by the Budapest Stock Exchange Ltd on The Order of Professional Representation” (hereinafter: Order) is to control the professional representation of the Section members, Exchange Issuers and Investors in professional issues during the operation of the Budapest Stock Exchange Ltd (hereinafter: Exchange) as the legal successor of the Budapest Stock Exchange in compliance with the effective regulations of the law and the provisions of the Deed of Foundation.
- 1.2.2 The purpose of the regulation is to provide a formal forum for the Section Members, the Exchange Issuers and the investors to communicate their ideas regularly to the Exchange on relevant issues in order to shape the relevant Exchange Rules accordingly and, in this way, the relevant Exchange decisions are drafted in such a way as to provide an opportunity for professional organisations to voice their opinions in the preparatory phase of decision making.

1.2 The subject matter of the order

- 1.2.3 The subject matter of the Order is to define the rules of procedure relevant to the legitimate election of the persons and Committees representing the Section Members, the Exchange Issuers and the Investors and to determine the issues within the scope of activities of the Market Players’ Organisations and to record the rights and responsibilities of the persons under the scope of the Order in compliance with the objective referenced in the Order.

1.3 The scope of the Order

- 1.2.4 The personal scope of the Order includes the senior officials, competent employees and those eligible to participate in the election of the Market Players’ Organisation, as well as the Market Players’ Organisation.

Chapter 2

RELATED BASIC TERMS

Regulations on Listing, Continued Trading, and Disclosure:	The Budapest Stock Exchange Ltd Regulations on the Rules of Listing, Continued Trading, and Disclosure.
Committees:	The joint name for the Listing Committee and the Trading Committee.
Market Players' Organisations:	Persons representing the Section Members, the Exchange Issuers and the investors.
Board of Directors:	The Board of Directors of the Budapest Stock Exchange Ltd.
Issuer:	A term with the meaning ascribed thereto in the Regulations on Listing, Continued Trading, and Disclosure.
General Meeting:	The general meeting of the Budapest Stock Exchange Ltd.
Disclosure Regulations:	The regulations of the Budapest Stock Exchange Ltd concerning the procedure for establishing an Exchange Rule and the rules for the disclosure of such a rule.
Section Member:	A term with the meaning ascribed thereto in the Section Membership Regulations.
Section Membership Regulations:	Regulations by the Budapest Stock Exchange Ltd on Section Membership.
Product List:	A term with the meaning ascribed thereto in the Regulations on Listing, Continued Trading, and Disclosure.
Exchange Rule:	A term with the meaning ascribed thereto in the Disclosure Regulations.
CMA:	Acronym for Act CXX of 2001 on the Capital Market.
CEO:	The CEO of the Budapest Stock Exchange Ltd.

Any terms used in the Order and left undefined in this chapter shall be governed pursuant to the terms defined in the CMA.

II. PARTICULARS

Chapter 1

REPRESENTATION OF THE INTERESTS OF THE EXCHANGE ISSUERS

2 The rules for the election of the person representing the Exchange Issuers

- 2.1 The interests of the Exchange Issuers are represented by the Chairman of the Listing Committee elected in accordance with the rules included in this chapter.
- 2.2 The Listing Committee consists of 7 (seven) members appointed by the Board on the basis of the following criteria.
- 2.2.1 Each Issuer whose security is listed on the Product List shall be entitled to nominate 1 (one) person for membership of the Listing Committee.
- 2.2.2 Candidates are ranked according to the number of nominations obtained. The 5 (five) members of the Listing Committee shall be selected by the Board of Directors from the first 15 persons on the list of candidates.
- 2.2.3 Each Section Member shall be entitled to nominate for candidate of the Listing Committee 1 (one) person per section membership (each Section Member may nominate up to 3 (three) persons).
- 2.2.4 Candidates are ranked according to the number of nominations obtained and subject to a value weighted by the amount of transaction fees paid in by the nominating Section Members during the one-year period preceding the day of the nomination. The 2 (two) members of the Listing Committee shall be selected by the Board of Directors from the first 15 (fifteen) persons on the list of candidates.
- 2.2.5 The board will select the members of the Committee with regard to the principle that the composition of the Committee should represent the composition of the individual sections and the interests of the market players.
- 2.2.6 The Chairman of the Committee is appointed by the committee members.
- 2.2.7 The delegated employee of the Exchange participates in the work of the Committee as a permanent guest. The CEO is obliged to inform the Board of the designated employee member selection at the first meeting following the appointment.

