



OPERATING MANUAL

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PART I – INTRODUCTORY PROVISIONS	3
PART II – PARTICIPANT OF THE CENTRAL DEPOSITORY	8
PART III – RULES FOR MAINTAINING REGISTER OF BOOK-ENTRY SECURITIES	8
PART IV - PROVISION OF ACCOUNT DATA	13
PART V - ISSUE REGISTER OF BOOK-ENTRY SECURITIES	16
PART VI – SECURITY INTEREST, SUSPENSION OF RIGHT OF DISPOSAL	22
PART VII - CHANGE OF BOOK-ENTRY SECURITY OWNER	27
PART VIII – CODE ALLOCATION PRINCIPLES	29
PART IX – MAINTAINING INDEPENDENT REGISTER	30
PART X – STOCK EVENTS INVOLVING BOOK-ENTRY SECURITIES	32
PART XI – COMPLAINT PROCEDURE	37
PART XII– FINAL PROVISIONS	38

PART I – INTRODUCTORY PROVISIONS

Article 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**”).
2. The Central Depository acts as a central depository of book-entry securities within the meaning of Section 100 et seq. of Act No. 256/2004 Sb. on Capital Market Business (hereinafter the “**Capital Market Business Act**”) and Regulation (EU) No. 909/2014 on improving securities settlement in the European Union and on central securities depositories (hereinafter “**CSDR**”).
3. The Operating Manual of the Central Depository (hereinafter the “**Operating Manual**”) is issued in accordance with Article 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 book-entry financial instruments held in the Central Register of book-entry securities or in the Independent Register and the owners or other persons entitled to the financial instruments registered under Section 202a and the persons who maintains register relating to the Central Register shall comply with the Operating Manual. When providing the information under Section 115 subsection 3 of the Capital Market Business Act, the Operating Manual is also binding on the persons who maintain the Independent Register of financial 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 register related to the Independent Register, unless a special legal regulation¹ stipulates otherwise.
6. If this regulation uses the term book-entry 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 financial instruments which cannot be considered book-entry 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 book-entry securities.
7. The provisions of the Operating Manual which correspond most closely in nature to those investment instruments shall apply mutatis mutandis to the keeping of records of investment instruments the nature of which so allows.

Article 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 (hereinafter “**websites**”) 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 websites and shall also be publicly available for consultation from 9am to 4pm in the central office of the Central Depository.

¹ Regulation 58/2006 Sb., on maintaining separate records of financial instruments

Article 3

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

1. In accordance with CSDR, the Central Depository provides these basic services:
 - a) The initial recording of security certificates in a book-entry system (“notary service”);
 - b) Providing and maintaining securities accounts at the top tier level (“central register service”);
 - c) Operating a securities settlement system (“settlement service”).
2. The Central Depository provides the following non-banking supplementary services to support the security, efficiency and transparency of the securities market, including, but not limited to:
 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 financial 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 register of book-entry securities (hereinafter the “**Central Register**”) on the owners' accounts and clients' accounts within the meaning of Section 92 of the Capital Market Business Act,
 - b) Maintain the separate register of financial instruments within the meaning of Section 93 of the Capital Market Business Act (hereinafter the “**Independent Register**”),
 - c) Maintain a register linked to the central register of SKDs within the meaning of Section 92(2)(e) in conjunction with Section 92(3) of the Capital Market Business Act,

- d) Maintain register of the issues of book-entry securities within the meaning of Section 94a of the Capital Market Business Act (hereinafter the “**Issue Register**”),
 - e) Maintain register of account owners,
 - f) Maintain register of changes in the accounts,
 - g) Maintain register of data relating to book-entry securities,
 - h) Allocate and cancel identification for financial 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;
 - i) Assign a Legal Entity Identifier (LEI) to legal entities,
 - j) Provide data to comply with the disclosure duty under Section 115 of the Capital Market Business Act.
5. The settlement of trades involving financial instruments is regulated by the UNIVYC Settlement System Rules (hereinafter the “**Settlement Rules**”). The current version of the Settlement Rules is posted on the websites 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 the websites.

Article 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 Business Act and the Operating Manual:
 - a) Participants;
 - b) Persons referred to in Section 97 (1) of the Capital Market Business Act. The persons referred to in Section 97 (1) (e) of the Capital Market Business Act submit their orders via a Participant;
 - c) The persons referred to in Section 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 register of issue of book-entry securities in the Central Register or the agreement on the register of issue in the Independent Register (hereinafter the “**Issue Register 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 keep 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 Depository², 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 Register 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

² Participants’ communication connection to the Central Depository or the SWIFT Communication Manual

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 Article 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.
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.

