



# ARTICLES OF ASSOCIATION OF THE BUDAPEST STOCK EXCHANGE LTD.

## CONSOLIDATED VERSION WITH AMENDMENTS

COMPANY REGISTRATION NUMBER:

0 1 – 1 0 – 0 4 4 7 6 4

Finalised:

16 January 2019

## FOUNDERS' INTENT

The Founders of the Budapest Stock Exchange Ltd. hereby declare their intent to reconstitute the Budapest Stock Exchange established on 19 June 1990, after a 42-years interruption, as a joint stock company under general legal succession.

A stock exchange operating in the form of a joint stock company is able 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.

A well-functioning stock exchange may contribute to the efficient operation of a market economy by concentrating the supply and demand of products traded at the stock exchange and ensuring the transparent assessment of such products by public exchange rate trends.

Due to its regulated and public nature and by developing trade habits and transaction channels, the stock exchange is able to multiply trade volume, thereby stimulating new public offerings and ultimately contributing to the development of the Hungarian economy as a whole.

It is the firm intention of the Founders of the Budapest Stock Exchange that the stock exchange rules, and the behaviour and business habits of traders be legally and ethically irreproachable. The Budapest Stock Exchange Ltd. wishes to contribute, through the transparency of its operations, to the development and operation of fair mechanisms in a Hungarian market economy built on the trust of investors.

Under the authorisation provided for in Art. 424 of Act CXX of 2001 on the capital market, and in order to realise their objectives, the Founders, in adopting the present Statutes have simultaneously established the stock exchange operating in the form of a joint stock company.

Following the completion of statutory obligations on reconstitution, the Founders intend to stipulate the substantive rules of the organisation and operation of the joint stock company by the present Statutes, subject to the provisions of Act CXX of 2001 on the capital market and the law governing the business organisations.

## **CHAPTER 1**

### ***The Name of the Company***

- 1.1. The name of the Company in Hungarian:  
Budapesti Értéktőzsde Zártkörűen Működő Részvénytársaság

The short name of the Company in Hungarian:  
Budapesti Értéktőzsde Zrt.

- 1.2. The name of the Company in English:  
Budapest Stock Exchange Ltd.

## **CHAPTER 2**

### ***The Company's Registered Office***

The Company's registered office:  
4th Floor, Platinum I Tower, 7 Szabadság sq., Budapest, H-1054.

## **CHAPTER 3**

### ***The Duration of the Company***

The Company is established for an indefinite time and its shares are issued in private placement only.

## **CHAPTER 4**

### ***The Object of the Company***

Fields of activity of the Company under TEÁOR '08 [Single Sectoral Classification System of Activities of 2008] are the following:

Main activity:	66.11	Financial and capital market regulation
Activities:	18.13	Pre-press and pre-media services
	18.20	Reproduction of recorded media
	58.11	Book publishing
	58.13	Publishing of newspapers
	58.14	Publishing of journals and periodicals
	58.19	Other publishing activities
	59.20	Sound recording and music publishing activities
	62.01	Computer programming activities
	62.02	Computer consultancy activities
	62.03	Computer facilities management activities
	62.09	Other information technology and computer service activities
	63.11	Data processing, hosting and related activities
	63.99	Other information service activities n.e.c.
	66.19	Other activities auxiliary to financial services, except insurance and pension funding
	69.20	Accounting, bookkeeping and auditing activities; tax consultancy
	77.40	Leasing of intellectual property and similar products, except copyrighted works
	82.30	Organisation of conventions and trade shows
	82.99	Other business support service activities n.e.c.
	85.59	Other education n.e.c.
	95.11	Repair of computers and peripheral equipment

## **CHAPTER 5**

### ***Capital and Shares***

5.1. The capital of the Company:

HUF 541,348,100, that is, Five Hundred and Forty-one Million and Three Hundred and Forty-eight Thousand and One Hundred Forint fully provided as a financial contribution.

5.2. Shares of the Company:

The capital of the Company consists of 5,413,481, that is, Five Million and Forty-one Hundred and Three Thousand and Four Hundred and Eighty-one registered ordinary shares, each of a par value of HUF 100, that is, One Hundred Forints, each conferring equal and identical membership rights issued in a dematerialised form.

The value at issuing of the shares shall be HUF 819.09, that is, Eight Hundred and Nineteen Forints and Nine Fillérs under the draft balance sheet adopted with regard to the Record Date of 31 January 2002.

