

**ORDER  
OF 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:
6/2002 / 8 July 2002	16/2002./ 1 August 2002	5 August 2002
24/2004/ 8 March 2004	36/2004./ 23 March 2004	25 March 2004
33/2008/ 13 May 2008	133/2008./ 30 May 2008	30 May 2008
28/2011/ 7 June 2011	---	1 August 2011
6/2013/ 7 February 2013	---	1 March 2013
14/2014/21 March 2014	---	21 March 2014
3/2016	---	11 January 2016
4/2016	---	1 February 2016
32/2017	---	4 July 2017
67/2017	---	8 December 2017
24/2018	---	19 April 2018
8/2023	---	17 February 2023

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## **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 Exchange 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 Exchange 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 Exchange Members, the Exchange Issuers and the Investors and to determine the issues within the scope of activities of the Representative Bodies 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 Representative Bodies, as well as the Representative Bodies.

**RELATED BASIC TERMS**

<b>Regulations on Listing and Continued Trading:</b>	Second Book of the Regulation
<b>Committees:</b>	The joint name for the Listing Committee and the Trading Committee.
<b>Representative Bodies:</b>	Persons representing the Exchange Members, the Exchange Issuers and the investors.
<b>Supervisory Authority:</b>	Magyar Nemzeti Bank (MNB), acting in its role of the supervision of the financial intermediary system.
<b>Board of Directors:</b>	The Board of Directors of the Budapest Stock Exchange Ltd.
<b>Affiliated Company</b>	A term with the meaning ascribed thereto in the CMA.
<b>Issuer:</b>	A term with the meaning ascribed thereto in the Regulation.
<b>General Meeting:</b>	The general meeting of the Budapest Stock Exchange Ltd.
<b>Disclosure Regulations:</b>	Book Six of the General Terms of Service of the Budapest Stock Exchange Ltd.
<b>Regulation</b>	The General Terms of Service of the Budapest Stock Exchange Ltd.
<b>Exchange Member:</b>	A term with the meaning ascribed thereto in the Exchange Membership Regulations.
<b>Regulations on Exchange Membership:</b>	Exchange Member Third book of the Regulation.
<b>Exchange Rule:</b>	A term with the meaning ascribed thereto in the Regulation.
<b>CMA:</b>	Acronym for Act CXX of 2001 on the Capital Market.
<b>CEO:</b>	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.

## 2. JOINT RULES APPLICABLE TO THE COMMITTEES

- 2.1. Mandates entitling for membership in the Committees is determined by the Board of Directors in accordance with the rules included in this Order.
- 2.2. Mandates entitling for membership in the Committees are obtained by Issuers and Exchange Members, not natural persons. All the companies obtaining a mandate shall name a concrete natural person who has appropriate professional experience regarding the work of the Committee and who will represent in the Committee the company obtaining the mandate. Instead of the appointed person, with a written statement sent to the Stock Exchange, the company obtaining the mandate has a right to appoint another person to participate in the work of the Committee. The member appointed by the company has the right to delegate a proxy instead of themselves while previously informing the Stock Exchange. The authorization shall be in a written form, submitted to the chairman of the Committee meeting and attached to the Committee minutes. With a regular authorization, the proxy has full power of representation, and has a right to vote for and on behalf of the principal.
- 2.3. The composition of the Committees is reviewed every three years; the new composition of the Committees is approved by the Board of Directors every three years and at the latest the last Board of Directors meeting previous to the first Committee meeting in the new cycle. Mandates entitling for membership in the Committees are valid until the mandates specified by the Board of Directors on the basis of the next review. All announcements regarding mandates entitling for membership in the Committees shall be published in accordance with the provisions of the Disclosure Regulations.
- 2.4. The ranking order in accordance with the criteria entitling for Committee mandates is determined by the CEO.
- 2.5. In the event that the same ranking is achieved by several Exchange Issuers or Exchange Members, it is determined by the Board of Directors which company obtains mandate entitling for membership in the Committees. In such a case, all the companies achieving the same ranking are requested by the CEO to nominate a candidate.
- 2.6. Exchange Issuers and Exchange Members obtaining mandates in the Committees are requested in writing by the CEO to name the person representing them. The companies obtaining mandates in the Committees shall notify the CEO of their candidates in writing within 8 (eight) days of reception of the request.
- 2.7. Exchange Members and Exchange Issuers obtaining mandate in the Committees are not obliged to accept their mandate entitling their participation in the Committees, and they may at any time waive their right to participate in the Committees with a written notification sent to the CEO. Also, in the event that the respective Exchange Issuer or Exchange Member fails to notify the CEO of the name of its candidate until the

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deadline specified in 2.6, it shall be considered that the Exchange Member or Issuer does not wish to exercise its mandate.