Chapter 2

REPRESENTATION OF THE INTERESTS OF THE SECTION MEMBERS

3 The rules for the election of the person representing the Section Members

- 3.1 The interests of the Section Members are represented by the Chairman of the Trading Committee elected in accordance with the rules included in this chapter.
- 3.2 The Trading Committee consists of 8–11 (eight to eleven) members, of whom 7–10 (seven to ten) are appointed by the Board on the basis of the following criteria.
- 3.2.1 Each Section Member shall be entitled to nominate for candidate of the Trading Committee 1 (one) person per Section membership (each Section Member shall nominate up to 4 (four) persons).
- 3.2.2 Candidates are ranked according to the number of nominations obtained and subject to a value weighted by the amount of transaction fees paid in by the nominating Section Members during the one-year period preceding the day of the nomination. The Chairman of the Trading Committee and the 4–7 (four to seven) members shall be appointed by the BSE Board from the first 20 (twenty) persons on the list of candidates selected in the above manner. An additional 2 (two) members of the Trading Committee are appointed by the Board of Directors from among the candidates of the members of the Commodities Section, regardless of whether those candidates are among the top 20 (twenty) list above or not.
- 3.2.3 The Board will select the members of the Committee with regard to the principle that the composition of the Committee should represent the composition of the individual sections and the interests of the market players.
- 3.2.4 An additional member of the Trading Committee is appointed by the CEO from among the employees of the Exchange. The CEO is obliged to inform the Board of the designated employee member selection at the first meeting following the appointment.

Chapter 3

RULES APPLICABLE TO THE COMMITTEES

4 Joint provisions

- 4.1 Within the framework of the Order, the Committees are free to set and accept their charter, provided that the charter is submitted by the chairman to the Board of Directors within 30 (thirty) days of its approval.
- 4.2 Members of the Committees may be recalled by a resolution based on a simple majority vote of the Committee members eligible for nominating new members.
- 4.3 The members of the Committees shall hold office until 30 (thirty) days following the date of the next electoral General Meeting.
- 4.4 At least fifteen 15 (fifteen) days prior to the date of the next electoral General Meeting, the CEO shall publish a notice for the persons eligible to vote concerning the expiration of the term of the members' office on the 30th (thirtieth) day following the day of the electoral General Meeting, calling them to nominate their candidates for membership of the Committees before the day of the General Meeting.
- 4.5 Those eligible to nominate Committee members shall announce their candidates to the CEO in writing within 15 (fifteen) days of the announcement of the call for candidates.
- 4.6 The CEO compiles the lists of candidates and submits them to the Board of Directors without delay, while issuing a statement declaring the nomination procedure to be in order.
- 4.7 The names of the Committee members are decided and announced by the Board of Directors.
- 4.8 Should the Committee Members not be nominated or elected by the deadline, the procedure shall be repeated until a result is produced.

- 4.9 Should the term of office of any Committee member be terminated for any reason prior to the expiration of the definite period, the CEO shall call upon those eligible to vote in an announcement within 5 (five) days of the day he learns about the cancellation, requesting that they submit the names of their candidates within 15 (fifteen) days of the publication of the announcement.
- 4.10 Should the term in office of the Chairman of the Committees be terminated for any reason prior to the expiration of the definite period, the Board of Directors shall appoint a new Chairman from among the members of the Committees at its next meeting following the termination of the employment of the Chairman.
- 4.11 All announcements regarding the election of Committee members shall be officially published.