5.3. *(Repealed clause)*

5.4. *(Repealed clause)*

5.5. The Board of Directors or the Agent under Section 5.6 of the Company shall keep a Stock Register on the Shareholders, including the holders of temporary shares, and shall publish the data on ownership shares every month and on the day preceding the General Meeting at the website of the Company. The Stock Register shall contain at least the following:

- a) the following data of the Shareholder or the Shareholder's Agent (hereinafter jointly referred to as Shareholder): the name, address, mother's maiden name and nationality of a natural person; or in the case of a legal person or a business organisation without legal personality, the registered office;
- b) when a share is owned by more than one person, data of the holders and the joint representative as provided for in point a);
- c) the quantity of the shares and temporary shares of the Shareholder (the ownership share of the latter) by series of shares;
- d) the security code and the series and par value of the share;
- e) the date on which the share was obtained;
- f) the date on which the obtained share was registered in the Stock Register;
- g) the date on which the share was cancelled or surcharged;
- h) the date on which the share was withdrawn and invalidated;
- i) the category of the share;
- j) the case number and date of the decision of the supervisory authority related to the ownership acquisition.

Cancelled data of the Stock Register should be retrievable.

5.6. The Board of Directors may commission a clearing house, a central depository, an investment company or a financial institution to maintain the Stock Register. The commissioning and the person of the Agent shall be published in the Cégközlöny [Business Gazette].

5.7. The obtaining of an ownership share in the Company or the modification of the latter so that the direct or indirect ownership share or voting right reach the limit of thirty-three, fifty, sixty-six, seventy-five or one hundred percent is subject to the preliminary authorisation of the authority responsible for the supervising of the financial sector. The authorisation of the authority responsible for the supervising of the financial sector for the obtaining of the ownership share shall not be a substitute for that of the Hungarian Competition Office.

- 5.8. In accordance with the relevant statutory provisions, the share category may not be changed during the operation of the Company determined as the operation of a private joint stock company or for the duration of the performance of the stock exchange activity. Upon terminating the performance of the stock exchange activity, the General Meeting may rule on the changing of the share category, in which decision the procedure of changing shall be regulated in detail.

## **CHAPTER 6**

Repealed

## **CHAPTER 7**

### ***Business Year***

- 7.1. The business year of the Company shall be the calendar year.
- 7.2. *(Repealed clause)*

## **CHAPTER 8**

### ***Organs of the Company***

Organs of the Company:

- the General Meeting;
- the Board of Directors;
- the Supervisory Board.

## **CHAPTER 9**

### ***Election of the Board of Directors, the Supervisory Board and the Auditor***

- 9.1. Members of the Board of Directors and the Supervisory Board and the Auditor (for the purposes of the present Chapter, hereinafter jointly referred to as Office-holders) shall be elected by the General Meeting by secret vote.
- 9.2. The Shareholders are entitled to make proposals as to the persons of the Office-Holders (nomination).
- 9.3. Persons nominated by the Shareholders shall be entered on a nomination list to be compiled by the Office-Holder (as a body). Persons nominated by the Shareholders shall be presented on the nomination list in alphabetical order.
- 9.4. Rules of secret voting
- 9.4.1. The secret vote shall be conducted by the Chair of the General Meeting. The Chair of the General Meeting shall submit nominees on the nomination list one by one, in the order of the nomination list before the General Meeting for election.
- 9.5. The order of the election
- 9.5.1. Office-Holders shall be elected one by one in the following order:
1. Members of the Board of Directors;
  2. Members of the Supervisory Board;
  3. The Auditor.
- 9.6. Announcement of voting results

Once it has learned of the outcome of the election, the Chair of the General Meeting shall announce the results of the vote for every nominee.

The nominees shall be listed in decreasing order of number of votes as per the voting results announced.

The appointment is subject to votes cast in favour of the nominee receiving the required number of votes (simple majority) and that an acceptable mandate exist with regard to the office in question.

Nominees receiving the most but at least the required number of votes (simple majority) up to the number of mandates to be awarded with regard to the office in question from among the nominees listed in decreasing order by number of votes cast in their favour shall be announced as nominees awarded the office according to the condition of the award of the mandate.

The Chair of the General Meeting shall announce the nominees elected for each office one by one and person by person.

#### 9.7. Other voting rules

When, due to the absence of the required majority of votes the required number of office-holders is not reached, the voting procedure shall be conducted according to the rules of general voting procedures with the participation of every nominee not receiving the required number of votes until the nominee receiving the required majority of votes is awarded the mandate.

Nominees already having received the required percentage of votes are awarded their respective mandates and cease to participate in the election.

When the required majority of votes is received by a number of nominees exceeding the required number, and when due to their equal number of votes, it cannot be decided who shall be awarded the office, the voting procedure shall be conducted only with regard to those nominees having an equal number of votes until the nominee with the required number of votes can be awarded the office.

