OPERATING MANUAL

Version No. 7
Effective as of granting an authorisation under CSDR
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PART I – INTRODUCTORY PROVISIONS

Part 1
Position of Central Depository, Subject of Operating Manual and its Binding Nature

1. Central Securities Depository Prague, with its registered office at Rybná 14, 110 05 Prague 1, ID No.: 25081489, is a joint-stock company entered in the Commercial Register kept on file at the Municipal Court in Prague, Section B, Insert 4308 (hereinafter the “Central Depository”).


3. The Operating Manual of the Central Depository (hereinafter the “Operating Manual”) is issued in accordance with Art. 43 of CSDR. The Operating Manual governs the conditions relating to the provision of the Central Depository’s services, the rights and responsibilities of the Participants and other persons to whom the Central Depository’s services are rendered, as well as other matters related to the Central Depository’s activities.

4. The Central Depository, the participants of the Central Depository (hereinafter the “Participants”), the issuers of dematerialised financial instruments held in the Central Register of dematerialised securities or in the Independent Register and the owners or other persons entitled to the investment instruments registered under Art. 202a and the persons who keep records relating to the Central Register shall comply with the Operating Manual. When providing the information under Art. of the Capital Market Trading Act, the Operating Manual is also binding on the persons who keep the Independent Register of investment instruments. The Operating Manual is binding on other persons, if thus it arises from the generally binding legal regulations.

5. The provisions of the Operating Manual shall apply with necessary modifications to the Independent Register of the Central Depository, or for the records related to the Independent Register, unless a special legal regulation stipulates otherwise.

6. If this regulation uses the term dematerialised security, the provision will also apply to bonds representing a share in collective bonds registered in the Independent Register of the Central Depository, in immobilised securities registered in the Central Register of the Central Depository or in investment instruments which cannot be considered dematerialised securities and which is registered in the Independent Register of the Central Depository, unless provided otherwise or unless it follows from the law or the nature of the provision that the provision can only apply to dematerialised securities.

Part 2
Effectiveness and Publication of Operating Manual

1. The Operating Manual including any amendments hereto becomes effective upon the publication at the website www.cdcp.cz, unless the Central Depository specifies otherwise. The Central Depository shall publish the Operating Manual including any amendments hereto also in the Newsletter of the Central Depository (hereinafter “Newsletter”). The Central Depository shall also publish proposals for amendments to the Operating Manual in the Newsletter, at least 30 days prior to the effective date of such amendments to the Operating Manual, unless this is not possible for serious operational reasons.

2. The current version of the Operating Manual is posted on the Central Depository website at www.cdcp.cz and shall also be publicly available for consultation from 9am to 4pm in the central office of the Central Depository.

Part 3
Scope of the activities of the Central Depository (list of services)

1. In accordance with CSDR, the Central Depository provides these basic services:

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1 Decree 58/2006 Sb., on keeping separate records of investment instruments
1. Settlement-related services, for example:
   a) Organising a securities lending mechanism, as an agent among participants of a securities settlement system;
   b) Providing collateral management services, as an agent for participants in a securities settlement system;
   c) Settlement matching, instruction routing, trade confirmation, trade verification.

2. Services related to registration and the Central Register, for example:
   a) Services related to shareholders' registers;
   b) Supporting the processing of corporate actions, including tax, shareholders' meetings and information services;
   c) New issue services, including the allocation and management of ISIN codes and similar codes;
   d) Instruction routing and processing, fee collection and processing and related reporting.

3. Establishing links between central depositories, providing, maintaining or operating securities accounts in relation to the settlement, collateral management and other supplementary services.

4. Any other services, for example:
   a) Providing general collateral management services as an agent;
   b) Providing regulatory reporting;
   c) Providing information, data and statistics to market/census bureaus or other governmental or inter-governmental entities;
   d) Providing IT services.

3. The Central Depository may provide the following non-banking supplementary services to support the security, efficiency and transparency of the securities market which are explicitly listed in Section B of CSDR Annex:
   a) Administer the payment of securities, the return of securities and the payment of yields from securities,
   b) Arrange the deposit and administration of investment instruments for the issuer and its participants, and
   c) Services related to underwriting of issues.

4. Within the above defined list of services, the Central Depository shall in particular:
   a) Maintain the central records of dematerialised securities (hereinafter the “Central Register”) on the owners’ accounts and customers’ accounts within the meaning of Art. 92 of the Capital Market Trading Act,
   b) Maintain the separate records of investment instruments within the meaning of Art. 93 of the Capital Market Trading Act (hereinafter the “Independent Register”),
   c) Maintain records of the issues of dematerialised securities within the meaning of Art. 94a of the Capital Market Trading Act (hereinafter the “Issue Records”),
   d) Maintain records of account owners,
   e) Maintain records of changes in the accounts,
   f) Maintain records of data relating to dematerialised securities,
g) Allocate and cancel identification for investment instruments according to the International Securities Identification Number system for the identification of securities (ISIN), and make changes to the registered data of allocated ISIN;

h) Assign a Legal Entity Identifier (LEI) to legal entities,

i) Provide data to comply with the disclosure duty under Art. 115 of the Capital Market Trading Act.

5. The settlement of trades involving investment instruments is regulated by the UNIVYC Settlement System Rules (hereinafter the “Settlement Rules”). The current version of the Settlement Rules is posted on the Central Depository website and shall also be publicly available for consultation during office hours in its central office.

6. The list of activities (services) rendered by the Central Depository is published on its website.

Part 4
Terms and Conditions regarding Service Provision

1. Central Depository services may only be ordered by the following persons, to the extent and under the terms and conditions stipulated by the Capital Market Trading Act and the Operating Manual:

   a) Participants;

   b) Persons referred to in Art. 97 (1) of the Capital Market Trading Act. The persons referred to in Art. 97 (1) (e) of the Capital Market Trading Act submit their orders via a Participant;

   c) The persons referred to in Art. 115 (1) as regards a request for the provision of data;

   d) Issuers.

2. The Participant submits only those orders for the services of the Central Depository, which the Participant is entitled to submit under the Participation Agreement and the contractual relationship with the account owner. The issuer submits only those orders for the services of the Central Depository, which the issuer is entitled to submit under the agreement on the records of issue of dematerialised securities in the Central Register or the agreement on the records of issue in the Independent Register (hereinafter the “Issue Records Agreement”). The Participant or issuer may continue to submit orders which they are entitled to submit directly based on generally binding legal regulations.

3. Prior to submitting orders to the Central Depository, the Participant shall ensure the admission and proper check of documents on the basis of which an order for an entry in the register is made, and provide the Participant’s authority to request the Central Depository services. It is required to properly archive these documents for at least 10 years from the end of the calendar year in which the data is entered in the register.

4. The Participant submits orders for services in electronic form via the communication link, the conditions of which are specified in separate regulations of the Central Depository, unless the Operating Manual stipulates otherwise, or unless the Participant and the Central Depository agree otherwise. The Central Depository informs the Participant about the execution of an order in an electronic form, via the communication link.

5. The issuer gives orders to implement services in accordance with the terms and conditions stipulated in the Issue Records Agreement entered into between the Central Depository and the issuer.

6. The persons referred to in paragraph 1 (b) and (c) submit orders for services through their data boxes. If data boxes cannot be used, the persons may submit orders for services in written form by a postal licence holder, courier service or in person in the Central Depository office, unless otherwise stipulated in the Operating Manual or the agreement between the person concerned and the Central Depository. Persons referred to in paragraph 1 (c) and (d) may enter into an agreement with the Central Depository under which they will be entitled to submit some orders through ISB (see Art. 28).

7. The Central Depository is not responsible for the accuracy, completeness or timely submission of orders submitted by the authorized persons according to paragraph 1 in the respective register.

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2 Participant’s communication connection to the Central Depository or the SWIFT Communication Manual
8. The Central Depository receives orders for the implementation of the service in the order in which they have been delivered. The orders entered in the matching module are submitted after matching for settlement to be performed in accordance with the Time Schedule of the Settlement System, attached to the Settlement Rules.

Part 5
Price Terms of Services

1. The Central Depository provides the services for consideration defined in the Central Depository Price List (hereinafter the "Price List"), together with the specification of the terms of payment, or in connection with the contractual arrangements. The Price List also includes the List of Tariffs for the Settlement of Material Costs relating to the provision of data from the register of investment instruments in accordance with Art. 115 of the Capital Market Trading Act.

2. The Price List is approved by the Board of Directors of the Central Depository. The current version of the Price List and all amendments thereto must be published in the Newsletter and on the website of the Central Depository, at least 40 calendar days prior to the effective date thereof.

3. The period referred to in the preceding paragraph may be waived if such change only concerns the amount of incurred material costs. Such changes shall be published by the Central Depository at least 15 calendar days prior to the coming into effect thereof.

4. The time limits referred to in the preceding paragraphs may be waived if the effective date of the legislation which has caused any change in the price list does not make it possible to comply with the prescribed time limits.

5. The participants, issuers, persons maintaining the follow-up records, unclassified account owners, and other persons to whom the Central Depository renders its services shall pay consideration for the services rendered within the meaning of paragraph 1 of this Article.

Part 6
Central Depository Newsletter and Website

1. The Central Depository issues its Newsletter.

2. The Central Depository publishes the following information in the Newsletter:
   a) Changes in the list of the Participants;
   b) Amendments to the Operating Manual, Settlement System Rules and Price List,
   c) Information relating to record keeping and settlement;
   d) Other information relating to the operations of the Central Depository and its relationship with Participants.

3. The Central Depository provides the Newsletter to all participants in electronic form at least once a week.

4. The Central Depository shall publish the following information on its website:
   a) The current version of the Operating Manual, the Settlement Rules and their implementing rules,
   b) The current version of the Price List,
   c) Information about the issue of dematerialised securities maintained in registers;
   d) Annual reports;
   e) Statistical data regarding the volumes and quantities of investment instruments settled within the Central Depository’s Settlement System.

Part 7
Definition of Terms and Abbreviations Used

The terms given in the Operating Manual have the meanings as ascribed to them below:
1. CNB – the Czech National Bank means an administrative authority in the area of the capital market, within the meaning of Act 15/1998 Sb., on the supervision of the capital market, as amended, and the competent authority within the meaning of Art. 11 of CSDR;

2. Identifier – a unique identification number, i.e. a personal ID number of a Czech citizen, an identification number (ID No.) of a legal entity registered in the Czech Republic. The identifier is also an alternative identification number assigned by the Securities Centre or the Central Depository (AIN);

3. ISB – information system of the Central Depository (Information Service Broker);

4. ISIN – an identification designation according to the international numbering system for the identification of securities (International Securities Identification Number).

5. Follow-up records – records relating to the Central Register or records relating to the Independent Register;

6. Unclassified account – an account within the meaning of Art. 202a of the Capital Market Trading Act that the Central Depository took over as of the date of transfer of Securities Centre’s records and that was not allocated to the participant under a contractual relationship.

7. AIN – alternative identification number allocated in accordance with Article 20;

8. Authorised person - a person entitled by the Central Depository to submit an order for the execution of services in accordance with this Operating Manual or the generally binding legal regulations;

9. The person authorised to provide information – the person referred to in Art. 115 of the Capital Market Trading Act, authorised to provide data from the records.