Article 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 financial instruments in accordance with Section 115 of the Capital Market Business 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 websites, 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 linked register, 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.

Article 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 register maintaining 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 book-entry securities maintained in registers;
 - d) Information of the issuers of book-entry securities in the sense of Section 120 par. 8 of the Capital Market Business Act;

- e) Statistical data regarding the volumes and quantities of financial instruments settled within the Central Depository's Settlement System.

Article 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 Article 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. Linked register – register linked to the Central Register or register linked to the Independent Register;
6. Unclassified account – an account within the meaning of Section 202a of the Capital Market Business Act that the Central Depository took over as of the date of transfer of Securities Centre's register and that was not allocated to the participant under a contractual relationship.
7. AIN – alternative identification number allocated in accordance with Article 10;
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 Section 115 of the Capital Market Business Act, authorised to provide data from the register.
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 register as defined in Section 97 of the Capital Market Business 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 book-entry 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 book-entry security come into effect together with changes in the register 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 book-entry 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.
18. Business Corporations Act – Act No. 90/2012 Sb., on business corporations, as amended.

Terms defined in the Operating Manual will be also used in related implementing regulations.

PART II – PARTICIPANT OF THE CENTRAL DEPOSITORY

Article 8

Participant of the Central Depository

1. In accordance with Article 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 on websites.
2. In accordance with Section 95a of the Capital Market Business 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 register by order of
 - a) An issuer in accordance with Section 94a (1) of the Capital Market Business Act, if related to entry into Issue Register, or
 - b) A person in accordance with Section 115 (1) of the Capital Market Business 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 Section 96 (5) of the Capital Market Business Act if an investment instrument is transferred on a regulated market or in a multilateral trading facility.

PART III – RULES FOR MAINTAINING REGISTER OF BOOK-ENTRY SECURITIES

Article 9

Registration of Persons

1. The Central Depository maintains the register of persons who have ownership or other legal relationships with the financial instruments maintained in the Central Register or Independent Register, and the record of persons who are according to Section 97 (1) (a) to (e) of the Capital Market Business Act entitled to submit orders to enter the SDR. The register of persons serve as ancillary register in relation to the register of book-entry securities.
2. Orders for the registration of persons with an ownership or other legal relationships to the financial instruments, or who are third parties within the meaning of Section 97 (1) of the Capital Market Business Act, in register, 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 Section 97 (1) (a) to (d) of the Capital Market Business Act, changes in the data of a person and the deletion thereof shall be carried out by the Central Depository.
4. Each person is registered in the register of persons under the relevant identifier.
5. The register of persons contain the following identification data:
 - a) As for legal entities, the business name or another name, registered office, identifier, country of registration 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, identifier, country of residence for tax purposes 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 Section 10 (2).
7. In an order for a change of data in the register 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 register 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 book-entry 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 16 (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 book-entry securities registered on the account or does not have any other legal relationship to the book-entry 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.

Article 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 register and linked register.
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.

Article 11

Accounts

1. The Central Depository maintains register of book-entry securities in the accounts maintained for:
 - a) The account owners who are, unless the opposite is proven, the owners of the book-entry securities on this account - owner's account;
 - b) The account owners who are not the owners of book-entry securities registered on this account – clients' account. The person maintaining the linked register according to the Capital Market Business Act is the clients' account owner. The account is used for recording the book-entry 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 register 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 clients’ account.
4. The owner’s account registers the following data:
 - a) ISIN of book-entry securities or of independently transferrable right,
 - b) The number of book-entry securities,
 - c) An indication of the limited transferability of book-entry securities as determined by the issuer,
 - d) The data regarding the SDR,
 - e) The data of the co-owner of book-entry securities and the size of its share,
 - f) An indication of whether the book-entry 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 book-entry securities, and details regarding the person who is the security interest creditor,
 - h) The bank account number.
5. The clients’ 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 clients’ account, they are of no legal significance and are not provided in the extract from the Issue Register.
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 register 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 book-entry securities, that person is authorised to represent the owner in the exercise of the rights attached to the book-entry 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 Register made for purposes of providing cash payments of issuers in favour of Account Owner.