## **CHAPTER 10**

### ***General Meeting***

#### 10.1. The major organ of the Company is the General Meeting.

#### 10.2. The following shall fall within the exclusive competence of the General Meeting:

- a) the election, the withdrawal and the determination of the remuneration of the Board of Directors, the Supervisory Board and the Auditor, subject to the exception provided for in the law governing the business organisations;
- b) the adoption of the report according to the Act on accounting, and the decision on the division of the profit after taxation;
- c) deciding on the medium and long-term strategy of the Company;
- d) deciding on the restructuring of the Company: restructuring into another form of organisation form, merging (merging with or into another company), division (separation) and termination without legal succession;
- e) the decrease and the increase of the capital, unless provided otherwise in the law governing the business organisations;
- f) deciding on the exclusion of the exercise of the priority subscription right;
- g) the establishment and amendment of the Statutes of the Company, unless provided otherwise in the law governing the business organisations;
- h) deciding on the establishment of business organization, the acquirement of company share and the transfer of the company share owned by the Company;

- i) amendment of rights related to certain series of shares, the modification of certain categories and classes of shares, and decision on the modification of the categories of shares;
- j) decision on the modification of the operational form of the Company;
- k) decision on the payment of interim dividends, unless provided otherwise in the law governing the business organisations;
- l) decision on the issuing of convertible debentures and those providing subscription rights, unless provided otherwise in the law governing the business organisations;
- m) deciding on the obtaining of own payment of interim dividends, unless provided otherwise in the law governing the business organisations;
- n) except for investments in Government securities, deciding on all transactions of a value exceeding 20% of the actual capital of the Company, in the calculation of which the values of similar transactions concluded in the period between two ordinary General Meetings shall be added;
- o) *(Repealed Clause)*
- p) deciding on the transformation of printed shares into dematerialised shares and the transformation of dematerialised shares into printed ones;
- q) approval of the Remuneration Regulation relating to the Board of Directors, Supervisory Board, and the employees in management positions.
- r) election, withdrawal, remuneration of the Chair of the Board of Directors, and the Chair of the Supervisory Board;
- s) deciding on bank loans and external fund-raising (except bank overdraft contracts, overall up to 300 million HUF)
- t) deciding on lending, except loans provided by the employer to the employees;
- u) deciding on the encumbrance of the Company's property in any way;
- v) authorisation of the conclusion of contract with the executive officers or the executive officer's close relatives, domestic partners;
- w) the approval of the contracts between the Company and its shareholders except the contracts regarding lower amount than net 10 million HUF (without VAT), and except the following contracts concluded concerning the Company's ordinary course of business regardless amount limit:
  - i. sale and purchase of government securities;
  - ii. framework agreement on securities account;
  - iii. bank account agreement;
  - iv. bank overdraft;
  - v. credit card agreement;
  - vi. agreement on the usage of the K2 system;
  - vii. trade framework contract on the usage of the free market system;
  - viii. agreement on the access to the trading system;
  - ix. exchange membership agreement;
  - x. market maker agreement;
  - xi. data purchase agreement;
  - xii. agreements relating to marketing, education, popularization of the exchange services;
  - xiii. employment contracts;
  - xiv. agreements regarding consultation services in connection with the issuer's listing, registration, continued trading on the regulated market or the multilateral trading facility operated by the Company;
  - xv. agreements in connection with market monitoring;
  - xvi. trademark usage, index licence agreements;

- xvii. specific contracts concluded between the Company and the issuers according to the General Terms of Service of the Company (on listing, continued trading, publishing rules, fee reductions, conditions of paying etc.);
  - xviii. instalment agreement regarding debts payable to the Company;
  - xix. other contracts in connection with exchange membership, trading, trading system and data service including OTC auction service.
- x) deciding on all issues stipulated as falling under the exclusive competence of the General Meeting by law or by the Articles of Association.

10.2/B. The executive officers of the Company shall not be released from liability under the rules of the Hungarian Civil Code by the General Meeting in connection with their management activities.

10.2/A If, shareholders holding together at least 5 per cent of the votes in the Company, make a proposal to supplement the agenda that complies with the rules on the details of the agenda, the issue which they raise shall be regarded as one placed on the agenda provided that the proposal was communicated to the shareholders and the Board of Directors within eight days reckoned from the receipt of the letter of invitation to the General Meeting.

### 10.3. Ordinary General Meeting

A General Meeting (ordinary General Meeting) shall be convened at least once every year, at a date allowing for the compliance with statutory deadlines in every year.

The ordinary General Meeting shall have the following items on its agenda:

- a) the report of the Board of Directors on the activities of the Company in the previous business year;
- b) the establishment of the report according to the Act on Accounting;
- c) the proposal of the Board of Directors on the division of the profit after taxation and the determination of dividends;
- d) the reports of the Supervisory Board and the Auditor, respectively; the report under the Act on Accounting; the report of the Board of Directors, its annual report and the proposal for dividing the profit after taxation.