- 2.8. In the event that any of the companies obtaining mandate in the Committees does not wish to participate in the work of the Committees (including the case when due to failure to name the candidate until the deadline it shall be considered as such, according to 2.7), then the right to participate in the Committee is obtained by the company next in the ranking order for mandates in the Committees.
- 2.9. The ranking order for mandates in the Committees and the names of the persons nominated by the companies listed in the ranking order are submitted to the Board of Directors at its meeting under section 2.3 by the CEO.
- 2.10. The Board of Directors has the right to reject the member nominated by the company obtaining mandate in the Committees at any time after the appointment – including at the time of the review of the composition of the Committees and at any time before the expiry of the term of the mandate – in duly justified cases, in particular, if the Board of Directors decides that the appointed person lacks the necessary professional experience regarding the tasks of the given Committee, or if the appointed person uses or has used the membership in a manner incompatible with the purpose or dignity of the Commission, or if the appointed person did not attend in person or by way of proxy at least half of the Committee meetings held in that year. In the event that the Board of Directors rejects the person nominated by the company obtaining a mandate in the Committee, the Exchange shall request the company via e-mail to nominate a new member within 8 days from the receipt of such notification. In the event of failure to comply with the deadline, the provisions of Section 2.8. shall apply *mutatis mutandis*.
- 2.11. The Board of Directors has the right to decline the granting of a mandate to a company that is entitled under the above rules, or withdraw the mandate before it expires, in duly justified cases, in particular, if the company concerned has been severely sanctioned by the Supervisory Authority or the nominated person has been rejected by the Board of Directors at least twice within a calendar year. In case of this point, the provisions of Section 2.8. shall apply *mutatis mutandis*.
- 2.12. The Board of Directors also has the right to delegate members to all the Committees. The Board of Directors may exercise this right at any time, both during the review of the composition of the Committees and after the review, before the expiration of the mandates of the Committees. The Board of Directors is entitled to delegate no more than three other members to the Committees and these members may only be persons independent of the Exchange, the Exchange may not delegate any of its employees or officials as members of the Committees. When selecting the members delegated by the Board of Directors, the Board of Directors shall take into consideration the balanced representation of the market. The nomination by the Board of Directors is personal, the member thus nominated may only participate in person in the work of

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the respective Committee, and the Board has the right at any time to nominate another person instead of the person delegated.

- 2.13. An additional member is delegated by the Exchange to each Committee who has no right to vote.
- 2.14. Within the framework of the Order, the Committees are free to set and accept their respective rules of procedure, provided that the chairman shall submit the rules of procedure to the Board of Directors within 30 (thirty) days of its approval.
- 2.15. Members nominated by the companies obtaining mandate in the Committees shall attend at least half of the meetings held in the given year in person or by way of a proxy, otherwise the Board of Directors has the right to withdraw the mandate for membership in the Committee in the following year from the company nominating the member even if the company meets all the criteria necessary for the mandate entitling for membership in the Committee.
- 2.16. The company obtaining a mandate in the Committee loses its mandate if its Exchange Membership or its capacity as an Issuer is terminated. In the event that the mandate of the company obtaining a mandate in the Committee is terminated prior to the following review of the composition of the Committees, this circumstance does not require the modification of the composition of the given Committee. However, when justified, the Board of Directors may decide to replace the Committee members on the basis of the order formed during the previous review, in compliance with the rules of this chapter.