Chapter 4

REPRESENTATION OF THE INTERESTS OF THE INVESTORS

5 Rules for the election of the person representing the Investors

- 5.1 The interests of the investors are represented by a representative elected in accordance with the rules in this chapter.
- 5.2 Market Players' Organisations who registered themselves as representatives with the CEO at least 3 months prior to the publication of the announcement calling for the election of the Exchange representative as required by the Disclosure Regulations and who perform their representative duties at the time when making the required statement are entitled to participate in the election and recall of the representative of the investors.
- 5.3 The announcement is made using the original or a public notary certified copy of the Deed of Foundation and the Decision by the Court of Registration. The registered Market Players' Organisations shall report to the CEO any changes regarding their activities as representatives.
- 5.4 The Exchange recognises the appointment or recall of the elected representative of the investors if those eligible to vote are in favour of the person by a simple majority. During the voting procedure, each Market Player Organisation is entitled to 1 (one) vote for either every 100 (one hundred) members or HUF 10,000,000,000 (ten billion) in assets, whichever the respective organisation opts for. Should the Market Player Organisation have fewer than 100 (one hundred) members or the assets owned by its members or managed by the organisation is less than HUF 10,000,000,000 (ten billion), the respective organisation is entitled to 1 (one) vote.
- 5.5 The number of votes for those eligible to vote shall be determined on the basis of the certified membership data registered no earlier than 30 (thirty) days before the scheduled date of the vote and the verifications including the total figures issued by the investment service providers.

- 5.6 The elected representative shall announce the election result and the documents verifying compliance of the election with the rules to the CEO using the originals or public notary certified copies. In its decision, the CEO shall, without delay, declare whether the election of the representative was in compliance with the relevant regulations. Any stakeholder may appeal against the decision of the CEO in writing submitted to the CEO and addressed to the Board of Directors within 15 (fifteen) days of the publishing of the decision. The decision about the appeal is made at the next meeting of the Board of Directors.
- 5.7 The elected representative shall hold office until the date of the next electoral General Meeting.
- 5.8 At least fifteen 15 (fifteen) days prior to the date of the next electoral General Meeting, the CEO shall publish a notice for the persons eligible to vote, informing them about the expiration of the term of office of their representative on the day of the General meeting and calling them to nominate their candidates before the day of the General Meeting.
- 5.9 The name of the investors' representative is announced by the acting chairman of the General Meeting at the electoral General Meeting.
- 5.10 Should the investors' representative not be appointed by the deadline, the procedure shall be repeated until a result is produced. The name of the investors' elected representative shall, without delay, be published by the CEO and announced by the acting chairman at the next General Meeting.
- 5.11 Should the term of office of the investors' representative be terminated for any reason prior to the next electoral General Meeting, the CEO shall call upon those eligible to vote in an announcement within 5 (five) days from the day he learns about the cancellation and request that within 15 (fifteen) days of the publication of the announcement they submit the names of their candidates for the representative of the investors. Should the investors' representative not be appointed by the deadline, the procedure shall be repeated until a result is produced. The name of the investors' elected representative shall, without delay, be published by the CEO and announced by the acting chairman at the next General Meeting.
- 5.12 All announcements regarding the election of the investors' representative shall be officially published.

Chapter 5
ISSUES WITHIN THE SCOPE OF TASKS OF THE MARKET PLAYERS’
ORGANISATIONS

6 Representation of the interests of Section Members and Exchange Issuers

- 6.1 In the Exchange regulations (within the framework specified by the Capital Markets Act and other laws), the rights and duties of the Section Members and the Exchange Issuers are defined with regard to the opinion of their professional representation organisations.
- 6.2 Prior to the approval or amendment of the rules of trading on the exchange and the rules for the suspension of trading, the Board must obtain the opinion of the professional organisations representing the Section Members.
- 6.3 Prior to the approval or amendment of the regulation on introducing or cancelling a Listed Product and the related procedural rules, the Board must obtain the opinion of the professional entity representing the Exchange Issuers.

7 Representation of Investor interests

- 7.1 The Exchange regulations (within the framework specified by the Capital Markets Act and other laws), in addition to giving due consideration to the opinion of the person representing the investors, shall ensure in accordance with the general interests of the market that all activities on the stock market, all trade transactions and related information are transparent and controllable to thereby create equal opportunity and equal judgement for those involved in trading and objective market defence for investors.

Chapter 6
FINAL PROVISIONS

8 Temporary provisions

- 8.1 Within 5 (five) days this order becomes effective, the CEO shall issue a statement calling upon those eligible for voting to participate in the first election of the persons acting as representatives by nominating their candidates for Committee members within 15 (fifteen) days and by electing the person representing their interests within 30 (thirty) days.
- 8.2 The deadlines for the first election of the representatives are counted from the official publication of the abovementioned statement of the CEO.