### 10.4. Convening of the General Meeting

The General Meeting shall be convened by the Board of Directors by indicating the place, the date and the agenda at least 15 days preceding the designated date, of which it shall notify the Shareholders, Members of the Board of Directors, Members of the Supervisory Board and the Auditor of the Company as well as the Supervisory Authority with a letter of invitation. The invitation to the General Meeting shall be submitted via e-mail to the shareholders who specially requested it from the Board of Directors.

The letter of invitation should also indicate the place and date of the General Meeting to be held in the event of lack of quorum, which should be a day within a minimum of 3 (three) and a maximum of 21 (twenty-one) days following the date of the original General Meeting cancelled for lack of quorum.

The venue of the General Meeting is the registered seat of the Company or other place in Budapest specified by the Board of Directors.

When the General Meeting is not convened regularly, decision-making is only possible in the presence of all Shareholders entitled to vote and only when the Shareholders agree to the holding of the General Meeting, and they give their unanimous consent to the decision making regarding the agenda items.

### 10.5. Extraordinary General Meeting

An extraordinary General Meeting should be convened within 8 days following the submission of a request to this effect, subject to statutory conditions, when the same is requested by a Shareholder (Shareholders) representing at least five percent of the voting rights, the Supervisory Board or the Board of Directors, by indicating the reason and the subject.

10.6. A condition for the attendance of a shareholder at the General Meeting is that the shareholder must be registered in the Book of Shares two (2) business days prior to the date of the General Meeting.



#### 10.7. Quorum of the General Meeting

The General Meeting shall have a quorum when Shareholders representing more than half of the votes represented by the shares giving the right to vote are present.

When the Shareholder is not able to exercise his/its voting right, his/its voting capacity should be ignored when establishing the quorum of the General Meeting.

Shareholders present at the General Meeting should be registered on an attendance sheet on which the name and address (registered office) of the Shareholder and the representative of the latter (company), the number of his/its shares and the number of his/its votes as well as changes in the person of the participants during the General Meeting should be indicated. The attendance sheet shall be authenticated by the signature of the Chair of the General Meeting and the keeper of the minutes.

#### 10.8. Lack of quorum of the General Meeting

When the General Meeting fails to achieve quorum within 30 minutes of the time designated for its holding, a General Meeting repeated for the lack of quorum should be held at the time and place indicated in the letter of invitation for the original General Meeting.

#### 10.9. Repeated General Meeting

A General Meeting repeated in accordance with Section 10.8 shall be deemed to have quorum with regard to items on the agenda of the original General Meeting without regard to the number of shares represented by the Shareholders present.

#### 10.10. Chair of the General Meeting

The General Meeting shall be opened and conducted by the Chair of the General Meeting. The Chair of the General Meeting shall be appointed and requested to hold this office from among the representatives of the Shareholders, Members of the Board of Directors or other professionals of good standing by the Board of Directors.

Responsibilities of the Chair of the General Meeting:

- a) the opening of the General Meeting;
- b) the establishment of quorum;
- c) the conducting of the election of the authenticators of the minutes of the General Meeting;
- d) the appointment of the vote counter and of the keeper of the minutes;
- e) the presentation of the items on agenda;
- f) the conducting of the work of the General Meeting (granting of comments, moderating discussions, etc.);
- g) conducting decision-making;
- h) maintaining the order of the General Meeting at all times;
- i) signature of the minutes and the attendance sheet of the General Meeting;
- j) any other responsibilities required by the General Meeting of its Chair.

#### 10.11. Votes, voting

10.11.1. A single share with a par value of HUF 100, that is, One Hundred Forints shall give entitlement to a single vote.

10.11.2. Voting at the General Meeting shall be done openly (with the exception of the election of Office-holders), with ballot discs, ballot papers, and electronic voting machines or by other means.

#### 10.12. Required majority for decision-making

10.12.1. The General Meeting shall, except in cases where unanimous decisions are required by law without the possibility to deviate and with respect to the provisions of Sections 10.12.2 and

- 10.12.3, make decisions with a simple majority of votes.
- 10.12.2. Save for the exception provided for in Section 10.12.3, a qualified majority, that is,  $\frac{3}{4}$  of the votes present and represented should be cast for the recalling of Office-Holders, except for cases regulated by law.
- 10.12.3. At least 85% (Eighty-five percent) of the votes as compared to the subscribed capital should be cast for:
- a) the modification of the name of the Company;
  - b) a decision on the termination of the Company without legal succession;
  - c) the modification of the main activity of the Company;
  - d) transactions aimed at the sale of assets of the Company from among affairs as defined in Section 10.2, point n);
  - e) the amendment of the Statutes relating to the present Section (10.12.3).