10. Civil Code – Act No. 89/2012 Sb., the Civil Code, as amended. PC OMF – participation certificate (unit) in an open mutual fund;

11. SDR – the suspension of an owner’s disposal right to an investment instrument kept in records as defined in Art. 97 of the Capital Market Trading Act;

12. PRN – a participant’s registration number assigned by the Central Depository;

13. Record date – the day designated by law or specified by the issuer of the dematerialised security on which – following the day closing and on the basis of the balance on accounts as of the day closing – the rights associated with the dematerialised security come into effect together with changes in the records in connection with stock events involving securities. If the record date is not an accounting day, the day closing of the immediately preceding accounting day is decisive for the application of rights and the organisation of stock events;

14. Contractual relationship with the account holder – the contractual legal relationship between the Participant and the person for whom an account is operated, opened on the basis of a written agreement and authorizing the Participant to submit orders in the Participant’s name on behalf of the account owner to the Central Depository;

15. Accounting day – a period covering the settlement process and the execution of entries in the register, starting at 5:45pm of a business day and ending at 5:45pm of the next business day. Accounting day is every business day, unless otherwise specified by the Central Depository in the Newsletter.

16. Primary Issue Settlement – initial crediting of dematerialised securities on the accounts;

17. Day closing – termination of the registration of changes during the accounting day concerned in the registries, and the issuing of final account balances.


Terms defined in the Operating Manual will be used in related implementing regulations.
PART II – PARTICIPANT OF THE CENTRAL DEPOSITORY

Part 8
Participant of the Central Depository

1. In accordance with Art. 2 (19) of CSDR, a participant of the Central Depository (hereinafter the “Participant”) is a participant in the Settlement System operated by the Central Depository. The conditions for the establishment and termination of participant’s participation and rights and obligations are governed by the Settlement Rules. The list of participants can be found at www.cdcp.cz.

2. In accordance with Art. 95a of the Capital Market Trading Act, the Participant submits orders to the Central Depository for:
   a) Opening or closing an Asset Account,
   b) Making changes to an Asset Account,
   c) Performing a service.

3. Without the Participant’s order, the Central Depository will make an entry in records by order of
   a) An issuer in accordance with Art. 94a (1) of the Capital Market Trading Act, if related to entry into Issue Records, or
   b) A person in accordance with Art. 115 (1) of the Capital Market Trading Act if authorised by another legal regulation, or
   c) A regulated market operator, a multilateral trading facility operator or a settlement system operator within the meaning of Art. 96 (5) of the Capital Market Trading Act if an investment instrument is transferred on a regulated market or in a multilateral trading facility.

PART III – RULES FOR KEEPING RECORDS OF DEMATERIALISED SECURITIES

Part 9
Registration of Persons

1. The Central Depository maintains the records of persons who have ownership or other legal relationships with the investment instruments maintained in the Central Register or Independent Register, and the record of persons who are according to Art. 97 (1) (a) to (e) of the Capital Market Trading Act entitled to submit orders to enter the SDR. The records of persons serve as ancillary records in relation to the register of dematerialised securities.

2. Orders for the registration of persons with an ownership or other legal relationships to the investment instruments, or who are third parties within the meaning of Art. 97 (1) of the Capital Market Trading Act, in records, changes in the data of a person and the deletion of a person shall be submitted by the Participant.

3. The registration of persons listed in Art. 97 (1) (a) to (d) of the Capital Market Trading Act, changes in the data of a person and the deletion of a person shall be carried out by the Central Depository.

4. Each person is registered in the register of persons under the relevant identifier.

5. The records of persons contain the following identification data:
   a) As for legal entities, the business name or another name, registered office, identifier, country of registration of the company for tax purposes, and correspondence address if different from the address of registered office, and the type of person (domestic or foreign);
   b) As or individuals, the first name and surname, academic degree, date of birth, place of residence, country of residence for tax purposes, identifier, and correspondence address if different from the address of the place of residence, and type of person (domestic or foreign).
6. When entering a new person in the register, the Central Depository shall check whether the person has already been entered in the register and whether the same identifier has not been allocated to another person. If another person is registered under the same identifier, the Participant shall request the Central Depository for the allocation of an AIN to the newly registered person under Art. 10 (2).

7. In an order for a change of data in the records of persons, the Participant shall specify the person’s identifier and the current identification data, to the extent according to paragraph 5. The participant changes the data in the records at the request of the account owner after the submission of documents proving the change, or if it detects a change in data in another credible manner, in particular in relation to its activities.

8. If a change is made to the person’s identifier, the Participant to which this person notifies such a change shall send an order to the Central Depository for the registration of the change in the record of persons with the new identifier, and shall send an order for the opening of a new account for the person with a new identifier and an order to transfer dematerialised securities to this account. At the same time, an order shall be placed with the Central Depository for the deletion of this person with the original identifier from the register of persons, and the deletion of the empty account. The account shall be deleted according to Article 25 (2).

9. The Central Depository shall delete the person from the register of persons on the basis of an order submitted by the Participant that has entered into the contractual relationship with such a person. The Central Depository shall delete the person only if the person does not have any dematerialised securities registered on the account or does not have any other legal relationship to the dematerialised securities.

10. The Central Depository is not liable for any damage incurred as a result of incorrect, false or incomplete data in the order for registration or the deletion of a person, or a change in the identification data in the record of persons.

**Part 10**

**Allocation of Alternative Identification Numbers**

1. If any individual who is not a citizen of the Czech Republic and has not an ID number allocated for the Czech Republic or any legal entity that has not been allocated with an identification number (ID No.) in the Czech Republic is to be entered in the register of persons, the Central Depository shall allocate an AIN to the person at the request of a Participant.

2. The Central Depository shall also allocate an AIN to a person with the duplicity of personal identification numbers or company identification numbers.

3. The AIN shall only serve for the purposes of the Central Depository’s records and follow-up records.

4. The Central Depository is not liable for any damage incurred as a result of incorrect, false or incomplete data in a request for the allocation of an AIN.

**Part 11**

**Accounts**

1. The Central Depository keeps records of dematerialised securities in the accounts maintained for:
   a) The account owners who are, unless the opposite is proven, the owners of the dematerialised securities on this account - owner's account;
   b) The account owners who are not the owners of dematerialised securities registered on this account - customer account. The person maintaining the follow-up records according to the Capital Market Trading Act is the customer account owner. The account is used for recording the dematerialised securities of owners who have entrusted them to the account owner.

2. The Participant may give an order to open an account only for a person that is registered in the records of persons (hereinafter the “Account Owner”).

3. The account is identified by:
   a) PRN;
   b) The identifier of the person for which it was established;
c) The account number;

d) The “type of account” used by the Participant to specify whether this is
   
i. An account of an owner who is a Participant;
   
ii. An account of an owner who is the client of a Participant;
   
iii. A customer account.

4. The owner’s account registers the following data:
a) ISIN of dematerialised securities or of independently transferrable right,
b) The number of dematerialised securities,
c) An indication of the limited transferability of dematerialised securities as determined by the issuer,
d) The data regarding the SDR,
e) The data of the co-owner of dematerialised securities and the size of its share,
f) An indication of whether the dematerialised securities or the owner’s account are pledged,
g) The data regarding the manager or another person entitled to exercise the rights associated with the dematerialised securities, and details regarding the person who is the lien creditor,
h) The bank account number.

5. The customer account is used for recording the data under the previous paragraph, except for the data under (d) to (h). If these data are recorded in the customer account, they are of no legal significance and are not provided in the extract from the Issue Records.

6. The number of the account according to paragraph 3 (c) is the account registration number (RCMACP), under which the account is maintained in the records of the Securities Centre, the number of the account maintained in the Independent Register of the Central Depository, or the number newly allocated by the Central Depository.

7. If the Account Owner has another person registered as the manager or a person authorised to exercise the rights associated with the dematerialised securities, that person is authorised to represent the owner in the exercise of the rights attached to the dematerialised securities recorded in the account.

8. If the Account Owner has the bank account number recorded with its account, the number is provided in extracts from the Issue Records of issuers of dematerialised registered shares where the list of their shareholders is replaced by the records.

Part 12
Opening of Accounts as of Date of Securities Centre Register Acceptance

1. The Central Depository has opened an owner’s account without an order for everyone who has been registered as the Account Owner, as of the date on which the Securities Centre register is transferred to the Central Depository, on the account maintained by the Securities Centre (hereinafter the “Unclassified Account”). At the same time the Central Depository has entered such a person in the register of persons. The accounts maintained by the Securities Centre, on which no dematerialised securities are maintained, have not been entered in the register of the Central Depository (with the exception of so-called special accounts maintained by the Securities Centre).

2. The Unclassified Account has the same number as assigned in the Securities Centre. The Central Depository has assigned unified PRN to Unclassified Accounts.

3. In relation to Unclassified Accounts, the Central Depository shall only accept and implement the orders:

a) To enter a one-off transfer of all dematerialised securities between two accounts of the same owner, i.e. from an Unclassified Account to an account opened by the Participant, if an order is submitted by the Participant with whom the owner has entered into a contractual relationship relating to one of the accounts;
b) Given by a Participant to register the transfer or passage of dematerialised securities to the account maintained by the Participant;

c) To register the establishment or termination of a right of lien established otherwise than through a contract or to register the establishment or termination of SDR based on the order submitted by the person in accordance with Art. 97 (1) (a) to (d) of the Capital Market Trading Act;

d) Given by a Participant under an instruction of a lien creditor to cancel the registration of a right of lien to the dematerialised securities on an Unclassified Account;

e) Given by an issuer to register any change in the Issue Records;

f) Given by a Participant to transfer dematerialised securities in order to exercise a right of lien under a special legal regulation, provided that the transferee has the account opened through the Participant.

**Part 13**

**Opening an account**

1. Unless the Operating Manual stipulates otherwise, the Central Depository shall open an account on the basis of an order submitted by a Participant, under the terms and conditions stipulated by the Capital Market Trading Act and the present Operating Manual.

2. Upon an order given by a Participant, the Central Depository shall open a customer account for each person who is in accordance with the Capital Market Trading Act entitled to keep the follow-up records and who demonstrates technical readiness to keep the follow-up records and fulfil the disclosure duties pursuant to Article 28.

3. If the owner of the customer account is not a Participant, the order for the opening of a customer account and other orders disposing of the customer account and the dematerialised securities maintained on the account shall be submitted via the Participant.

4. The Participant submitting an order to open a customer account must verify the authorization of the person concerned to maintain follow-up records. The Participant is also required to request the person authorised to maintain follow-up records to specify the correspondence address in the Czech Republic or a country where the delivery of documents relating to the exercise of the state supervision is guaranteed.

5. An account has been opened by the allocation of the account number.

6. Each order to open an account must contain the following:

   a) PRN;

   b) An Account Owner’s identifier;

   c) An account type within the meaning of Article 21 (3) (d).

7. Any person may open and maintain multiple accounts in the Central Depository’s register.

8. The orders to change the identification data regarding the person for whom the account is maintained may only be submitted to the Central Depository by the Participant who has submitted the order to open the account in question.

**Part 14**

**Customer Account Owner’s Obligations**

1. The customer account owner is obliged to keep the follow-up records on the owners’ accounts; in the case of records relating to the Independent Register, on the customer accounts if such account is owned by a person referred to in Art. 93 (3) (e) and (f) of the Capital Market Trading Act who keeps the follow-up records under any foreign legal regulation.