Article 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 book-entry 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 book-entry 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 (Art. 7 point 15);
- b) Given by a Participant to register the transfer or passage of book-entry securities to the account maintained by the Participant;
- c) To register the establishment or termination of a security interest 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 Section 97 (1) (a) to (d) of the Capital Market Business Act;
- d) Given by a Participant under an instruction of a security interest creditor to cancel the registration of a security interest to the book-entry securities on an Unclassified Account;
- e) Given by an issuer to register any change in the Issue Register;
- f) Given by a Participant to transfer book-entry securities in order to exercise a security interest under a special legal regulation, provided that the transferee has the account opened through the Participant.

Article 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 Business Act and the present Operating Manual.
2. Upon an order given by a Participant, the Central Depository shall open a clients' account for each person who is in accordance with the Capital Market Business Act entitled to maintain the linked register and who demonstrates technical readiness to maintain the linked register and fulfil the disclosure duties pursuant to Article 19.
3. If the owner of the clients' account is not a Participant, the order for the opening of a clients' account and other orders disposing of the clients' account and the book-entry securities maintained on the account shall be submitted via the Participant.
4. The Participant submitting an order to open a clients' account must verify the authorization of the person concerned to maintain linked register. The Participant is also required to request the person authorised to maintain linked register 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 11 (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.

Article 14

Clients' Account Owner's Obligations

1. The clients' account owner is obliged to maintain the linked register on the owners' accounts; in the case of register relating to the Independent Register, on the clients' accounts if such account is owned by a person referred to in Section 93 (3) (e) and (g) of the Capital Market Business Act who maintains the linked register under any foreign legal regulation.
2. In particular, the clients' account owner is obliged to maintain the owner's account at least within the scope of data pursuant to Article 15:

- a) Provide the Central Depository with data according to Article 23 (2) for the purpose of an extract from the issue register,
 - b) Request through the Participant an AIN according to Article 10 from the Central Depository,
 - c) Reflect changes in the linked register, 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 linked register, and the book-entry securities in accounts registered to the extent defined in Section 115 of the Capital Market Business Act,
 - e) Provide the Central Depository on request with daily data obtained from linked register, serving for compliance with the statutory obligation to calculate six-month average prices for book-entry securities admitted for trading on the European regulated market, within the meaning of the provisions of Section 43 of Act No. 104/2008 Sb., on takeover bids, as amended,
 - f) Maintain and develop a system for maintaining linked register, so as to ensure the operational consistency with the Central Register and other linked register.
3. If a clients' account is closed, its owner is obliged to:
- a) Continue to provide the Central Depository with the data from the register under paragraph 2 (a) and (d) of this Article, or
 - b) Request the Central Depository to transfer the historical register made within the legal time limits for the obligatory keeping of the register 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 register to the Central Depository will be determined by the agreement. The transfer of historical register and provision of information shall be made by Central Depository for consideration.
5. The clients' account owner is obliged to comply with the provisions of the Operating Manual regulating the maintaining of register. The clients' account owner is liable for any damage caused by maintaining linked register incorrectly or by any incorrect or incomplete information within the register.

Article 15

Specifications of Owner's Account Maintained in Linked Register

The owner's account kept in the linked register must contain at least the Account Owner's identifier and data in the scope and with the structure pursuant to Article 11 (4).

Article 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 book-entry 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 Business Act or the present Operating Manual require otherwise.
3. If no book-entry 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 book-entry security is registered on the account.
6. The Participant who terminates a contractual relationship with the Account Owner is obliged to transfer book-entry 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 book-entry 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

Article 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 register 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 Section 115 of the Capital Market Business 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 2 and 3 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.

Article 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 linked register is issued to the Account Owner by the person maintaining the linked register. 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 book-entry 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 book-entry securities as determined by the issuer,
 - e) Data regarding the manager or another person entitled to exercise the rights associated with the book-entry security;
 - f) The data of the co-owner of book-entry securities and the size of its share,
 - g) An indication of whether the book-entry securities is subject to a security interest and details regarding the person who is the security interest creditor;
 - h) Bank account number recorded for the purposes of providing cash payments of the issuer in favour of the Account Owner;

- i) The date as of which the extract is issued;
- j) The date on which the extract is issued.
4. The Participant or the clients' 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 Section 98 (4) of the Capital Market Business Act. This extract shall include a justification of the changes made. This shall be without prejudice to the provisions of Article 62 (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 recorded in the register, or the address in the Czech Republic or the Slovak Republic as indicated by the applicant for the extract in the respective application. The Central Depository will also provide the Unclassified Account Owner with a statement on the basis of an online request after verification of the bank's identity.
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 websites. 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 will 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 clients' account owner shall guarantee compliance between the data maintained in the linked register and the data in the statement of balances of the clients' account. If the data maintained in

the linked register differ from the data provided in the statement of balances of the clients' account, the data from the statement of balances shall be considered decisive.