#### 10.13. Minutes on the General Meeting

Minutes should be drawn up regarding the General Meeting which should contain at least the following:

- a) the name and registered office of the Company;
  - b) the way of conducting, place and date of the General Meeting;
  - c) names of the Chair of the General Meeting, the keeper of the minutes, the authenticator of the minutes and the persons counting the votes;
  - d) the names of Shareholders with a voting right present at the General Meeting or their representatives;
  - e) the names of other persons invited to and present at the General Meeting;
  - f) major events and proposals made at the General Meeting;
  - g) decisions taken, the number of votes cast in favour of and against such decisions and the number of abstentions;
- 10.14. The minutes shall be signed by the keeper of the minutes and the Chair of the General Meeting and shall be authenticated by two Shareholders present, elected for this duty by the General Meeting.
- 10.15. Shareholders may exercise their shareholders rights through representatives. The auditor may not function as such representative but members of the management board, the general director, directors also supervisory board members may serve as the shareholders representatives. One representative may represent several shareholders, however, one shareholder may have only one representative. Authorizations for representation may be valid for one general meeting or a fixed period of time not to exceed twelve months. The validity of authorizations of representation shall cover the resumption of suspended general meetings and to general meetings re-convened due to lack of a quorum. Authorizations shall be submitted in the form of an authentic instrument or private document representing conclusive evidence.

## **CHAPTER 11**

### ***Board of Directors***

- 11.1. The executive organ of the Company is the Board of Directors. The Members of the Board of Directors shall be appointed for a period of time ending with the ordinary General Meeting of the third year following their election, except for cases provided for in Section 11.3.

#### 11.2. *(Repealed clause)*

11.2./A The Members of the Board of Directors are the persons indicated below:

name:	György Bacsa, dr.
mother's maiden name:	Mária Julianna Stróbl
address:	HU-1013 Budapest, Döbrentei u. 8. I. lh, 3. em. 1/B

name:	Róbert Barlai
mother's maiden name:	Katalin bornemissza

address: HU-1039 Budapest, Mátyás király út 84.

name: dr. Barna Fömötör  
mother's maiden name: Marianna Polgár  
address: HU- 7400, Kaposvár, Adria u. 9. 2/a

name: Géza Máté, dr.  
mother's maiden name: Márta Gácsi  
address: HU-1133 Budapest, Esztergomi út 11. II/5.

name: Zsolt Kuti  
mother's maiden name: Jolán Teréz Vincze  
address: HU-1055 Budapest, Falk Miksa u. 14.

name: Richárd Végh  
mother's maiden name: Mária Magdolna Csucska  
address: HU-2040 Budaörs, Kálvária u. 7.

11.3. Should the membership of a Member of the Board of Directors be terminated for a reason other than the expiry of the defined time period, the General Meeting shall elect a Member for the remainder of the term of the Member of the Board of Directors whose mandate was terminated.

11.4. The number of the Members of the Board of Directors

The Board of Directors consists of a maximum of 7 Members.

11.5. Membership in the Board of Directors shall terminate:

- a) upon the expiry of the mandate;
- b) upon recalling;
- c) upon resignation;
- d) upon death;
- e) and upon the occurrence of a statutory reason for exclusion.

11.6. The Powers and Responsibilities of the Board of Directors

- a) approval of the different exchange regulations and their amendments, in particular:
  - terms and procedural rules for the acquisition, suspension, or termination of trading rights on the exchange;
  - penalties applicable by the exchange against persons falling under the scope of the regulations, and the procedure for legal remedies;
  - rules for trading on the exchange;
  - terms and procedural rules for the listing or delisting of an exchange-listed product;
  - rules and procedural rules for a suspension of trading;
  - the publication method of prices and other exchange information;
- b) approval of the Company's business plan, on the basis of a proposal submitted by the Chief Executive Officer;
- c) convening of the General Meeting, compilation of the agenda for the General Meeting, discussion and approval of the Board of Directors' report to be submitted to the General Meeting, the nomination of the Chair of the General Meeting;
- d) preparation of proposals for the development of the capital market and submitting said proposals to competent authorities;
- e) continuous monitoring of the Chief Executive Officer's work; the formulation of initiatives and recommendations necessary for the development of the exchange's operations;
- f) in the interest of completing its tasks, the Board is entitled to set up various working committees, expert groups, and advisory boards;
- g) accepting regular reports from the Chief Executive Officer on the work organisation;
- h) employer's rights in respect of the Chief Executive Officer in terms of his/her appointment, dismissal, and remuneration;

- i) the establishment and amendment of the Company's Organisational and Operational Rules;
- j) decision on all questions falling within the competence of the Company related with the Commercial Arbitration Court;
- k) observation of the operation and monitoring of the management of the companies owned by the Company, furthermore decision on all issues falling within the competence of the founder/shareholders/owners of such companies.

