



PUBLIC

Resolution No. 51/2016. of the Board of Directors of the Budapest Stock Exchange Ltd.

The Board of Directors of the Budapest Stock Exchange Ltd. (hereinafter: Board of Directors) discussed the proposal on the amendment of the “General Terms of Service of the Budapest Stock Exchange Ltd.” (hereinafter: General Terms) and adopted the following amendments of the General Terms highlighted by **bold, italics and underlined fonts** and the amended, consolidated version of the General Terms as attached to this Resolution.

Section 4.1 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

- 4.1 The Board has the power to decide on the following issues:
- a) evaluating appeals;
 - ~~b) all issues in the CEO's authority that the Board reserves the competence to decide on.~~
 - b) **applying the delisting sanction (28.4.5.);**
 - c) all issues in the CEO's authority that the Board reserves the competence to decide on.

Subsection 4.2 f) of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

- 4.2 The CEO has the authority to decide on the following issues:
- f) applying sanctions **with the exception of the delisting sanction (28.4.5.);**

Subsections 16.1.2 a) and c) of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms are amended as follows:

- 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 a), b) and c), 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.



Section 16.2.2 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

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.

Section 17.3 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

17.3 Issuer’s disclosure liability

Issuers shall be liable for the damages arising from a failure to comply with the disclosure requirements ~~listed in Sections 17-20~~ under the provisions of this Regulation and the related laws.

The Board of Directors repeals Sections 19.3, 20.1, 20.5, 20.8, 20.9, 20.10, 20.11, 20.12, 20.14, and 20.15 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms:

~~19.3— Information capable of directly or indirectly influencing the price or return of the securities or the appreciation of the Issuer, including information regarding changes in major holding, is governed by the rules of extraordinary reporting.~~

~~20.1— Issuers shall deliver to the Exchange their observations on any news that they become aware of and which may affect the value of or the yield on their securities within two (2) hours time after the news was published, and shall, if the Exchange deems it reasonable, publish such observations in line with the provisions of the Regulations on Official Publications.~~

~~20.1.1— In the event the Issuer believes that the news triggers the obligation to make an extraordinary disclosure, the Issuer shall act in compliance with the requirements governing extraordinary disclosures.~~

~~20.5— Issuers shall publish in line with the provisions of the Regulations on Official Publications each instance when its securities are listed at another regulated market within one (1) Exchange Day of becoming aware of such listing.~~

~~20.8— The scope of other disclosures covers the publication in line with the Regulations on Official Publications of all public information prepared for shareholders or investors about the Issuer (except for information falling under the obligation of an extraordinary announcement), and any information presenting or influencing the Issuer’s operations or finances within one (1) Exchange Day of such information becoming available.~~

~~20.9— In the case of equities, Issuers shall publish in line with the provisions of the Regulations on Official Publications the name and address of the party responsible for keeping its register of shares and any changes thereto within one (1) Exchange Day.~~

~~20.10— Issuers shall publish the full opinion of the Board of Directors/Management Board on the Public Bid Offer, and the opinion of employees if that is available, in line with the Regulations on Official Publications within two (2) hours following its preparation.~~

~~20.11— Issuers shall publish the opinion of independent experts in line with the provisions of the Regulations on Official Publications within two (2) hours of its receipt.~~



~~20.12 In the case of securities representing membership rights the Issuer shall publish the information on the Public Bid Offer (places and dates of publication) in line with the provisions of the Regulations on Official Publications immediately after having become aware of it.~~

~~20.14 Issuers of investment notes shall publish in accordance with the Regulations on Official Publications any changes in the persons in the main officeholders at the investment fund manager within one (1) Exchange Day of the changes taking effect.~~

~~20.15 In case of listing shares resulting from a merger with an already listed Issuer, the Issuer must publish in accordance with the Regulations on Official Publications the last audited annual report of the company on the Exchange Day preceeding the effective day of the Product List modification at the latest.~~

Section 21.1 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

21.1 Rules of disclosing regular and extraordinary reports specified by laws or Exchange Regulations for Issuers

21.1.1 Disclosure specified by laws or Exchange Regulations for Issuers of the regular and extraordinary reports in manners not specified in the Regulations on Official Publications may not precede the publication thereof in accordance with the Regulations on Official Publications.

21.1.2 During the Period Relevant for Trading, Issuers may **only** send their reports to a third party only if it is necessary to comply with the Issuers’ disclosure obligations regulated by laws, with the condition that the report ~~has already been~~ shall be published at the same time in accordance with the Regulations on Official Publications.

21.1.3 Outside the Period Relevant for Trading, Issuers may only send their reports to a third party only if it is necessary to comply with the Issuers’ disclosure obligations regulated by laws, with the condition that ~~after the publication of~~ the report ~~has been initiated by the Issuer~~ shall be published at the same time in accordance with the Regulations on Official Publications (the report has ~~been~~ to be uploaded to the KIBINFO system).

Section 28.1 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

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

Section 28.3 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

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.

Section 28.4.1.1 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

28.4.1.1 The CEO may issue issues 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.

28.4.2.1 The CEO may impose imposes a pecuniary fine on Issuers for a ~~recurring or more serious~~ breach of ~~an a material~~ Exchange Rule ~~and for or~~ the failure to perform the obligations set forth in an Exchange Rule 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.

Section 28.4.3.1 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

28.4.3.1 The CEO has the power to reclassify an Issuer’s securities from Equities Prime Market to Equities Standard Market upon material ~~or recurring~~ breach of Regulations or obligations ~~particularly if the Issuer repeatedly fails to abide by its obligation to make disclosures or to pay fees despite instructions from the Exchange if the decategorisation of the Issuer’s securities is not justified evaluating all circumstances. The CEO 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.~~

Section 28.4.4.1 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

28.4.4.1 The CEO 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 ~~or recurring~~ 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 CEO 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.

Section 28.4.5.1 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

28.4.5.1 The **CEO 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.**

Section 28.4.5.2 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

28.4.5.2 ~~If an Issuer repeatedly fails to abide by its obligation to make disclosures or to pay fees despite instructions from the Exchange, the CEO~~ **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 **observe 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.

Section 28.4.5.3 of the Second Book, “Regulations on Listing and Continued Trading”, of the General Terms is amended as follows:

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

The Board of Directors repeals resolution no. 35/2016 of the Board of Directors at the same time this Resolution is approved.

The amendments of the General Terms adopted by this Resolution shall enter into force on the day specified in the resolution of the CEO of the Budapest Stock Exchange Ltd. following the approval of the Central Bank of Hungary.

Budapest, 3 October 2016

Márton István Nagy
Chairman of the Board of Directors