### 3. REPRESENTATION OF THE INTERESTS OF EXCHANGE ISSUERS

- 3.1. 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.
- 3.2. The Listing Committee consists of a minimum of nine and a maximum of twelve members, who are appointed by the Board of Directors on the basis of section 2.13 of this Order and the following rules.
- 3.3. Each of the issuers of the shares of the 4 (four) biggest weight in the closing BUX basket of the year preceding the review of the composition of the Committees receives a mandate entitling for membership in the Listing Committee.
- 3.4. Both issuers of the shares of the 2 (two) biggest weight in the closing BUMIX basket of the year preceding the review of the composition of the Committees receive a mandate entitling for membership in the Listing Committee.
- 3.5. In the event that any of the four Exchange Members obtaining a mandate for membership in the Listing Committee under 3.3 also obtained a mandate for membership in the Committee under 3.4, then the mandate is obtained by the next company in the ranking order according to 3.3.
- 3.6. Each of the 2 (two) Exchange Members which conclude the most Public Transactions in accordance with the “Regulations of the Budapest Stock Exchange for Listing, Continued Trading and Disclosure” obtains a mandate for membership in the Listing Committee as regards the shares and bonds listed on the Stock Exchange in the 5 calendar years preceding the review of the composition of the Committees. The Public Transactions shall be disregarded if the Exchange Member is engaged in a transaction issued by an Affiliated Company of the Exchange Member, or if the Exchange Member becomes subject to insolvency or bankruptcy proceedings in the period of time described in this section. The Exchange evaluates the Public Transactions of shares and bonds separately in the calculations set out in this Section. Regarding the calculation set out in this Section, the Public Transactions shall be counted as one if it was concluded



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by Exchange Members that are Affiliated Companies as defined in the CMA. If the above condition is met, these Exchange Members may obtain a joint mandate.

- 3.7. If the given company is both an Exchange Issuer and Exchange Member, it becomes entitled to mandates both under Sections 3.3 - 3.5 and under Section 3.6, therefore, it is entitled to separate mandates based on both its status as an issuer and exchange member.
- 3.8. A maximum of two additional members may be delegated to the Committee by the Board of Directors if considered necessary.
- 3.9. The Chairman of the Committee is elected from among the members of the Committee by a simple majority.
- 3.10. The Committee holds its meetings as necessary, but at least once in each calendar quarter.

#### **4. REPRESENTATION OF THE INTERESTS OF EXCHANGE MEMBERS**

- 4.1. The interests of the Exchange Members are represented by the Chairman of the Trading Committee, elected in accordance with the rules included in this chapter.
- 4.2. The Trading Committee consists of a minimum of nine and a maximum of twelve members, who are appointed by the Board on the basis of Section 2.13 of this Order and the following criteria.
- 4.3. A mandate is obtained for membership in the Trading Committee by each of the first 6 (six) Exchange Members on the spot market turnover list preceding the review which have a right to trade in at least one stock exchange sections, with the condition that the market turnover of the Exchange Members which are affiliated companies as defined in the CMA shall be counted as one. If the above condition is met, these Exchange Members may obtain a joint mandate.
- 4.4. A mandate is obtained for membership in the Trading Committee by each of the first 2 (two) Exchange Members on the list of transaction fees payable in the derivatives and commodities sections on the basis of annual turnover preceding the review which have a right to trade in at least two stock exchange sections.
- 4.5. In the event that any of the six Exchange Members obtaining a mandate for membership in the Trading Committee under 4.3 also obtained a mandate for membership in the Committee under 4.4, then the mandate is obtained by the next company in the ranking order according to 4.3.
- 4.6. A maximum of three additional members may be delegated to the Committee by the Board of Directors if considered necessary.
- 4.7. The Chairman of the Committee is elected from among the members of the Committee by a simple majority.
- 4.8. The Committee holds its meetings as necessary, but at least once in each calendar quarter.

## 5. REPRESENTATION OF THE INTERESTS OF THE INVESTORS

### **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. Representative Bodies who registered themselves with the CEO at least 3 months prior to the publication of the announcement of the Exchange calling for the election of the 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 Representative Bodies 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 of those eligible to vote are in favour of the person by a simple majority. During the voting procedure, each Representative Body is entitled to 1 (one) vote for either every 100 (one hundred) member or HUF 10,000,000,000 (ten billion) in assets, whichever the respective organisation opts for. Should the Representative Body 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 management renewal General Meeting.
- 5.8. At least 15 (fifteen) days prior to the date of the next management renewal 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

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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 management renewal 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 termination 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.

**6. ISSUES WITHIN THE SCOPE OF TASKS OF THE MARKET PLAYERS'  
ORGANISATIONS**

**Representation of the interests of Exchange Members and Exchange Issuers**

- 6.1. The Exchange sets out the rights and duties of the Exchange Members and the Exchange Issuers in the Regulation (within the framework specified by the Capital Markets Act and other laws) taking into consideration the opinion of the persons representing the Exchange Members' and Exchange Issuers' interests.
- 6.2. Prior to the approval or amendment of the rules of trading on the Exchange and the rules for suspension of trading, the Board must obtain the opinion of the person representing the Exchange Members' interests.
- 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 person representing the Exchange Issuers' interests.

**Representation of Investor interests**

- 6.4. 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.