#### 11.7. Rules of procedures for meetings of the Board of Directors:

- 11.7.1. The meetings of the Board shall be convened by the Chair. Should the Chair be unable to convene a Meeting of the Board of Directors, the meeting shall be convened by a member of the Board so requested by the Chair in writing, failing that any other two members of the Board jointly.
- 11.7.2. The Board of Directors shall meet as necessary, in order to ensure the continuous operation of the Company.
- 11.7.3. The Board of Directors shall be called by the Chair of the Board of Directors or the person(s) defined in Section 11.7.1 within 15 days from the date of the request thereto, when a request for its convening in order to decide on an important issue is requested by:
  - a) at least one-third of the members of the Board of Directors;
  - b) the Supervisory Board;
  - c) or the Chief Executive Officer.
- 11.7.4. The date of holding the Board of Directors' meeting convened in this way shall be a date within 15 days from its convening.
- 11.7.5. Members of the Board of Directors shall be notified of the date and location of the meeting in writing, along with the agenda, in the manner determined in the rules of procedures of the Board of Directors.
- 11.7.6. If an immediate, emergency meeting of the Board of Directors is justified, the meeting can be convened quickly (by telephone, fax etc.), without regard for the interval indicated in Section 11.7.5.
- 11.7.7. At the meetings of the Board of Directors, resolutions are passed by way of open vote. Upon an initiative of the majority of the Members of the Board of Directors present, the Chair of the meeting may order that a secret vote be held on an issue.
- 11.7.8. Meetings of the Board of Directors shall be conducted by the Chair of the Board of Directors or, should he be unable to do so, by the Member of the Board of Directors requested to do so by the Chair in writing, failing that the Member of the Board of Directors elected by the Members of the Board who are present at the meeting.
- 11.7.9. The Board shall have quorum if more than half of its members attend.
- 11.7.10. A Member and the Chair of the Board of Directors cannot vote on an issue affecting his person. Those who cannot participate in the voting shall not be considered for the purposes of determining quorum.
- 11.7.11. The Board of Directors shall make decisions and pass resolutions by a simple majority.
- 11.7.12. *(Repealed clause).*
- 11.7.13. Only the Chair and Members of the Board, and a representative of the Supervisory Authority as well as persons invited to attend by the Chair or any other Member of the Board can attend the meetings of the Board of Directors.

- 11.7.14. On the basis of an invitation from the Chair or any other Member of the Board of Directors, the following persons are allowed to attend meetings of the Board of Directors:
- a) the CEO, or if he is unable to attend, his deputy;
  - b) the Chairperson or a member of the Supervisory Board;
  - c) a representative of the stock exchange traders, of the issuers, and the investors.
- 11.7.15. When necessary, the Chair or any other Member of the Board of Directors may also invite other persons to the meetings of the Board.
- 11.7.16. The representative of the Supervisory Authority and any invited persons may attend the meetings without voting rights, in an advisory capacity.
- 11.7.17. The rules for the nomination of the representative of the exchange traders, of the issuers, and of the investors are established by the Board in a resolution.
- 11.8. Minutes of the meetings of the Board of Directors
- 11.8.1. Minutes shall be prepared of the meetings of the Board of Directors, containing:
- a) the time and place of the meeting of the Board of Directors;
  - b) the names of the Members attending the meeting;
  - c) the names of any invited persons attending the meeting;
  - d) main events having occurred at the meeting, proposals, items on the agenda, the essence of the decisions made, the voting proportions of the decisions;
  - e) the essence of the discussion on those agenda items on which no resolution was taken;
  - f) resolutions passed and decision taken, and the voting proportions of the decisions;
  - g) any protest from a Member of the Board of Directors, a member of the Supervisory Board, the Chief Executive Officer or a representative of the Supervisory Authority against a resolution or decision, if the person who protested so requests;
  - h) in the case of open voting, the votes cast, indicating the names.
- 11.8.2. The Minutes shall be signed by the Chair of the Board, or the member that conducted the meeting and by the keeper of the minutes.
- 11.8.3. Minutes of the meetings of the Board of Directors shall be kept by the Chief Executive Officer. Any Member of the Board of Directors or of the Board of Supervisors may request an extract from or a copy of the minutes.
- 11.8.4. Rules of procedures on the operation of the Board of Directors shall be regulated in the Rules of Procedures of the Board of Directors.

