**STATEMENT**

Subject to Section 5.15 of Book Four of the General Terms of Service of The Budapest Stock Exchange Ltd., undersigned [name of the signatory] on behalf of [NAME OF THE LEGAL ENTITY] hereby represent and declare the followings as part of the due diligence assessment of the members of market operators:

The reason for filling out this statement (*please underline the answer and fill in the relevant year if necessary*):

1. due diligence prior to the beginning of trading activities
2. exchange member’s annual risk-based assessment of the year ……..

*The trading system(s) affected by this statement – please underline:*

1. *spot market trading system*
2. *derivatives market trading system*
3. *spot and derivatives market trading system*

*Please underline the answers hereunder regarding Paragraphs 1-5*

1. Pre-trade controls are operated at least for the price, value and volume of orders at our company: TRUE FALSE

*Please describe the operation of these control functions in free text:*

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|  |

1. Our key staff members have the appropriate qualification required by the relevant laws:

TRUE FALSE

*Please identify the key persons of your company and indicate their positions and qualifications:*

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1. During the technical and functional conformance test, the connection test to the trading system was successfully completed and the connection was established between the exchange system and our system\*: TRUE FALSE

***OR***

Subject to our existing – or if applicable our prospective – trading right, the market test scenarios (regarding the spot and/or derivatives market) required by BSE was executed and during the testing we have not experienced any errors which might affect the trading\*: TRUE FALSE

\* In case of exchange member, it shall be filled out only if there was no trading system version change or replacement in the given year regarding the indicated trading system(s), considering the fact that due to version change or replacement in the trading system the test scenario was duly performed and a statement was made thereof according to Section 5.10 of Book Four of the General Terms of Service.

1. Order cancellation regulation is applied (function for possible cancellation (killing) of all active orders) at our company: TRUE FALSE

*Please describe and summarize the essential elements of your internal regulation regarding the order cancellation (who is authorized and under what circumstances to apply the cancellation function, what technical solution applies to it, etc.):*

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|  |

1. Our company provides opportunity for Direct Electronic Access (DEA) services for our clients through our systems: TRUE FALSE

*If the answer above is TRUE, please describe in free text the terms and conditions determined by your company for clients using direct electronic access:*

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| --- |
|  |

Date:

(authorized signature of the exchange member)