15. The Central Depository shall issue, through a Participant, to the security interest creditor at its request a statement from the Central Register, which will include the book-entry securities pledged in its favour. The statement will include any other rights of security interest encumbering the book-entry securities, including the order of the security interest. The order to issue the statement must contain the identifier of the security interest creditor.
16. The Central Depository will confirm, at the request of the security interest creditor, the accuracy of the statement issued through the Participant who is a security interest debtor or pledger of the book-entry 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.

Article 19

Provision of Data from Register and Documents

1. The registers of the Central Depository are not public. Under the conditions laid down in Section 115 of the Capital Market Business Act, the Central Depository shall provide an authorised person with the data from the register and documents which it is required to keep under Section 99a (1) of the Capital Market Business Act, based on a written or an electronic application, unless a different method of application is agreed. Data shall be provided over a period for which the Central Depository is obliged to keep the register.
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 application must bear a recognised electronic signature;
 - c) In electronic form by delivery to the data box of the Central Depository or
 - d) In electronic form by means of ISB, where the authorised person has access under an agreement concluded with the Central Depository. The draft agreement on the use of ISB is available on the websites.
3. The Central Depository furnishes the authorised person with the data from the register 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 clients' account owner is obliged to provide authorised persons with data from linked register maintained by the clients' account owner through the Central Depository at its request. Unless the clients' 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 clients' 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 clients' 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 financial 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 Regulation 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 financial 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 websites.

PART V - ISSUE REGISTER OF BOOK-ENTRY SECURITIES

Article 20

Terms and Conditions of Issues Register of Book-entry Securities

1. The Central Depository maintains for the issuer of book-entry securities the Issue Register based on the Issue Register Agreement.
2. The Central Depository will not conclude an Issue Register Agreement regarding book-entry securities issued under the law of another state if the Central Depository does not provide this service in relation to book-entry 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 book-entry financial instruments admitted to trading on a regulated market shall fulfil properly and timely informative duties towards the Central Depository, set by Section 120 par. 7 and Section 121e of the Capital Market Business Act, if this duty exists.
5. The issuer fulfils informative duties according to Section 120 par. 7 of the Capital Market Business Act via email or other agreed way. Central Depository shall publish received information on the websites in the meaning of Section 120 par 8 of the Capital Market Business Act.
6. The issuer fulfils informative duties according to Section 121e of the Capital Market Business Act via ISB or other agreed way. Central Depository shall transmit received information to the owners of accounts in the central register.
7. Information to the accounts owners is transmitted via participant who has opened the account in the central register unless the account owner chooses the possibility to receive information directly from Central Depository via websites with secured access. This choice is effective towards Central Depository as of recording of this choice to the asset account by participant. Similar process applies to accounts opened in the register maintained by the Central Depository as separate register of register linked to other register.
8. Form and scope of information, terms and method of transmitting is set by implementing regulation of the Commission (EU) No. 2018/1212 (hereinafter as “regulation implementing SRD”). Central Depository transmits information to owners of Owner’s accounts via websites with secured access. Central Depository transmits information to owners of Owner’s accounts provided via participants and to owners of Clients’ accounts using SWIFT or ISB.
9. Central Depository and his participants make the effort to facilitate the exercise of shareholders rights from shares admitted to trading on European regulated market in the meaning of Section 121e par. 5 of the Capital Market Business Act and regulation implementing SRD, mainly when these consist in exercise of voting right by casting of electronic votes before general meeting. Exercise of

these rights anticipated by these regulations may be limited by other regulation (Act on Business Corporations, Notary Act, etc.) and it is the issuers responsibility to consider these limitations before a requesting Central Depository for the service.