## **CHAPTER 12**

### ***Supervisory Board, Auditor***

- 12.1. The Supervisory Board shall check the management of the Company for the General Meeting. Members of the Supervisory Board shall be appointed for a term ending with the ordinary General Meeting of the third year following their election, except for cases provided for in Section 12.3.
- 12.2. *(Repealed clause)*
- 12.2./A Members of the Supervisory Board are the persons indicated below:

name:	Lajos Bartha
mother's maiden name:	Júlianna Molnár
address:	HU-2051 Biatorbágy, Tulipán utca 22.

name:	Ferenc István Gerhardt, Dr.
mother's maiden name:	Ilona Pálkás

address: HU-1165 Budapest, Imre utca 6.

name: Kolos Viktor Kardkovács, Dr.  
mother's maiden name: Ibolya Mezey  
address: HU-2089 Telki, Barka utca 28.

name: Orsolya Kása  
mother's maiden name: Mária Persőtz  
address: HU-1037 Budapest, Királyhelmec u. 12/b

name: Károly Régely  
mother's maiden name: Erzsébet Meszlényi  
address: HU-1026 Budapest, Páfrány út 31.

name: Zsolt Zoltán Selmeczi-Kovács, dr.  
mother's maiden name: Irén Varga  
address: HU- 1016 Budapest, Mészáros u. 44., tetőtér 4.

- 12.3. Should the membership of a Member of the Supervisory Board be terminated for a reason other than the expiry of the term, the General Meeting shall elect a Member for the duration of the appointment of the Member of the Supervisory Board whose mandate was terminated.

12.4. The Number of the Members of the Supervisory Board

The Supervisory Board shall comprise 3 to 6 members. Members of the Supervisory Board are elected by the General Meeting.

The Supervisory Board shall act as a body.

12.5. Membership in the Supervisory Board shall terminate:

- a) upon the expiry of the mandate term;
- b) upon recalling;
- c) upon resignation;
- d) upon death;
- e) and upon the occurrence of a statutory reason for exclusion.

12.6. Responsibilities of the Supervisory Board:

- a) the supervision of all the substantive proposals on reports concerning business policy, the report required under the Act on Accounting and the use of after-tax profits and losses, as well as reporting the results thereof to the General Meeting;
- b) the immediate convening of the General Meetings should it encounter measures whether contrary to the law, legislation, the Statutes, or the decisions of the General Meeting; or activities, defaults or abuses breaching the interests of the Company or the Shareholders;
- c) acceptance of the auditing plan and the annual auditing report;
- d) discussing the internal auditing report and monitoring the execution of actions;
- e) deciding on the conclusion and termination of the Internal Auditor's employment contract and on the remuneration of the Internal Auditor in which cases the Supervisory Board prior approval is needed;
- f) the performance of all tasks prescribed by law as falling under its competence.

12.7. Members of the Supervisory Board may not be employees of the Company, except for mandatory employees' representation.

- 12.8. The Supervisory Board shall establish its rules of procedures which shall be approved by the General Meeting.
- 12.9. The quorum of the Supervisory Board is subject to the presence of two-third of the Members or at least three Members, and it shall make decisions by simple majority vote.
- 12.10. The General Meeting shall elect an auditor for a definite period but a maximum of five years responsible for the auditing of the Company books as well as for the compliance with statutory duties. The duration of the mandate of the auditor shall not be less than the period between its election by the General Meeting and the date of the General Meeting adopting the following financial report. In case the duration of the mandate of the chamber member natural person auditor or auditor company reaches 5 (five) years including the renewed mandate or mandates, then within five years a new mandate for performing the auditing duties of the Company shall not be given to the chamber member natural person auditor or auditor company.
- 12.11. The Board of Directors makes proposal with the consent of the Supervisory Board for the person of the auditor to the General Meeting.
- 12.12. The Company Auditor:

**Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság (registered seat: H-1132 Budapest, Váci út 20.; company registration number: 01-09-267553)**

**The person responsible for auditing shall be Mr. Gergely Szabó (mother's maiden name: Zsuzsanna Kiss; address: H-1202 Budapest, Mézes u. 35.)**