2. In particular, the customer account owner is obliged to keep the owner’s account at least within the scope of data pursuant to Article 24 and through the Participant:

   a) Provide the Central Depository with data according to Article 33 (2) for the purpose of an extract from the issue records,

   b) Request an AIN according to Article 10 from the Central Depository,
c) Reflect changes in the follow-up records, effected on the basis of stock events according to Section X,

d) Provide data, at the request of the Central Depository, regarding the owners of accounts maintained in follow-up records, and the dematerialised securities in accounts registered to the extent defined in Art. 115 of the Capital Market Trading Act,

e) Provide the Central Depository on request with daily data obtained from follow-up records, serving for compliance with the statutory obligation to calculate six-month average prices for dematerialised securities admitted for trading on the regulated market in the Czech Republic, within the meaning of the provisions of Art. 43 of Act No. 104/2008 Sb., on takeover bids, as amended,

f) Maintain and develop a system for keeping follow-up records, so as to ensure the operational consistency with the Central Register and other follow-up records.

3. If a customer account is closed, its owner is obliged to:

a) Continue to provide the Central Depository with the data from the records under paragraph 2 (a) and (d) of this Article, or

b) Request the Central Depository to transfer the historical records made within the legal time limits for the obligatory preservation to the Central Register where the Central Depository will thus fulfil the legal obligations for the Account Owner under a concluded agreement.

4. The method of transferring the historical records to the Central Depository will be determined by the agreement. The transfer of historical records and provision of information shall be made by Central Depository for consideration.

5. The customer account owner is obliged to comply with the provisions of the Operating Manual regulating the keeping of records. The customer account owner is liable for any damage caused by maintaining follow-up records incorrectly or by any incorrect or incomplete information within the records.

Part 15
Specifications of Owner’s Account Maintained in Follow-up Records

The owner’s account kept in the follow-up records must contain at least the Account Owner’s identifier and data in the scope and with the structure pursuant to Article 11 (4).

Part 16
Cancellation of Account and Procedure upon Termination of Contractual Relationship

1. The Central Depository may only cancel the any account if there are no dematerialised securities kept on it.

2. The Central Depository will cancel an account on the basis of an order submitted by the Participant who has opened the account on the basis of an order submitted to the Central Depository, unless the Capital Market Trading Act or the present Operating Manual require otherwise.

3. If no dematerialised security is registered on an account during a period of one year, the Central Depository may ask the Participant to submit an order for the cancellation of the account. Unless the Participant asks for the account to be preserved within one month following the receipt of such request, the Central Depository shall be entitled to close this account.

4. Orders under paragraph 2 shall include:

a) PRN;

b) The account number;

c) An Account Owner’s identifier.

5. An Unclassified Account may be cancelled by the Central Depository if no dematerialised security is registered on the account.

6. The Participant who terminates a contractual relationship with the Account Owner is obliged to transfer dematerialised securities, by owner’s order, to the account established by the Participant
with whom the owner has entered into a new contractual relationship. Until the transfer of the
dematerialised securities to a new account, the termination of the contractual relationship shall not
have any legal effects with respect to the Central Depository.

PART IV - PROVISION OF ACCOUNT DATA

Part 17
Notification of Account Number

1. The Central Depository shall notify the Participant who has requested for the account to be opened
of the account number. The account number and registration number of participant (PRN) constitute
the unique identification of the Asset Account in the records of CSD Prague.

2. The Central Depository shall notify the Unclassified Account number to the Participant that has been
authorised by the Account Owner or the Account Owner’s legal successor.

3. In accordance with Art. 115 of the Capital Market Trading Act, the Central Depository shall notify the
person entitled to receive data of the account number at such person’s request.

4. Orders for services under paragraphs 3 and 4 shall include the following data:
   a) An Account Owner’s identifier;
   b) A date of birth of an individual, unless the identifier is known to the Applicant for the service;
   c) Business name or the name and registered office of the Account Owner, being a legal entity, or the
      first name and last name and permanent address of the Account Owner, being an individual.

Part 18
Account Extract

1. The Central Depository will always issue the extract of the account to the owner of the account
opened by the Participant via the Participant. The extract from the follow-up records is issued to
the Account Owner by the person maintaining the follow-up records. The Central Depository will
provide the Account Owner with an extract from the Unclassified Account through the Participant
or by delivering the extract pursuant to paragraph 8 of this Article.

2. The Central Depository will provide an extract as of the closing of the requested day.

3. In addition to data about the Account Owner, the extract contains the following information:
   a) The registration number of the Participant who has opened the Asset Account or an indication that
      it is an Unclassified Account (PRN 598),
   b) The number of dematerialised securities of individual kinds and issues, or of independently
      transferrable rights, identified through ISIN;
   c) Data on the registered SDR;
   d) An indication of the limited transferability of dematerialised securities as determined by the issuer,
   e) Data regarding the manager or another person entitled to exercise the rights associated with the
dematerialised security;
   f) The data of the co-owner of dematerialised securities and the size of its share,
   g) An indication of whether the dematerialised securities is subject to a right of lien and details
      regarding the person who is the lien creditor;
   h) Bank details for the purposes of paying the share in profits of the joint-stock company for which
      CSD Prague maintains a list of shareholders, the date as of which the extract is issued;
   i) The date on which the extract is issued.

4. The Participant or the customer account owner will provide the owner of the account opened by
the Participant with an extract at the owner’s request or under the terms and conditions stipulated
in the applicable agreement between the Participant and the Account Owner. The frequency of issuing extracts and the form of delivery shall be subject to the contractual relationship.

5. The Central Depository shall always send an extract from the account to the account owner via the Participant following the correction of an error within the meaning of Art. 98 (4) of the Capital Market Trading Act. This extract shall include a justification of the changes made. This shall be without prejudice to the provisions of Article 71 (2).

6. If an error is corrected in an Unclassified Account, the Central Depository shall provide the Account Owner with an extract, including the justification of the changes made.

7. The Unclassified Account Owner may ask the Participant or directly the Central Depository in writing to issue an extract. The Central Depository will issue for the owner of an Unclassified Account an extract through a Participant or be delivered a balance statement to the registered office of the place of residence of the Account Owner in the Czech Republic and the Slovak Republic as registered in the records, or the address in the Czech Republic or the Slovak Republic as indicated by the applicant for the extract in the respective application.

8. A written request of the Account Owner for an extract from the Unclassified Account addressed to the Central Depository shall be delivered to the registered office of the Central Depository and include the certification of the authenticity of the signature. The form application is available on the website of the Central Depository. The extract issue is subject to charges according to the Price List.

9. A statement may at the written request of an Unclassified Account Owner also be issued by each Participant who has verified the requesting person’s authorisation to request such services and the identity of such person. A statement from an Unclassified Account shall be delivered to the Participant by the Central Depository upon the Participant’s order. The order to issue a statement from an Unclassified Account must contain:

a) The account number if known to the Account Owner;
b) An Account Owner’s identifier;
c) A date of birth of an individual, unless the identifier is known to the Applicant for the service;
d) Business name or the name and registered office of the Account Owner, being a legal entity, or the first name and last name and permanent address of the Account Owner, being an individual;
e) The date as of which the statement is to be issued.

10. If multiple accounts are identified on the basis of an order submitted pursuant to the previous paragraph, the Central Depository shall provide the Participant with information for the issue of the statement from all such accounts.

11. The Participant may also provide the Account Owner, the opening of which has been ordered by the Participant, with a Change Statement from the account containing information regarding the changes made to the account. The scope of the provided information is determined by the Participant, at the Account Owner’s request.

12. The Central Depository shall provide the Participant with background data for the Change Statements. The Change Statement from the account will be issued on the basis of a statement from the register of balances in the accounts processed as of the day closing. The statement of balances contains data to the extent of the data provided in the statement, sorted by the accounts opened pursuant to an order submitted by the relevant Participant.

13. The Participants will obtain a statement of balances from the Central Depository containing only the data from the accounts opened for the Participant in the Central Depository.

14. The customer account owner shall guarantee compliance between the data maintained in the follow-up records and the data in the statement of balances of the customer account. If the data maintained in the follow-up records differ from the data provided in the statement of balances of the customer account, the data from the statement of balances shall be considered decisive.

15. The Central Depository shall issue, through a Participant, to the lien creditor at its request a statement from the Central Register, which will include the dematerialised securities pledged in its favour. The statement will include any other rights of lien encumbering the dematerialised
securities, including the order of the rights of lien. The order to issue the statement must contain the identifier of the lien creditor.

16. The Central Depository will confirm, at the request of the lien creditor, the accuracy of the statement issued through the Participant who is a lien debtor or pledger of the dematerialised securities contained in the statement. This request should be addressed to the operations division of the Central Depository and shall contain a statement or a copy of the statement drawn up by the Participant.

Part 19
Provision of Data from Records and Documents

1. The records of the Central Depository are not public. Under the conditions laid down in Art. 115 of the Capital Market Trading Act, the Central Depository shall provide an authorised person with the data from the records and documents which it is required to keep under Section 99a (1) of the Capital Market Trading Act, based on a written or an electronic application, unless a different method of application is agreed.

2. The application may be filed
   a) In documentary form by delivery to the registered office of the Central Depository. The application shall bear an official seal with a national emblem, if used that person, a signature clause with a legible first name, last name and title, and a signature. In the event that the Applicant does not use an official stamp with a national emblem, the authenticity of the applicant’s signature must be certified;
   b) In electronic form by delivery to the e-mail box of the Central Depository. Each applications must bear a recognised electronic signature;
   c) In electronic form by delivery to the data box of the Central Depository;
   d) In electronic form by means of ISB, where the authorised person have access under an agreement concluded with the Central Depository. The draft agreement on the use of ISB is available on the Central Depository’s website.

3. The Central Depository furnishes the authorised person with the data from the records basically in the same manner as was requested. However, if the application is received in documentary form or in the e-mail box of the Central Depository, the data is delivered to the e-mail box of the authorised person, if possible or if any other method of delivery is agreed.

4. The application of the person authorised to receive information must include the data according to which the Central Depository may identify the Account Owner the provided data relates to. These data include:
   a) As for individuals, the first name and surname, identifier or the date of birth and address of the place of residence,
   b) As for legal entities, the business name or name, identifier, and the registered office.

5. The Central Depository shall in principle provide data by the deadlines specified in the application. If it is impossible to provide the Central Depository with any data by the required date for operational or technology-related reasons, the authorised person in question shall be informed of the date by which the data will be provided.

6. The customer account owner is obliged to provide authorised persons with data from follow-up records maintained by the customer account owner through the Central Depository at its request. Unless the customer account owner is a Participant, the Central Depository shall submit a request for the provision of data via the Participant who has ordered the opening of the customer account, and the account owner shall render the data via the same Participant to the Central Depository. In addition to ensuring that the application is handed over to the customer account owner, the Participant is obliged to deliver to the Central Depository the data within two business days following the date of receipt of the application. If there are any technical or other obstacles to processing and sending the data, the participant shall immediately notify the Central Depository of that state, stating the reason and the expected date of removal of such obstacles. The Participant is liable for any damage incurred as a result of the failure to timely meet the disclosure duty.
7. The Central Depository shall provide the data also for the persons maintaining the Independent Register of investment instruments if an agreement for the provision of information has been signed with such person.