10. The issuer of book-entry 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.

Article 21

Information to be Included in Entry and Issue Register

1. The entry of the issue of book-entry securities (hereinafter the "**Issue**") in the Issue Register shall be performed on the basis of the Issue Register 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 Register Agreement and the draft amendment to the agreement on the entry of new issue (hereinafter the "**Draft**") are posted on the websites.
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 book-entry securities:
 - i. ISIN;
 - ii. Issue title;
 - iii. The kind and form of book-entry securities;
 - iv. The volume of the issue and the currency in which the issue is maintained;
 - v. The nominal value of book-entry securities if determined;
 - vi. The number of the book-entry securities to be issued;
 - vii. An indication of the limitation of the transferability of the book-entry 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 book-entry 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 book-entry 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 book-entry 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 book-entry 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 register. The Central Depository shall publish the information regarding the entry of the issue register in the Newsletter, without undue delay.
8. The Central Depository may at the issuer's request enter the issue in the issue register prior to the issue date, if the other necessary conditions are duly complied with; however, no order to credit the book-entry 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 register, the Central Depository does not assume any obligations arising from the registered book-entry 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 book-entry securities, in a due and timely manner.

Article 22

Primary Issue Settlement

1. The Central Depository will arrange for the issue of book-entry securities by crediting to accounts (hereinafter the "**Primary Issue Settlement**") on the basis of an issuer's order, in accordance with the Issue Register Agreement.
2. The issuer shall submit orders for the Primary Issue Settlement:
 - a) In writing, using the forms published within the websites; 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 book-entry 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 Register 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 book-entry 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 book-entry 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 book-entry securities credited to the account;
 - d) An indication of whether book-entry securities will be issued by settling the primary DVP issue or only by issuing a book-entry security (DFP),
 - e) The issuer's money account number in the case of Primary DVP Issue Settlement,
 - f) Information on monetary amounts for book-entry 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 book-entry 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 book-entry 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 book-entry 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 book-entry 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.

Article 23

Extract from Issue Register and transmitting of information by persons maintaining accounts

- 1. The Central Depository shall issue extracts from the issue register:
 - a) At the issuer's request;
 - b) Pursuant to a request of the Czech National Bank under Section 94a (3) of the Capital Market Business Act,
 - c) Upon notification of the issuer in the conversion of book-entry securities to securities (Section 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 book-entry securities of the given issue are kept as of the required date of the extract, together with the data regarding the numbers of the book-entry 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 linked register and the number of book-entry securities kept on such accounts;
 - b) Data regarding the manager or another person entitled to exercise the rights associated with the book-entry securities.
 - c) Data regarding the security interest creditor, the right of the security interest creditor to attend the shareholders' meeting, and the person or persons entitled to receive yields, if any specified, to the extent maintained in the register of persons in the case of pledged book-entry securities and the data on the number of book-entry securities to which the security interest relates;
 - d) Numbers assigned to book-entry securities if the extract is drawn up for the purposes of drawing pursuant to Section 527 of the Business Corporations Act;
 - e) Details regarding SDR,
 - f) Bank account number recorded for the purposes of providing cash payments of the issuer in favour of Account Owner.

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 clients' 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 clients' 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 linked register 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 clients' 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 the websites, 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 seal 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.
14. According to Section 121d of the Act on Capital Market Business, an issuer of book-entry shares admitted to trading on European regulated market request central depository for information about owner of Owner's account, on which book-entry shares issued by this issuer are registered.

Information provided this way are not considered as an extract issue from issue register. Form and scope of the issuer's request is set by a regulation implementing SRD.

15. Obligation to provide information about owner of Owner's account also has a person maintaining linked register. The person maintaining linked register is obliged to transmit information to the person identified in the request. Terms and methods of transmitting of the request and information about the account owner are set mostly by Section 121e par. 4 of the Act on Capital Market Business and the regulation implementing SRD.

Article 24

Deletion of Book-entry Securities in Register and Cancellation of Issue Register

1. Upon the termination of a book-entry security, the Central Depository deletes it from the register. The book-entry securities may be deleted with the cancellation of the entire issue or by the deletion of a certain number of book-entry securities without cancelling the Issue Register.
2. The Central Depository shall cancel the registration of the respective issue or delete the book-entry securities from the register 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 Register or the deletion of the book-entry securities from the register. The Central Depository shall cancel the issue register especially:
 - a) As a result of the conversion of book-entry securities into securities;
 - b) Based on a written order of the liquidator to cancel the book-entry shares of the company within the meaning of Section 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 book-entry 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 book-entry 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 book-entry 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 book-entry security deleted.
 - c) Documents proving the justification of the cancellation of the Issue Register or deletion of a book-entry security.
4. The Central Depository may cancel the Issue Register or delete any book-entry security especially if the issuer has been dissolved without a legal successor.
5. Together with the cancellation of the issue register, 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 book-entry securities have been converted to securities.
6. The Central Depository shall publish the information regarding the cancellation of issue register in the Newsletter.
7. If issue register is 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 – SECURITY INTEREST, SUSPENSION OF RIGHT OF DISPOSAL