## **CHAPTER 13**

### ***The Chief Executive Officer***

- 13.1. The Chief Executive Officer (CEO) must manage and supervise internally the stock exchange trade, implement decisions of the General Meeting and the Board of Directors, publish stock exchange information and carry out the Company's management activities.
- 13.2. The responsibilities and jurisdiction of the CEO are as follows:
- a) responding to market demands by ensuring that the Company provides high-quality and cost-efficient products and services;
  - b) the professional substantiation of the Company strategy and the implementation of the strategy;
  - c) leading the Company's management activities, preparing and implementing the business plan, and providing the personal and material conditions necessary for the work of the working organisation;
  - e) organising exchange trade, ensuring technical support for trading activities, observance of and internal supervision of the order of the trade;
  - f) introducing certain securities to the stock exchange in accordance with the Exchange Regulations;
  - g) registration and statistic processing of data on stock exchange trade;
  - h) the publication of processed data of the stock exchange operation, trade and stock exchange information related to the securities market in several press publications and in its own regular publications;
  - i) granting and withdrawing the right of traders to trade on the exchange;
  - j) the registration of stock exchange traders and brokers;
  - k) registration of securities listed at the Stock Exchange in the Exchange Trading List;
  - l) provision of continuous stock exchange settlement transactions;
  - m) carrying out the Company's management activities, handling and settling the financial transactions regarding expenses and revenues;
  - n) the suspension of stock exchange trade in the event of the occurrence of the conditions



- stipulated in Act CXX of 2001 on the Capital Market and in the Regulations;
- o) preparing for the General Meeting and the meetings of the Board of Directors;
  - p) the storing of the minutes of General Meetings and the meetings of the Board of Directors, keeping and storing the Book of Decisions;
  - q) the right to make proposals and initiatives in issues referred to the competence of the Board of Directors;
  - r) the suspension of the stock exchange trading right of certain traders in cases defined in stock exchange regulations;
  - s) the checking and sanctioning of stock-exchange self-regulations according to stock-exchange regulations;
  - t) the continuous assessment of information on the Issuers of securities listed at the Stock Exchange and the publication of this information;
  - u) keeping track of traders' stock exchange activities, continuous monitoring of their registration and data provision obligations, and continuous monitoring of information on traders;
  - v) the regular analysis of stock exchange and securities market trends by summarising trading and information experiences; the preparing and submitting suggestions to competent authorities of suggestions aiming at the improvement of the securities market;
  - w) negotiating with the representatives of stock exchange issuers, investors and traders, regular reporting to the Board of Directors on these negotiations;
  - x) other tasks, either arising from the implementation of stock exchange regulations, or as determined by the General Meeting and the Board of Directors.
- 13.3. The CEO shall regularly report to the Board of Directors on the operation of the working organisation. The CEO shall keep the Board of Directors continuously informed of the development of stock exchange trading and of problems related to the operation of the Company.
- 13.4. Employer's rights shall be exercised by the CEO with respect to the employees of the Company, and by the Member of the Board requested by the Board of Directors to do so with respect to the CEO, except for appointment, dismissal and remuneration.

## **CHAPTER 14**

### ***Authorised Signatures***

- 14.1. The Members of the Board of Directors shall be authorised to represent the Company and the CEO shall be authorised to represent the Company in matters falling within his powers.
- 14.2. Authorised signature on behalf of the Company means that persons authorised to sign for the company sign their names according to the official authorised signature declaration under the typed, hand-written, pre-printed or printed name of the Company.
- 14.3. The following are authorised to sign for the Company:
- b) any two Members of the Board of Directors jointly;
  - c) any Member of the Board of Directors jointly with the CEO or any Deputy CEO;
  - d) the CEO and any Deputy CEO jointly;
  - e) two employees of the Company authorised to sign for the Company by its Board of Directors, in categories of matters defined by the Board of Directors.

## **CHAPTER 15**

### ***Report under the Act on Accounting and the Division of After-Tax Profits***

The preparation of the report under the Act on Accounting and the division of after-tax profits shall be subject to the provisions of current legislation in force.

## **CHAPTER 16**



## ***Termination of the Company***

The Company shall be terminated by being deleted from the company register.

The Company shall be terminated if:

- a) it decides to terminate its existence without appointing a legal successor;
- b) it decides to terminate its existence by appointing a legal successor (by restructuring), that is, by merging with or into another company, by being divided (separated) or reconstituted in another form of organisation;
- c) it is terminated for reasons provided for in the Act on Business Organisations by the Company Court;
- d) required to do so by law.

## **CHAPTER 17** ***Other Provisions***

The Company publishes its announcements on the places and by the method prescribed by law.

## **CHAPTER 18** ***Final Provisions***

The General Meeting of the Company has, after a detailed discussion, established and adopted the present Statutes.

16 January 2019, Budapest

I, the undersigned dr. Mihály Forrai (Forrai Law Firm, registered seat: flat 3, 3<sup>rd</sup> Floor, 5 Tüköry Street, Budapest HU-1054) according to Paragraph (3) of Section 51 of the Act No. V of 2006 with my countersignature hereby confirm that the text of this consolidated Articles of Association of the Budapest Stock Exchange Ltd. is in compliance with its operative content based on the amendments. Drafting this consolidated version of the Articles of Association was required by General Meeting's resolution No. 8/2018.

I have countersigned the present Articles of Association in Budapest, on 16 January 2019:

KASZ: 36060179