8. For the provision of data, the Central Depository is entitled to reimbursement of incurred material costs. In accordance with Decree 212/2010 Sb., on the method of specifying the amount of incurred material expenses and the method of their settlement for the provision of data by the Central Depository and the person in charge of the Independent Register of investment instruments, the Central Depository shall determine at least once per year the amount of incurred material expenses and publish it in the Price List. Reimbursements will vary according to the complexity of the applications filed and the time needed to process them. The methodology of the determination of material costs incurred is made available on the website of the Central Depository.

PART V - ISSUE RECORDS OF DEMATERIALISED SECURITIES

Part 20
Terms and Conditions of Issues Records of Dematerialised Securities

1. The Central Depository keeps for the issuer of dematerialised securities the Issue Records based on the Issue Records Agreement.

2. The Central Depository will not conclude an Issue Records Agreement regarding dematerialised securities issued under the law of another state if the Central Depository does not provide this service in relation to dematerialised securities issued under the law of trading companies or similar legal regulations of the respective state.

3. The authorisation to submit the requests for services shall be properly proved and demonstrated by the issuer by documents.

4. The issuer of dematerialised shares admitted to trading on a regulated market shall notify the Central Depository of the ordinary and extraordinary shareholders’ meeting, without undue delay after the publication of the invitation on the issuer’s website. The issuer sends the information via e-mail or in another agreed manner. The information includes the date and place of the shareholders’ meeting and a link to the website of the issuer. The Central Depository shall publish a notice of the shareholders’ meeting on its website.

Part 21
Information to be Included in Entry and Issue Records

1. The entry of the issue of dematerialised securities (hereinafter the "Issue") in the Issue Records shall be performed on the basis of the Issue Records Agreement and any amendments thereto. There is no legal entitlement to the signing of the Agreement. The issuer and persons representing the issuer shall be identified and checked before the conclusion of the Agreement if prescribed by legal regulations governing the measures against money laundering and the financing of terrorism.

2. The draft Issue Records Agreement and the draft amendment to the agreement on the entry of new issue (hereinafter the "Draft") are posted on the Central Depository website.

3. The Draft includes:
   a) The identification of the issuer:
      i. Business name or name, registered office of the issuer;
      ii. Identifier;
      iii. The amount of the issuer’s registered capital;
   b) The information about future dematerialised securities:
      i. ISIN;
      ii. Issue title;
iii. The kind and form of dematerialised securities;
iv. The volume of the issue and the currency in which the issue is maintained;
v. The nominal value of dematerialised securities if determined;
vi. The number of the dematerialised securities to be issued;
vii. An indication of the limitation of the transferability of the dematerialised securities;
viii. Bond yield data, if determined,
ix. Other details, if required under the applicable legal regulation, especially the data on the separately transferable rights and their separation.

4. The issuer’s Draft shall be accompanied by:
   a) A copy of a Czech National Bank’s decision approving the dematerialised security prospectus, or the issue conditions, if necessary in accordance with the legal regulations;
   b) A power of attorney for the registration of issue and the registration of dematerialised securities in the accounts for the representative of the issuer with a certificated authenticity of the signature of the persons authorised to act for the issuer if the issuer is not represented by its governing body;
   c) The investment fund status.

5. Unless they have already been included in the dematerialised security prospectus or the issue conditions, the issuer shall also provide the Central Depository with the following documents:
   a) A binding declaration regarding the issue date, not later than 4 business days prior to the date;
   b) A binding declaration regarding the interest rate of dematerialised bonds, for the next following yield period, not later than 2 business days prior to the issue date.

6. The Central Depository is authorized to request additional information regarding an issue, forming the subject of the application, if such data are essential for the entry.

7. The Central Depository will enter the data to the extent of paragraph 3 in the issue records. The Central Depository shall publish the information regarding the entry of the issue records in the Newsletter, without undue delay.

8. The Central Depository may at the issuer’s request enter the issue in the issue records prior to the issue date, if the other necessary conditions are duly complied with; however, no order to credit the dematerialised securities to the accounts may be executed prior to this date.

9. During the issue in the Central Register, the issuer shall forthwith notify the Central Depository in writing about all changes to the data according to paragraph 3 of this Article. The issuer’s notification shall also include documents proving the change. Pursuant to the notification, the Central Depository shall amend the data regarding the issue in the Central Depository’s register.

10. By entering the issues in the issue records, the Central Depository does not assume any obligations arising from the registered dematerialised securities and does not become liable for any damage arising as a consequence of the fact that the issuer has not provided information regarding the facts critical for the entry in the register or for the execution of stock events involving dematerialised securities, in a due and timely manner.

Part 22
Primary Issue Settlement

1. The Central Depository will arrange for the issue of dematerialised securities by crediting to accounts (hereinafter the “Primary Issue Settlement”) on the basis of an issuer’s order, in accordance with the Issue Records Agreement.

2. The issuer shall submit orders for the Primary Issue Settlement:
   a) In writing, using the forms published within the Central Depository’s website; or
   b) By submitting a data entry phrase directly in the Central Depository via the Participant;
   c) Through an ISB using an access certificate.
3. The Central Depository shall arrange for the Primary Issue Settlement by the issue of dematerialised securities against payment (hereinafter the “Primary DVP Issue Settlement”) only via participants.

4. In connection with the Primary Issue Settlement, the issues must be entered in the Issue Records based on the issuer’s order submitted at least five accounting days prior to the settlement date, unless agreed upon otherwise. The Issuer shall also submit to the Central Depository the list of accounts opened by the participants for which dematerialised securities will be issued. It is not possible to settle the primary issue by crediting to unclassified accounts.

5. The order for the Primary Issue Settlement shall bear a signature with its authenticity certified and include:
   a) ISIN;
   b) The number of dematerialised securities,
   c) Account Owner information,
      i. An identifier, the number and type of the account of an account owner;
      ii. Identification of the Participant (PRN) who submitted the order for the opening of the account in the Central Depository for the Account Owner and who, as regards the Primary DVP Issue Settlement, will arrange for the payment for the applicable number of dematerialised securities credited to the account;
   d) An indication of whether dematerialised securities will be issued by settling the primary DVP issue or only by issuing a dematerialised security (DFP),
   e) The issuer’s money account number in the case of Primary DVP Issue Settlement,
   f) Information on monetary amounts for dematerialised securities in the case of Primary DVP Issue Settlement,
   g) The date of the Primary Issue Settlement.

6. The order for the Primary DVP Issue Settlement may also include the identification of a replacement Account Owner in case any of the Account Owners concerned fails to settle the rate of issue for the issued dematerialised securities.

7. The Central Depository shall notify the Participant who provides the Account Owner with Primary DVP Issue Settlement of all requirements of the issue of dematerialised securities in accordance with the Settlement Rules at least one day before the settlement.

8. The Central Depository shall transfer the amounts for the issued dematerialised securities immediately to the cash account specified by the issuer.

9. The issuer is responsible for the accuracy and completeness of the information given in the order. The applicant is also responsible for the damage caused by submitting incorrect, incomplete or late orders.

10. The Central Depository shall bear responsibility for the Primary Issue Settlement in accordance with the issuer’s order.

11. In the case of the Primary DVP Issue Settlement, the Participant from whose account the payment will be made to the issuer against the issue of dematerialised securities confirms the accuracy and completeness of the data specified in the order relating to account owners.

12. The Central Depository shall credit PC OMF to the account and buy back PC OMF from the account pursuant to an order submitted by the issuer in analogy with this article. The Central Depository does not provide for the Primary DVP Issue Settlement or PC OMF termination against the payment of the purchase or resale.

Part 23
Extract from Issue Records
1. The Central Depository shall issue extracts from the issue records:
   a) At the issuer’s request;
b) Pursuant to a request of the Czech National Bank under Art. 94a (3) of the Capital Market Trading Act,
c) Upon notification of the issuer in the conversion of dematerialised securities to securities (Art. 537 of the Civil Code),
d) In other cases stipulated by the law.

2. The extract shall contain details regarding the owners of the accounts on which the dematerialised securities of the given issue are kept as of the required date of the extract, together with the data regarding the numbers of the dematerialised securities kept on such accounts. Details regarding the owners of the accounts are provided to the extent of the record of persons. The extract further contains:
a) Data regarding the owners of the accounts kept in the follow-up records and the number of dematerialised securities kept on such accounts;
b) Data regarding the manager or another person entitled to exercise the rights associated with the dematerialised securities.
c) Data regarding the lien creditor, the right of the lien creditor to attend the shareholders’ meeting, and the person or persons entitled to receive yields, if any specified, to the extent maintained in the records of persons in the case of pledged dematerialised securities and the data on the number of dematerialised securities to which the right of lien relates;
d) Numbers assigned to dematerialised securities if the extract is drawn up for the purposes of drawing pursuant to Art. 527 of the Business Corporations Act;
e) Details regarding SDR,
f) Bank details for the purposes of paying the share in profits of the joint-stock company if the Central Depository maintains a list of shareholders for the issuer.

3. The applicant requesting the extract may limit the scope of data contained in the extract according to the preceding paragraph by requesting the relevant service.

4. The Central Depository shall issue extracts following the closing of the day as of which the extracts are to be issued.

5. The date and the method of the delivery of the extract must be specified upon agreement with the Central Depository. Depending on the volume of the issue and the number of accounts on which it is maintained, the processing of an extract may request up to three business days following the closing of the day during which the extract is to be issued, or from the closing of the day during which the Central Depository confirmed the acceptance of the request for an extract as of a historic date.

6. The customer account owner is obliged to provide the Central Depository at its request with the data needed to produce an extract without undue delay and no later than two business days following the date on which the request was received. If there are any technical or other obstacles to processing and sending the response, the Participant maintaining the customer account shall immediately notify the Central Depository of that state, stating the reason and the expected date of removal of such obstacles. The manner of delivery of data from the follow-up records must be in accordance with the technical and subject-matter requirements of the Central Depository.

7. If the Account Owner is not a Participant, the Participant maintaining the customer account shall provide the Central Depository with assistance, i.e. submit a query regarding the data to the Account Owner and deliver the data to the Central Depository in such time and form that the conditions according to paragraph 6 are complied with.

8. Requests for an extract are submitted using a standardised form in documentary form, electronically with a recognised electronic signature available on its website, by delivering to the data box or using the ISB and a certificate issued by the certification authority. If a request for an extract is submitted in writing, it must be signed by the persons authorised to act on behalf of the Issuer and the authenticity of their signature must be certified if the request for an extract is not delivered in person.

9. Such applications for an extract shall include in particular:
a) ISIN;
b) The date on which the extract is to be issued;

c) The scope of the required data;

d) The form of extract and the method of delivery.

10. The extract may have the following form:

a) Electronic with an electronic signature provided with a time stamp; or

b) Documentary.

11. The Central Depository shall deliver extracts:

a) By means of ISB;

b) By personal acceptance of the extract in documentary or electronic form by a person authorised to act on behalf of the issuer or a person authorised to take delivery of the extract at the registered office of the Central Depository,

c) By registered letter in documentary or electronic form.

12. The Central Depository shall deliver the extract without undue delay, usually on the business day following the day on which the extract is issued.

13. If an extract designated for personal collection is not collected from the Central Depository’s central office within 7 business days following the date of issue or another agreed date, the Central Depository shall discard this extract, unless agreed otherwise.