Article 25

Establishment of the Security Interest

1. A contractual security interest relating to book-entry securities is established upon the recording of this security interest in the owner's account. The origination, change, and termination of a security interest 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 security interest to the book-entry securities may not be registered in relation to the book-entry securities for which the SDR is registered.
3. A security interest arising from a decision of a public authority and a statutory security interest to the book-entry securities are registered by the Central Depository or the clients' account owner on the owner's account identifying the date of its origination. If the notification of the origination of this security interest is delivered to the Central Depository, the Central Depository shall forward it to the clients' account owner if such clients' account owner is known to it, otherwise the sender shall be informed.
4. The Central Depository must not make entries of security interest from the moment specified in the Settlement Rules and in the rules of other Settlement Systems as the moment of irrevocability.
5. An additional security interest may be registered to the pledged book-entry securities. Each security interest 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 security interest.
6. If there is any subsidiary security interest to the book-entry securities, the Participant shall perform, based on the order of the sub-pledger or subsidiary security interest creditor, the registration in the register in a similar manner as the registration of the security interest, indicating the time of the origination of the subsidiary security interest and the registration number of the security interest to which the subsidiary pledge relates to.

Article 26

Entry of Contractual Security Interest

1. The Central Depository shall enter the contractual security interest on the basis of orders submitted by the Participant.
2. The Participant who has opened an account on which the security interest to the book-entry securities is to be entered submits the order to enter a contractual security interest at the request of the security interest creditor, security interest 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 security interest debtor, security interest 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 security interest must include:
 - a) PRN;
 - b) The number of the asset account on which the book-entry securities are to be pledged;
 - c) Account type (Article 21 (3) (d)),

- d) An Account Owner's identifier;
 - e) ISIN;
 - f) The number of book-entry securities to be pledged; should the already pledged book-entry securities be pledged, the order should also contain an unambiguous determination of the book-entry securities to be pledged again,
 - g) An identifier of the security interest creditor;
 - h) A person entitled to yields, if appointed;
 - i) The amount of the debt or the agreed amount of satisfaction of the security interest creditor arising from the security interest, the debt maturity period, if known, and the duration of the security interest.
5. An optional data is the personal debtor's identifier and an identifier of the person entitled to attend the shareholders' meeting.

Article 27

Change in Entry of Contractual Security Interest

1. Data relating to a contractual security interest 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 security interest creditor, security interest 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 security interest means the termination of the existing security interest and the origination of a new security interest, even though the security interest is identified by the same registration number.
2. An order to change the registration of the security interest contains the same data as required under Article 26, paragraphs 4 and 5.

Article 28

Registration of Security Interest Based on Decision of Public Authority

1. The order to register a security interest based on a decision of a public authority in the register 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 security interest must be accompanied by an enforceable decision of the public authority that ruled on the enforcement of the statutory security interest.
2. The order concerning the book-entry securities referred to in paragraph 1 shall include the name of the concerned public authority, being the security interest creditor, the date of termination of the security interest, and other similar data under Article 26.
3. A documentary order to register a security interest 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 security interest 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 websites.
5. The Central Depository shall send electronically or in documentary form to the competent public authority the certificate of registration of the security interest to the book-entry securities together with the allocated registration number of the security interest. The Central Depository may change the data relating to any security interest based on a decision of a public authority in the register on the basis of a documentary or an electronic order containing the registration number of the security interest. Such order to change the registered security interest 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 security interest under the preceding paragraphs.

Article 29

Entry of Statutory Security Interest

1. The Central Depository shall enter a security interest in the register, in its favour under Section 202a (3) of the Capital Market Business Act, to secure the due receivables arising from the payment for the services provided to the owners of the Unclassified Accounts in accordance with Section 202a subsection 1 and 2 of the Capital Market Business Act if it is interested in exercising the statutory security interest.
2. The entry of the security interest in the register shall contain the designation of the Central Depository, being the security interest creditor, the date of termination of the security interest, and other similar data under Article 26 (4).

Article 30

Deletion of Security Interest

1. The Central Depository deletes a contractual security interest in the register based on the Participant's order or after the expiry of the registered period of duration of the security interest.
2. An order may be submitted by the Participant through whom the account on which the security interest to book-entry securities is entered has been opened, upon request of the security interest creditor, security interest debtor, pledger or personal debtor. If the order to delete is not submitted by the security interest creditor, it must be demonstrated to the Participant that any event occurred which is otherwise a reason to for the termination of the security interest.
3. The order to delete a contractual security interest shall include the following:
 - a) The registration number of the security interest;
 - b) PRN;
 - c) An identifier of the security interest debtor;
 - d) An identifier of the security interest creditor.
4. The order to delete a contractual security interest registered on any Unclassified Account may be submitted by a participant upon agreement with the security interest creditor.
5. A written or electronic order to delete a security interest based on a decision of a public authority is submitted by the public authority together with the specification of the security interest registration number. Such order must be accompanied by an enforceable decision of the public authority that has decided to terminate the security interest. The order to register the termination of the security interest 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 security interest shall be performed by the Central Depository without undue delay after learning of its termination.

Article 31

Security Interest to Account

1. The security interest to an owner's account (Section 1333 of the Civil Code) arises upon the registration with the relevant owner's account. A contractual security interest 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 security interest to the account. Article 28 shall be applied with necessary modifications to the registration of the security interest based on a decision of a public authority.
2. The security interest debtor, security interest 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 security interest to the account.

4. Should any book-entry security be transferred from the pledged account with the previous consent of the security interest creditor, the transfer results in the termination of the security interest to the book-entry security. Should any book-entry security be transferred from the pledged account without the prior consent of the security interest creditor, the security interest to the account will change upon the transfer to a security interest to individual book-entry securities in relation to the transferees.
5. The order to transfer any book-entry 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 book-entry security with the consent of the security interest creditor or not. Regarding the transfer with the consent of the security interest creditor, the Participant's order shall be accompanied by an unconditional and a specific consent of the security interest creditor on the basis of which the order to transfer is submitted by the Participant.
6. The order to delete a contractual security interest 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 security interest to the account on the basis of which an order is submitted, unless it is an order based on request of the security interest creditor.

Article 32

Suspension of Owner's Right to Dispose of Book-entry Securities

1. An order to enter the SDR in the Central Depository's register and the linked register may be submitted by the persons referred to in Section 97 (1) of the Capital Market Business Act. The persons referred to in Section 97 (1) (e) submit their orders via a Participant.
2. The Central Depository and the persons maintaining the linked register shall not enter a change in the owner by transfer or the entry of a contractual security interest to the book-entry 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 linked register:
 - 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 book-entry securities are registered on the account together with non-pledged book-entry securities of the same ISIN and the SDR is not to be entered for any book-entry securities, the authorised person is obliged to identify for which book-entry securities the SDR is registered. A similar procedure shall be followed with respect to book-entry securities of the same ISIN to which various rights of third parties relate to.

Article 33

SDR Ordered by Public Authority

1. A documentary order submitted by a public authority or any person referred to in Section 97 (1) (b) of the Capital Market Business 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 book-entry 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 book-entry securities.
4. If the ISIN is not entered in the order, the Central Depository will enter the SDR for all book-entry securities registered on the account.
5. If the number of book-entry securities is not entered in the order, the Central Depository will enter the SDR for all book-entry securities of the given ISIN.
6. The order to register the SDR for the whole issue of book-entry 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 book-entry securities is suspended.
7. The public authority may submit an order to enter the SDR with the Central Depository as well as for book-entry securities on which the contractual or statutory security interest 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 book-entry 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;
 - e) The date on which the SDR is to be deleted;
 - f) ISIN;
 - g) The number of book-entry securities.
11. An order to register the SDR regarding book-entry securities entered in the linked register shall be submitted by the public authority via the Central Depository or directly to the person maintaining the linked register.

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

Article 35

SDR Ordered by Third Party

1. An order to register and cancel the SDR submitted by a person specified in Section 97 (1) (e) of the Capital Market Business 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 book-entry 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 book-entry 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 book-entry 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 BOOK-ENTRY SECURITY OWNER

Article 36

Transfer of Book-entry Securities

1. The transfer of a book-entry security means a change in the book-entry security owner effected on the basis of an agreement.
2. The Central Depository and the person maintaining the linked register shall register the transfer of a book-entry security on the basis of an order to settle the transaction by transferring book-entry 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 book-entry 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 book-entry security to a new owner without the consent of the security interest creditor in whose benefit the book-entry security is pledged.