Part 24
Deletion of Dematerialised Securities in Records and Cancellation of Issue Records

1. Upon the termination of a dematerialised security, the Central Depository deletes it from the records. The dematerialised securities may be deleted with the cancellation of the entire issue or by the deletion of a certain number of dematerialised securities without cancelling the issue records.

2. The Central Depository shall cancel the registration of the respective issue or delete the dematerialised securities from the records at the request of an authorised person for the reasons set out in the legal regulations. The authorised person is obliged to file an application on the dates as specified by the legal regulations or immediately after the occurrence of the fact justifying the cancellation of the Issue Records or the deletion of the dematerialised securities from the records. The Central Depository shall cancel the issue records especially:

a) As a result of the conversion of dematerialised securities into securities;

b) Based on a written order of the liquidator to cancel the dematerialised shares of the company within the meaning of Art. 551 of the Business Corporations Act;

c) Based on the court’s decision;

d) At the written request of the issuer who acquired all the dematerialised bonds of its issue before the maturity date and who has decided that they terminate upon the acquisition or that the rights and obligations arising from the dematerialised bonds will terminate on the maturity date;

e) At the written request of the acquiring company if the issuer ceased to exist as a result of the merger.

3. The application according to paragraph 2 shall include the following:

a) The identification of the issuer:

i. The business name or name and registered office of the issuer;

ii. Identifier;

b) The information about dematerialised securities:

i. ISIN;

ii. Issue title;

iii. The volume of issue or its part;
iv. The date on which the issue is to be cancelled or the dematerialised security deleted.

c) Documents proving the justification of the cancellation of the Issue Records or deletion of a dematerialised security.

4. The Central Depository may cancel the Issue Records or delete any dematerialised security especially if the issuer has been dissolved without a legal successor.

5. Together with the cancellation of the issue records, the Central Depository shall cancel the ISIN, in accordance with the terms and conditions specified in Article 50. ISIN may not be cancelled in the case of an issue at the request of the issuer if dematerialised securities have been converted to securities.

6. The Central Depository shall publish the information regarding the cancellation of issue records in the Newsletter.

7. If issue records are to be cancelled on the basis of an issuer’s request, the issuer shall - in accordance with an extract from the issue record, inform all parties involved about the cancellation of the issue. If an issuer fails to comply with the disclosure duty in a due and timely manner, the issuer shall be responsible for any resulting damage.

PART VI – RIGHT OF LIEN, SUSPENSION OF RIGHT OF DISPOSAL

Part 25
Establishment of the Right of Lien

1. A contractual right of lien relating to dematerialised securities is established upon the recording of this right of lien on the owner’s account. The origination, change, and termination of a right of lien to the securities in the custody of the Central Depository registered in the Independent Register are governed by the applicable legal regulations.

2. A contractual right of lien to the dematerialised securities may not be registered in relation to the dematerialised securities for which the SDR is registered.

3. A right of lien arising from a decision of a public authority and a statutory right of lien to the dematerialised securities are registered by the Central Depository or the customer account owner on the owner’s account identifying the date of its origination. If the notification of the origination of this right of lien is delivered to the Central Depository, the Central Depository shall forward it to the customer account owner if such customer account owner is known to it, otherwise the sender shall be informed.

4. The Central Depository must not make entries of rights of lien from the moment specified in the Settlement Rules and in the rules of other Settlement Systems as the moment of irrevocability.

5. An additional right of lien may be registered to the pledged dematerialised securities. Each right of lien is identified by an individual registration number allocated by the Central Depository and the Participant or any public authority is obliged to use such number for all the orders related to the given right of lien.

6. If there is any subsidiary right of lien to the dematerialised securities, the Participant shall perform, based on the order of the sub-pledger or subsidiary lien creditor, the registration in the records in a similar manner as the registration of the right of lien, indicating the time of the origination of the subsidiary right of lien and the registration number of the right of lien to which the subsidiary pledge relates to.

Part 26
Entry of Contractual Right of Lien

1. The Central Depository shall enter the contractual rights of lien on the basis of orders submitted by the Participant.
2. The Participant who has opened an account on which the right of lien to the dematerialised securities is to be entered submits the order to enter a contractual right of lien at the request of the lien creditor, lien debtor or pledger. With the request for registration, these persons shall provide the Participant with an original or a certified copy of the pledge agreement.

3. The lien debtor, lien creditor, and personal debtor must be entered in the register of persons, same as the person entitled to yields and the person entitled to attend the general meeting, if appointed.

4. The order to register a right of lien must include:
   a) PRN;
   b) The number of the asset account on which the dematerialised securities are to be pledged;
   c) Account type (Article 21 (3) (d)),
   d) An Account Owner’s identifier;
   e) ISIN;
   f) The number of dematerialised securities to be pledged; should the already pledged dematerialised securities be pledged, the order should also contain an unambiguous determination of the dematerialised securities to be pledged again,
   g) An identifier of the lien creditor;
   h) A person entitled to yields, if appointed;
   i) The amount of the debt or the agreed amount of satisfaction of the lien creditor arising from the pledge, the debt maturity period, if known, and the duration of the right of lien.

5. An optional data is the personal debtor’s identifier and an identifier of the person entitled to attend the shareholders’ meeting.

Part 27
Change in Entry of Contractual Right of Lien

1. Data relating to a contractual right of lien may only be changed in the register on the basis of an order submitted by the Participant. The Participant places this order upon request of the lien creditor, lien debtor, personal debtor or the pledger. With the request, these persons shall provide the Participant with a document proving the requested change. Where specified by the applicable legal regulations, a change of the contractual right of lien means the termination of the existing right of lien and the origination of a new right of lien, even though the right of lien is identified by the same registration number.

2. An order to change the registration of the right of lien contains the same data as required under Art. 26, paragraphs 4 and 5.

Part 28
Registration of Right of Lien Based on Decision of Public Authority

1. The order to register a right of lien based on a decision of a public authority in the records of the Central Depository is submitted to the Central Depository by a public authority in accordance with the law primarily in electronic form through data boxes. The orders to register a statutory right of lien must be accompanied by an enforceable decision of the public authority that ruled on the enforcement of the statutory right of lien.

2. The order concerning the dematerialised securities referred to in paragraph 1 shall include the name of the concerned public authority, being the lien creditor, the date of termination of the right of lien, and other similar data under Art. 26.

3. A documentary order to register a right of lien must bear an official stamp with the national emblem, if used by the public authority, and a legible signature clause and the signature of the authorised person.

4. Electronic orders to enter a right of lien must be delivered to the data box of the Central Depository or must be submitted in a format determined by the Central Depository and provided with a
recognised electronic signature. The electronic form of the order can be downloaded from the Central Depository’s website.

5. The Central Depository shall send electronically or in documentary form to the competent public authority the certificate of registration of the right of lien to the dematerialised securities together with the allocated registration number of the right of lien. The Central Depository may change the data relating to any right of lien based on a decision of a public authority in the records on the basis of a documentary or an electronic order containing the registration number of the right of lien. Such order to change the registered right of lien must be accompanied by an enforceable decision. The order to change the registration must be submitted to the Central Depository in the same manner as an order to register the right of lien under the preceding paragraphs.

**Part 29**

**Entry of Statutory Right of Lien**

1. The Central Depository shall enter a right of lien in the records, in its favour under Art. 202a (3) of the Capital Market Trading Act, to secure the due receivables arising from the payment for the services provided to the owners of the Unclassified Accounts in accordance with Art. 202a (1) and (2) of the Capital Market Trading Act if it is interested in exercising the statutory right of lien.

2. The entry of the right of lien in the records shall contain the designation of the Central Depository, being the lien creditor, the date of termination of the right of lien, and other similar data under Art. 26 (4).

**Part 30**

**Deletion of Right of Lien**

1. The Central Depository deletes a contractual right of lien in the records based on the Participant’s order or after the expiry of the registered period of duration of the right of lien.

2. An order may be submitted by the Participant through whom the account on which the right of lien to dematerialised securities is entered has been opened, upon request of the lien creditor, lien debtor, pledger or personal debtor. If the order to delete is not submitted by the lien creditor, it must be demonstrated to the Participant that any event occurred which is otherwise a reason to for the termination of the right of lien.

3. The order to delete a contractual right of lien shall include the following:
   a) The registration number of the right of lien;
   b) PRN;
   c) An identifier of the lien debtor;
   d) An identifier of the lien creditor.

4. The order to delete a contractual right of lien registered on any Unclassified Account may be submitted by a participant upon agreement with the lien creditor.

5. A written or electronic order to delete a right of lien based on a decision of a public authority is submitted by the public authority together with the specification of the right of lien registration number. Such order must be accompanied by an enforceable decision of the public authority that has decided to terminate the right of lien. The order to register the termination of the right of lien must be submitted to the Central Depository in the same manner as an order to register pursuant to Article 28.

6. The deletion of a statutory right of lien shall be performed by the Central Depository without undue delay after learning of its termination.

**Part 31**

**Right of Lien to Account**

1. The right of lien to an owner’s account (Art. 1333 of the Civil Code) arises upon the registration with the relevant owner’s account. A contractual right of lien shall be registered by the Central Depository based on a Participant’s order delivered by fax to the Operating Department of the Central Depository. A Participant’s order shall be accompanied by the pledge agreement based on which
the Participant submits to the Central Depository the order to register a right of lien to the account. Article 28 shall be applied with necessary modifications to the registration of the right of lien based on a decision of a public authority.

2. The lien debtor, lien creditor, and personal debtor, same as the person entitled to yields and the person entitled to attend the shareholders’ meeting, if appointed, must be entered in the register of persons.

3. Articles 26 to 30 shall be applied with necessary modifications to the registration, modification, and deletion of a right of lien to the account.

4. Should any dematerialised security be transferred from the pledged account with the previous consent of the lien creditor, the transfer results in the termination of the right of lien to the dematerialised security. Should any dematerialised security be transferred from the pledged account without the prior consent of the lien creditor, the right of lien to the account will change upon the transfer to a right of lien to individual dematerialised securities in relation to the transferees.

5. The order to transfer any dematerialised security from the pledged account, containing the data to be contained in the order under Article 36 (5) shall be given by a participant in writing to the Operating Department of the Central Depository. The Participant shall mention in the order whether it is the transfer of dematerialised security with the consent of the lien creditor or not. Regarding the transfer with the consent of the lien creditor, the Participant’s order shall be accompanied by an unconditional and a specific consent of the lien creditor on the basis of which the order to transfer is submitted by the Participant.

6. The order to delete a contractual right of lien to the account, containing the data to be contained in the order under Article 39 of the Operating Manual, shall be submitted by the Participant by fax to the Operating Department of the Central Depository. The Participant’s order shall be accompanied by a copy of the document demonstrating the termination of a right of lien to the account on the basis of which an order is submitted, unless it is an order based on request of the lien creditor.

Part 32
Suspension of Owner’s Right to Dispose of Dematerialised Securities

1. An order to enter the SDR in the Central Depository’s register and the follow-up records may be submitted by the persons referred to in Art. 97 (1) of the Capital Market Trading Act. The persons referred to in Art. 97 (1) (e) submit their orders via a Participant.

2. The Central Depository and the persons maintaining the follow-up records shall not enter a change in the owner by transfer or the entry of a contractual right of lien to the dematerialised securities where the SDR is entered, during the period of the SDR entry.

3. The SDR entry shall be cancelled in the Central Depository and the persons maintaining the follow-up records:
   a) Upon the expiry of the period for which the SDR was entered;
   b) Upon request of the person who has submitted an order for the entry of SDR; or
   c) Upon request of the person who proves the authority to cancel the entry of SDR.

4. If any pledged dematerialised securities are registered on the account together with non-pledged dematerialised securities of the same ISIN and the SDR is not to be entered for any dematerialised securities, the authorised person is obliged to identify for which dematerialised securities the SDR is registered. A similar procedure shall be followed with respect to dematerialised securities of the same ISIN to which various rights of third parties relate to.

Part 33
SDR Ordered by Public Authority

1. A documentary order submitted by a public authority or any person referred to in Art. 97 (1) (b) of the Capital Market Trading Act to register the SDR must bear an official stamp with the national emblem, if used by the public authority, and a legible signature clause and the signature of the responsible person.
2. An electronic order submitted by a public authority to register the SDR must be delivered to the data box of the Central Depository or provided with a recognised electronic signature. The electronic form of the order can be downloaded from the Central Depository’s website.

3. Orders to enter the SDR shall include the following:
   a) An Account Owner’s identifier;
   b) An identifier of a public authority;
   c) The date from which the SDR is to be registered;
   d) The period for which the disposal of dematerialised securities is suspended.
      The public authority shall also specify the following data, if known to it:
   e) PRN;
   f) The account number;
   g) ISIN;
   h) The number of dematerialised securities.

4. If the ISIN is not entered in the order, the Central Depository will enter the SDR for all dematerialised securities registered on the account.

5. If the number of dematerialised securities is not entered in the order, the Central Depository will enter the SDR for all dematerialised securities of the given ISIN.

6. The order to register the SDR for the whole issue of dematerialised securities includes:
   a) An identification number of a public authority;
   b) ISIN;
   c) The date from which the SDR is to be registered;
   d) The period for which the disposal of dematerialised securities is suspended.

7. The public authority may submit an order to enter the SDR with the Central Depository as well as for dematerialised securities on which the contractual or statutory right of lien is entered.

8. The Central Depository shall send electronically or in documentary form to the competent public authority the certificate of registration of the SDR to the dematerialised securities together with the allocated registration number of the SDR.

9. Any order of a public authority to cancel the registration of the SDR required by that authority must include:
   a) An identifier of the Account Owner unless the SDR is registered for the entire issue;
   b) An identifier of a public authority;
   c) The date on which the SDR is to be deleted, unless it is the date of delivery;
   d) SDR’s registration number.
      The public authority shall also specify the following data, if known to it:
   e) The date of registration of SDR;
   f) PRN;
   g) Account number.

10. A public authority may order the cancellation of the entry of SDR ordered by another person. Such order shall include the following:
   a) The account number;
   b) An Account Owner’s identifier;
   c) An identifier of the public authority submitting the order;
   d) An identification number of the person who submitted an order to register the SDR;
Part 34
SDR Ordered by Regulated Market and Settlement System Operator and Central Depository

1. An order to register and cancel the SDR may be submitted by the regulated market or a settlement system operator who has entered into an agreement with the Central Depository for the submission of orders to register in the dematerialised securities records maintained by the Central Depository.

2. An order to register the SDR shall include the following:
   a) A registration number of the regulated market or the Settlement System operator;
   b) The account number;
   c) An Account Owner’s identifier;
   d) The date from which the SDR is to be registered;
   e) The date of the SDR registration termination;
   f) ISIN;
   g) The number of dematerialised securities.

3. The Central Depository is entitled to register the SDR for dematerialised securities reserved by the lender for the system of loaning in accordance with the Settlement Rules.

Part 35
SDR Ordered by Third Party

1. An order to register and cancel the SDR submitted by a person specified in Art. 97 (1) (e) of the Capital Market Trading Act with the consent of the owner may only be submitted to the Central Depository via a Participant that has entered into a contractual relationship with the owner of the account on which the dematerialised securities concerned are kept.

2. Orders to enter the SDR shall include the following:
   a) PRN;
   b) The account number;
   c) An Account Owner’s identifier;
   d) ISIN;
   e) The number of the dematerialised securities for which the SDR is to be registered;
   f) The date from which the SDR is to be registered;
   g) The period for which the disposal of dematerialised securities is suspended.

3. The order to delete the SDR may only be given by a third party or the owner who demonstrates the consent of any third party to the deletion of the SDR. The order must contain the data under paragraph 2 (a) to (e) and the date from which the SDR is to be deleted.
PART VII - CHANGE OF DEMATERIALISED SECURITY OWNER

Part 36
Transfer of Dematerialised Securities

1. The transfer of a dematerialised security means a change in the dematerialised security owner effected on the basis of an agreement.

2. The Central Depository and the person maintaining the follow-up records shall register the transfer of a dematerialised security on the basis of an order to settle the transaction by transferring dematerialised securities.

3. An order for trade settlement by transfer may be submitted by the Participant, the regulated market operator, the multilateral trading facility operator or the Settlement System operator, by means of electronic communication and in accordance with the Settlement Rules.

4. The order for trade settlement by transfer may be matching or non-matching. Any non-matching order is submitted to the Central Depository by a participant who maintains the account on behalf of the transferor.

5. In order to settle, any matching order requires in addition to the order of the transferor’s Participant also an order of the transferee’s Participant, while it may be the same Participant. The matching order from the transferor and the transferee must specify the same ISIN, the number of dematerialised securities, the settlement date, and the settlement type code, and shall have an opposite direction of order.

6. The order for trade settlement by transfer must contain the data required by the Settlement Rules.

7. The Participant may not give an order to transfer a pledged dematerialised security to a new owner without the consent of the lien creditor in whose benefit the dematerialised security is pledged.

Part 37
Passage of Dematerialised Securities

1. The passage of a dematerialised security means a change in its owner effected on the basis of a legal deed other than an agreement.

2. An order to register the passage shall be submitted by the Participant or a public authority, or any person authorised to submit such order on the basis of a special legal regulation.

3. The Participant typically submits an order for the entry of the passage on the basis of a request placed by the transferee of the dematerialised security and the delivered documentation.

4. The order to register the passage must contain the following:
   a) PRN;
   b) ISIN;
   c) The number of dematerialised securities;
   d) An order direction (crediting or debiting the account);
   e) The settlement date;
   f) Legal grounds;
   g) An identifier of the transferor/transferee;
   h) The number of the account of the transferor/transferee;
   i) The duration of the order.

5. In the event of any passage to more transferees (co-owners) on the basis of inheritance proceedings, the Participant shall submit an order to register such fact in the register of securities. In the case of any passage of dematerialised securities recorded on an Unclassified Account to more transferees, the Participant shall ask the Central Depository to ensure the registration of
passage of the required number of dematerialised securities to the account of the transferee opened for the transferee by the Participant.

6. Unless the transferee is aware of the identity of the Participant that has submitted an order for the opening of an account on which the acquired dematerialised securities are registered, the transferee will opt for any Participant who will inquire with the Central Depository about the account in question by sending a query containing the following:

a) An identifier or the date of birth;
b) The first name, last name or business name of the previous Account Owner.

7. The Participant pursuant to paragraph 6 shall notify the passage of the dematerialised securities to the Participant that has submitted an order to open the account on which the dematerialised securities are registered and will provide the Participant with the original documentation. Both Participants will submit an order to the Central Depository, pursuant to which the passage will be registered. Both Participants shall provide adequate assistance in connection with the settlement of the passage.

8. If an order to register a change in the owner based on passage is submitted by a public authority directly to the Central Depository, the entry of the passage shall be entered by the Central Depository. If the passage applies to accounts in the follow-up records, the order to register the change of owner shall be submitted by the customer account owner upon the Central Depository’s request. The Central Depository shall inform the public authority of the execution of the order immediately after the passage has been effected or after the Central Depository has been informed of the order execution by the customer account owner. The owners of affected accounts shall be notified of the change of the registration by the person maintaining the account, the Central Depository does so via the Participant.

9. An order submitted by a public authority under paragraph 8 shall include:

a) The number of the account of the transferor and transferee;
b) An Account Owner’s identifier (the transferor and the transferee);
c) An identifier of a public authority;
d) ISIN;
e) The number of dematerialised securities;
f) The day of passage.

PART VIII – CODE ALLOCATION PRINCIPLES

Part 38
ISIN, CFI and FISN codes

1. In accordance with its permission and the obligations of a member of the Association of National Numbering Agencies – ANNA, the Central Depository assigns and cancels the identification according to the International Securities Identification Number system for the identification of securities (ISIN) and makes changes to the registered data of the assigned ISIN.

2. At the same time, the Central Depository allocates, cancels and makes the relevant changes in the register of CFI codes (Classification of Financial Instruments) and FISN codes (Financial Instrument Short Name).

3. When allocating and cancelling codes and when changing registered data, the Central Depository shall proceed in accordance with relevant ISO standards and ANNA recommendations.

4. The Central Depository shall publish any information on the allocation and cancellation of ISIN codes and changes of registered data of dematerialised securities recorded in the Central Depository’s registers without undue delay on its website.

5. The Central Depository is not liable for the accuracy of the information provided by the applicant for the allocation or cancellation or changes of the registered data.
Part 39
ISIN Allocation and Changes to Registered Data

1. The Central Depository shall allocate ISIN on the basis of the request of the issuer (hereinafter the “Applicant”), within 3 business days following the submission of the documents according to paragraph 3 of this Article.

2. The applicant shall submit a request for the allocation of ISIN in writing using a standardized form (hereinafter the “Application for the Allocation of ISIN”), together with the documents referred to in paragraph 3. The form of the Application for the Allocation of ISIN can be downloaded from the Central Depository’s website.

3. The Central Depository is entitled to request the submission of documents necessary for the proper allocation of ISIN or demonstrating the justification of the allocation of ISIN. Foreign issuers will submit documents that best correspond to the documents required from domestic issuers.

4. At the request of the issuer, the Central Depository will make changes to the registered data of the allocated ISIN codes together with the respective change in the Issue Records.

Part 40
Cancellation of ISIN

1. If the dematerialised security of the ISIN code concerned is not registered in the Central Depository’s records, the Central Depository shall cancel the ISIN code without undue delay at the request of the issuer, its legal successor or liquidator. In the cases under Article 31 (5), the Central Depository shall also cancel the ISIN at its own initiative.

2. These persons shall submit a request for the cancellation of ISIN in writing, using the standardised form of the Central Depository (hereinafter the “Application for the Cancellation of ISIN”), together with the documents proving the justification of the cancellation. The standardised form of the Application for the Cancellation of ISIN is available on the Central Depository’s website.

Part 41
The Central Depository is entitled to request the submission of other documents. Foreign issuers will submit documents that best correspond to the documents required from domestic issuers.

LEI codes

1. The Central Securities Depository acts as a local operator and allocates a unique Legal Entity Identifier (LEI) to legal entities. In doing so, it proceeds in accordance with the relevant ISO standard and Global Legal Entity Identifier Foundation (GLEIF) requirements.

2. The LEI allocation rules and application forms are published on the Central Depository’s website.

PART IX – KEEPING INDEPENDENT REGISTER

Part 42
Keeping Records of Foreign Dematerialised Securities

1. In order to settle receivables and debts arising from its participant’s trades in foreign dematerialised securities registered in other central depositories, the Central Depository shall become a Participant of these central depositories and open accounts with them (hereinafter the “Foreign Central Depository” or “FCD”).

2. The dematerialised securities credited to the Central Depository’s account with an FCD are kept on the accounts of owners or customers in the Central Depository’s Independent Register.

3. The Central Depository will only credit the dematerialised securities accepted on the CBL account to the account maintained by the Central Depository on the basis of an order placed by the Participant who has submitted an order for the opening of account. Such order shall in particular include:
a) PRN;
b) The account number;
c) An Account Owner’s identifier;
d) ISIN;
e) The number of dematerialised securities;
f) The date on which the dematerialised securities are to be entered on the account;
g) An identification of the transferor (the depositary from which the dematerialised securities are transferred or the transferor’s account number).

4. The Central Depository shall transfer dematerialised securities from a FCD account to another account with that or another FCD on the basis of an order submitted by the Participant. Such order shall in particular include:
a) PRN;
b) The account number;
c) An Account Owner’s identifier;
d) ISIN;
e) The number of dematerialised securities;
f) The date on which the dematerialised securities are to be debited from the account;
g) An identification of the transferee (the FCD to which the dematerialised securities are transferred, the transferee’s account number or name).

5. Orders according to paragraphs 3 and 4 may only be given to the Central Depository by a Participant that has access to the matching system.

6. The number of dematerialised securities of the given issue on the Central Depository’s account with an FCD, as of the day closing, must equal the sum of all dematerialised securities of such issue kept on the accounts maintained by the Central Depository.

7. If differences occur between the numbers of the dematerialised securities according to the previous paragraph, the Central Depository will precisely identify the cause of the differences in cooperation with FCD. If the FCD suspends the settlement of a certain issue due to reconciliation, the Central Depository shall suspend the settlement as well.

8. Foreign dematerialised securities maintained on the Central Depository’s account with an FCD are not owned by the Central Depository; they are kept separately from the Central Depository’s foreign dematerialised securities and are not included in its accounting books.

9. Other provisions of the Operating Manual for keeping the records of dematerialised securities also apply with necessary modifications to foreign dematerialised securities in the Central Depository’s Independent Register, unless a special legal regulation provides otherwise.

Part 43
Keeping Records of Certificated Investment Instruments

1. The Central Depository keeps the Independent Register of certificated investment instruments accepted in custody or secondary custody. In accordance with Art. 92 (4) of the Capital Market Trading Act, immobilised securities are recorded in the Central Register.

2. The Central Depository accepts certificated investment instruments in collective custody.

3. The Central Depository is authorised to deliver the investment instruments accepted in custody to the secondary custody. The secondary depositary may only be the person authorised to maintain an independent register (hereinafter the “Bank”) with which a deposit agreement has been concluded. The Central Depository publishes the name and address of the Bank on its website.

4. The Investment instruments for which it is possible to request the issuance of individual investment instruments from custody or it is possible to request the release from custody under the terms as set out in the issue terms and conditions are accepted by the Central Depository in custody from the
Participant through the Bank and then registered in the owner or customer accounts opened by the Participant based on the deposit note which shall include:

a) An indication of deposit;
b) PRN;
c) The account number;
d) An Account Owner’s identifier;
e) ISIN;
f) The number of investment instruments;
g) The date on which the investment instruments are submitted into custody;
h) The signature of the persons authorised to act on behalf of the Participant with the Central Depository.

5. The Central Depository shall issue the investment instruments to the Participant through a Bank following debiting investment instruments from the account of the owner for whom the investment instruments are to be released from the custody. The collection note which the Central Depository submits to the bank conducting the secondary custody according to paragraph 3 shall include the following:

a) An indication that release from the custody shall occur;
b) PRN;
c) The account number;
d) An Account Owner’s identifier;
e) ISIN;
f) The number of investment instruments;
g) The date of the collection of the investment instruments from the custody;
h) The signature of the persons authorised to act on behalf of the Participant with the Central Depository.
i) Signature of the Central Depository’s employees authorised to communicate with the Bank.

6. The number of the investment instruments of a given issue on the Central Depository’s account in the Bank, as of the day closing, must equal the total of all investment instruments of such an issue kept in the accounts maintained by the Central Depository.

7. The Central Depository and the bank shall check the balances of investment instruments according to the previous paragraph on a daily basis.

8. The investment instruments maintained on the Central Depository’s account in the Bank are not owned by the Central Depository; they are recorded separately from the Central Depository’s investment instruments and are not included in the company accounting books.

9. Other provisions of the Operating Manual for keeping the records of dematerialised securities also apply with necessary modifications to investment instruments in the Central Depository’s Independent Register, unless a special legal regulation provides otherwise.

Part 44
Administration of Register of Collective Bond Share Owners

1. The Central Depository keeps records of the collective bond share owners on the basis of an agreement with the issuer or the issue administrator. Collective bonds are certificated bonds which represent the sum of the bonds of the given issue, subscribed in the subscription deed within an issue deadline. Each collective bond is a separate issue (Art. 35 et seq. of Act 190/2004 Coll., on bonds).

2. The Central Depository shall arrange for the custody of collective bonds and for maintaining records of share owners in the Independent Register of the Central Depository.
3. The records of collective bond share owners are only kept within the owners’ accounts. The customer account owner is not authorised to register the transfer of a share in the customer account opened in the follow-up records.

4. The number of shares in a collective bond maintained within owners’ accounts must equal, as of the day closing, the total sum of all issued shares in the collective bond.

5. The collective bonds kept in the Central Depository are not owned by the Central Depository; they are kept separately from the Central Depository’s bonds and are not included in its accounting books.

Part 45
Keeping Records of Investment Instruments if Possible

The keeping of the records of investment instruments where their nature allows that shall be adequately regulated by the provisions of the Operating Manual which best correspond to such investment instruments.

PART X – STOCK EVENTS INVOLVING DEMATERIALISED SECURITIES

Part 46
Conversion of Securities to Dematerialised Securities and Vice Versa

1. When converting a security to a dematerialised security, the issuer and the Central Depository shall proceed in accordance with Art. 529 et seq. of the Civil Code.

2. Pursuant to an agreement with the issuer, the acceptance of the securities may be arranged for by the Central Depository. The Central Depository shall publish information regarding the acceptance of the securities and the deadlines thereof in the Newsletter and on the Central Depository’s website.

3. Upon the entry of an issue where the issuer has decided to convert a security to a dematerialised security in the Issue Records, the Central Depository and issuer shall proceed similarly to the issue of dematerialised securities (especially Article 21).

4. The issuer may request the Central Depository for the registration of dematerialised securities in the accounts only if the conditions set out in Art. 532 (1) of the Civil Code are complied with. The Central Depository will arrange for the registration of the dematerialised securities in the transferees’ accounts on the basis of an issuer’s order in accordance with the Issue Records Agreement.

5. An order to register in the accounts may also contain an indication to pledge the security to be converted, in the form of the registration number of the pledge. The Participant of the Central Depository who has opened an account to which the converted pledged securities are to be credited shall register at the request of the lien creditor or the lien debtor the pledge agreement and notify the payer of the registration number of the pledge. The Participant is entitled to request documents proving the occurrence of a right of lien and requirements for the pledge, in particular the pledge agreement or pledge endorsement, if such documents exist. The registration number shall subsequently be notified by the lien creditor or the lien debtor to the issuer who shall specify it in the order for the Primary Issue Settlement.

6. The Central Depository shall open, at the request of the issuer, a specific technical account, whose owner is the issuer, to register the dematerialised securities converted from the securities not released to the issuer or whose owner has failed to notify the issuer of the number of account even within an additional period.

7. Until the registration of the entire volume of an issue, the regulated market or the Participant of the Central Depository’s Settlement System must not submit an order to the Central Depository for the transfer of the dematerialised securities under the issue concerned for the settlement of a trade concluded on the regulated market.

8. If the issuer decides to convert dematerialised securities into securities, such decision shall be reported to the Central Depository without undue delay.
9. If the issuer in the notification according to the previous paragraph does not specify the date by which the extract from the Issue Records is required, the Central Depository shall set this date so that it is in accordance with the time limit under Art. 537 of the Civil Code. The date of extract from the Issue Records is the date since which no entry has been made regarding the dematerialised security the form of which is converted.

10. The date from which it is not possible to make any entries in the Central Depository’s records and the date determined by the issuer as of which the issue is cancelled shall be reported by the Central Depository to the European Regulated Market organiser in the Newsletter and on its website at least 5 days prior to the date on which the extract from the issue is drawn up.

11. The orders to change the owner of the dematerialised securities to be converted, which have not been executed as of the date of the closing of entries in the Issue Records, shall not be executed by the Central Depository or the customer Account Owner.

**Part 47**

**Payment of Yields from Dematerialised Securities**

1. The record date for the determination of the person entitled to the yield from a dematerialised security is the date specified by their issuer.

2. If thus determined in the Issue Records Agreement or another agreement entered into with the issuer, the Central Depository shall arrange for the payment of the yields for dematerialised securities maintained in its records. The Central Depository shall report the form of the yield payment in the Newsletter or also on the Central Depository’s website.

3. The Central Depository shall pay the yields from the securities and foreign investment dematerialised securities maintained in the Central Depository’s Independent Register on the basis of the terms and conditions set by the issuer and the foreign depository. The Central Depository shall transfer the yields to the owner of dematerialised securities via the Participant who has ordered the opening of the owner’s account or the customer’s account in the Independent Register of the Central Depository. The Participant shall pay the yields without undue delay to the Account Owners. The Central Depository shall report the form and conditions of the yield payment in the Newsletter.

4. If required by the conditions securing the payment of yields from foreign dematerialised securities maintained in the Independent Register of the Central Depository, the Central Depository is entitled to claim the yields which the Participant was to obtain from the foreign depository and which are due to the Central Depository for the payment of the yields to other Participants.

5. The form of the security of the yield payments and the related requirements of the Central Depository published in the Newsletter are binding on the Participants and any failure to comply will be considered a breach of the rules arising from the present Operating Manual. The Central Depository shall in particular be entitled to request from the Participants information about the address of the place of residence for tax purposes of the owners of dematerialised securities for the purposes of the correct taxation of yields.

6. The transfer of funds corresponding to the payment of the yields from dematerialised securities to the accounts determined by the Participants is conditioned by the payment of the yields by the issuer. If the Central Depository does not receive the expected amount or if the issuer reports - prior to the yield payment - the cancellation, suspension or partial fulfilment of the yield payments, the Central Depository shall immediately notify the Participants of this fact.

**Part 48**

**Repayment of Nominal Value of Dematerialised Bonds**

1. The record date for the determination of the person eligible for the repayment of the dematerialised bond nominal value or the payment of individual instalments of the dematerialised bond nominal value (hereinafter the “Dematerialised Bond Repayment”) shall be on the day determined by the issuer.

2. The Central Depository shall arrange for the repayment based on an agreement with the issuer.

3. The central depository shall ensure the repayment exclusively via the Participant with whom the Account Owner has entered into an agreement, without undue delay after the issuer allows for the repayment. The Central Depository shall make the payment of the corresponding amounts on the
basis of the statement from the Issue Records. The Central Depository shall report the form and conditions of the bond repayment in the Newsletter.

4. The Participant shall transfer the principal credited by the Central Depository to the payment account in favour of the Account Owner opened by the Participant without undue delay to the account of the owner or shall pay the principal without undue delay to the Account Owner in another manner.

Part 49
Issue Consolidation

1. The consolidation of issues means the joining of two or more dematerialised security issues maintained in the Issue Records into a single issue.

2. The record date as of which the consolidation of issues is performed is the date determined by the issuer. The Central Depository shall report the form of the consolidation of issues in the Newsletter at least 5 business days prior to the consolidation date.

3. The Central Depository shall perform the consolidation of the issues depending on the status of the dematerialised securities on the accounts, as of the closing of the record date. The Central Depository shall perform the consolidation of the issues as of the start of the accounting day following the record date:
   a) In the issue records;
   b) In the records of accounts on which the dematerialised securities to be consolidated are maintained;
   c) In all the orders to register the transfer or passage of dematerialised securities.

Part 50
Splitting of Dematerialised Securities

1. The splitting of dematerialised securities means an increase in the number of the dematerialised securities within the issue, together with a change in their nominal value, while maintaining the volume of the issue.

2. The record date as of which the splitting is performed is the date determined by the issuer.

3. The Central Depository shall perform the splitting depending on the status of the dematerialised securities on the accounts, as of the closing of the record date. The Central Depository shall report the form of the splitting in the Newsletter at least 5 business days prior to the splitting date.

4. The Central Depository shall perform the splitting as of the start of the accounting day following the record date:
   a) In the issue records;
   b) In the records of accounts on which the dematerialised security is maintained;
   c) In all the orders to register the transfer or passage of dematerialised securities.

Part 51
Change of Nominal Value of Dematerialised Shares

1. Changing the nominal value of dematerialised shares means changes in the nominal value of dematerialised shares maintained in the Issue Records while maintaining the number of shares in the issue. The order to change the nominal value must be accompanied by an extract from the Commercial Register proving the entry of the registered capital amount.

2. The record date for the change in the nominal value is the date determined by the security issuer.

3. The Central Depository shall perform with the change in the nominal value of dematerialised shares in the Issue Records as of the commencement of the accounting day following the record date. The Central Depository shall report the manner of the change in the nominal value of dematerialised shares in the Newsletter.
Part 52
Free Issue of Dematerialised Shares

1. Free issue of dematerialised shares means the increase in the number of dematerialised shares within an issue by means of issuing new dematerialised shares, free of charge, and distributing them among existing shareholders in the form of an increase in the issuer’s registered capital from the company’s own resources. The newly issued dematerialised shares are divided among the shareholders according to the ratio fixed by the issuer.

2. The record date for the free issue of dematerialised shares is the date determined by the issuer.

3. The Central Depository shall perform the free issue of dematerialised shares at the issuer’s request as of the start of the accounting day determined by the issuer:
   a) In the issue records;
   b) In the records of accounts on which the dematerialised share is maintained.

4. The Central Depository shall report the form of the free issue of dematerialised shares in the Newsletter.

Part 53
Separation of Right to Dematerialised Bond Yield

1. The Issuer may request the Central Depository for the registration of separability of yield from the dematerialised bonds in the Issue Records and for the allocation of ISIN to such right. Based on the Participant’s order, the Central Depository shall then separate the right to the yield from the respective dematerialised bond by performing the following on the specified account:
   a) Cancelling the required number of dematerialised bonds with coupons;
   b) Entering the same number of dematerialised bonds without coupons (hereinafter the “Separated Principal”);
   c) Entering all unpaid vouchers relating to the dematerialised bonds cancelled under clause (a).

2. The Participant’s order according to paragraph 1 shall include:
   a) PRN;
   b) The account number;
   c) ISIN of dematerialised bonds with coupons;
   d) The number of dematerialised bonds for which the right to yields should be separated.

3. The Central Depository shall separate the right for the dematerialised bond yield after the closing of the day on which the order is received.

4. The Central Depository shall, upon the Participant’s order, re-connect the separated principals with coupons, if the owner of coupons is also the owner of the separated principal. Such connection may only take place if the owner of the principal owns all coupons where the record date has not yet expired. The Central Depository shall proceed as follows by:
   a) Cancelling the required number of separated principals;
   b) Cancelling the corresponding coupons;
   c) Entering the dematerialised bonds with coupons in the number corresponding to the number of cancelled separated principals according to clause (a).

5. The Participant’s order according to paragraph 4 shall include:
   a) PRN;
   b) The account number;
   c) ISIN of dematerialised bonds with coupons;
   d) The number of dematerialised bonds where the separated principal should be reconnected with coupons.
6. The Central Depository shall reconnect the separated principal with coupons after the closing of the day on which the order is received.

7. The Central Depository shall proceed similarly to the procedure referred to in this article in the case of other rights, individually separable from dematerialised securities.

Part 54
Decrease in Registered Capital by Reducing Number of Dematerialised Shares in Issued

1. The Central Depository shall upon the issuer’s order reduce the number of dematerialised shares in the Issue Records and on accounts on which the dematerialised shares of the given issue are registered.

2. The issuer’s order according to paragraph 1 shall specify the record date by which the number of dematerialised shares shall be reduced, together with an exact instruction about how the dematerialised shares should be withdrawn from circulation.

3. If the dematerialised shares are to be withdrawn from circulation for consideration, the issuer’s order shall specify the form of the payment of the corresponding amounts.

4. The Central Depository shall report the form of a decrease in the registered capital by reducing the number of issued dematerialised shares in the Newsletter.

Part 55
Registration of Limited Transferability of Dematerialised Security

1. The Central Depository shall register the limited transferability in the Issue Records and account records, or cancel the registration, upon the issuer’s order.

2. The Participant who submits an order to the Central Depository to transfer or pledge shall check and archive the documents confirming the legitimacy of the transfer and pledging of dematerialised securities pursuant to paragraph 1.

Part 56
General Provisions regarding Stock Event Operations

1. Orders to carry out stock event operations shall be submitted by the issuer or another authorised person to the Central Depository at least three accounting days prior to the execution of the operation, unless the Operating Manual requires otherwise with respect to specific operations. For listed dematerialised securities, the period shall be at least 21 calendar days.

2. The stock event may be a combination of stock events specified in this part of the Operating Manual.

3. Before performing a stock event operation that is not regulated in this Operating Manual, the issuer is obliged to agree at first in writing on how to secure it with the Central Depository.

4. The Central Depository shall report the form and time limits of securing a specific stock event in the Newsletter and on the Central Depository’s website.

5. The stock events relating to investment instruments maintained in the Independent Register of the Central Depository shall be arranged by the Central Depository in accordance with the instructions of the issuer or a foreign depository; the Central Depository shall inform the Participants about how they are secured in the Newsletter.

6. The Central Depository shall always reconcile the data before initiating the stock event.

7. In accordance with the special regulation\(^3\), the Central Depository shall arrange for the settlement of the rights relating to dematerialised securities which the Participant has lost in connection with the suspended settlement of an exchange trade.

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\(^3\) Special regime for handling rights associated with dematerialised securities
PART XI – COMPLAINT PROCEDURE

Part 57
Scope of Complaint Procedure

1. The Complaint Procedure regulates the procedure relating to the filing and settlement of complaints regarding the services rendered by the Central Depository defined in the Operating Manual, the Settlement Rules, and other regulations of the Central Depository relating to the operations of the Central Depository within the meaning of the Capital Market Trading Act.

2. Corrections of errors within the meaning of Art. 98 of the Capital Market Trading Act shall not be deemed to constitute complaints.

Part 58
Persons Entitled to File Complaints

Complaints relating to the activities of the Central Depository may be filed by the persons to whom the Central Depository has rendered services or who have inquired about the Central Depository’s services (hereinafter the “Complaining Party”).

Part 59
Time Limits, Place and Requirements for Filing Complaints

1. Complaints relating to any breach of the Central Depository’s obligations must be filed within 30 business days immediately following the day when the service was or should have been provided. Complaints regarding the amounts billed must be filed within 30 days immediately following the invoice date. The Central Depository shall send the applicable invoices to the individual Participants within two calendar days following the invoice dates.

2. Each complaint shall be filed in writing by delivering a Complaint to the registered office of the Central Depository at Rybná 14, Prague 1, electronically with a secure electronic signature or by delivering it to the data box of the Central Depository.

3. The competent department of the Central Depository shall keep a book of complaints in which all filed complaints shall be entered, including the data regarding the outcome of the complaint procedure.

Part 60
Waiver of Failure to Comply with Time Limit

1. Should a Complaining Party fail to comply with the time limit to file a complaint for demonstrably serious reasons, the Complaining Party may ask the Chief Executive Officer of the Central Depository in writing for waiver of such failure.

2. The Central Depository shall inform the Complaining Party about the decision on the waiver within 15 calendar days following the receipt of the request. A waiver of failure to comply with a time limit cannot be granted if more than 6 months have lapsed since the first day the right to make a complaint pursuant to the previous article should have been duly exercised.

3. If the Chief Executive Officer of the Central Depository accepts the request according to paragraph 1, the Complaining Party will be charged a fee in accordance with the Price List.

Part 61
Time Limits and Appeals

1. The Central Depository shall decide about a complaint within 30 calendar days following the receipt thereof. The time limit for the settlement of complicated complaints may be extended to 60 calendar days. The Complaining Party shall be notified in writing of the extension of the basic time limit.

2. The Central Depository shall notify the Complaining Party of the settlement of its complaint in writing at the address stated in the submission.

3. An appeal against the manner of settling a complaint claim is permissible.
4. Such appeal must be lodged in writing within 15 calendar days following the receipt of the notice of
the complaint settlement. Appeals shall be decided by the Chief Executive Officer of the Central
Depository. Each appeal shall be decided within 30 calendar days.

PART XII– FINAL PROVISIONS

Part 62
Correction of Errors in Records

1. Within the meaning of Art. 98 of the Capital Market Trading Act, the Central Depository is obliged to
correct errors in its records:

a) Based on an objections submitted by an authorised person (Art. 98 (1) (a) of the Capital Market
Trading Act);

b) Based on a final decision of a court or other authority;

c) At its own initiative; or

   Based on a correction made in the follow-up records if the Central Depository is requested to make
   the correction and accepts such request as justifiable, as of the day on which the error occurred,
   unless otherwise arising from the Capital Market Trading Act or a decision of a court or other
   authority. If it is impossible to determine such date, it is necessary to correct the error as of the day
   on which it was identified.

2. If this is not in conflict with the nature of the matter, the error correction procedure shall follow the
applicable provisions of Section XI. Claims Procedure. The persons maintaining
follow-up records
are obliged under the Capital Market Trading Act to cooperate with the Central Depository to ensure
the correction of each error in records as soon as possible. The Central Depository or the person
maintaining the follow-up records shall send a statement of the account with the justification of the
error to the owner of the account where the error was corrected. The Central Depository shall do so
through the Participant keeping the account.

3. The Central Depository shall keep records of corrected errors.

Part 63
Amendments to Operating Manual

1. All amendments to the Operating Manual shall be approved by the Board of Directors of the Central
Depository.

2. The present text of the Operating Manual shall become effective as of the effective date of the
permission to act as a central depository under CSDR.