Article 37

Passage of Book-entry Securities

1. The passage of a book-entry 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 book-entry security and the delivered documentation.
4. The order to register the passage must contain the following:
 - a) PRN;
 - b) ISIN;
 - c) The number of book-entry 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 book-entry 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 book-entry 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 book-entry 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 book-entry securities to the Participant that has submitted an order to open the account on which the book-entry 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 linked register, the order to register the change of owner shall be submitted by the clients' 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 clients' 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 book-entry securities;
 - f) The day of passage.

PART VIII – CODE ALLOCATION PRINCIPLES

Article 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 securities 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.

Article 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 websites.

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 Register. The issuer is obliged to notify the Central Depository of changes to the information provided in the ISIN application and to document such changes.

Article 40

Cancellation of ISIN

1. If the book-entry security of the ISIN code concerned is not registered in the Central Depository's register, 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 24 (5), the Central Depository shall also cancel the ISIN at its own initiative. The Central Depository may, on its own initiative, cancel an ISIN in the event of the dissolution of the issuer, if the issuer or the legal successor fails to extend the continuation of the book-entry securities by transfer to a legal successor or fails to communicate the active LEI code of the legal successor.
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.
3. 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.

Article 41

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 websites.

PART IX – MAINTAINING INDEPENDENT AND LINKED REGISTER

Article 42

Maintaining register of Foreign Book-entry Securities

1. In order to settle receivables and debts arising from its participant's trades in foreign book-entry 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 book-entry securities credited to the Central Depository's account with an FCD are kept on the accounts of owners or clients in the Central Depository's Independent Register.
3. The Central Depository will only credit the book-entry 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 book-entry securities;
 - f) The date on which the book-entry securities are to be entered on the account;
 - g) An identification of the transferor (the depository from which the book-entry securities are transferred or the transferor's account number).
4. The Central Depository shall transfer book-entry 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 book-entry securities;
 - f) The date on which the book-entry securities are to be debited from the account;
 - g) An identification of the transferee (the FCD to which the book-entry 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 book-entry 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 book-entry securities of such issue kept on the accounts maintained by the Central Depository.
7. If differences occur between the numbers of the book-entry 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 book-entry 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 book-entry securities and are not included in its accounting books.
9. Other provisions of the Operating Manual for maintaining the register of book-entry securities also apply with necessary modifications to foreign book-entry securities in the Central Depository's Independent Register, unless a special legal regulation provides otherwise.

Article 43

Maintaining register of Certificated Financial Instruments

1. The Central Depository maintains the Independent Register of certificated financial instruments accepted in custody. In accordance with Section 92 (4) of the Capital Market Business Act, immobilised securities are recorded in the Central Register.
2. The Central Depository accepts certificated financial instruments in collective custody. The Central Depository does not accept in custody such financial instruments for which it is possible to request the issuance of individual financial instruments from custody.
3. The Central Depository does not deliver the financial instruments accepted in custody or immobilised securities to the secondary custody.
4. Other provisions of the Operating Manual for maintaining the register of book-entry securities also apply with necessary modifications to financial instruments in the Central Depository's Independent Register, unless a special legal regulation provides otherwise.

Article 44

Administration of Register of Collective Bond Share Owners

1. The Central Depository maintains register 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 (Section 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 register of share owners in the Independent Register of the Central Depository.
3. The register of collective bond share owners are only kept within the owners' accounts. The clients' account owner is not authorised to register the transfer of a share in the clients' account opened in the linked register.
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.

Article 45

Keeping of records linked to the central register of SKD

1. For the purpose of settling claims and debts arising from the transactions of its participants in book-entry bonds held by the Czech National Bank in the records of the Short-Term Bond System (hereinafter referred to as the "SKD records"), the CSD shall become a participant (custodian) in this system and shall, in accordance with Article 92(2)(e) of the Capital Market Business Act, keep records linked to the central records within the meaning of Article 92(3) of the Capital Market Business Act.
2. A statement of the account established in the registry linked to the SKD shall be provided to the account holder by the participant who gave the order to establish the account.
3. The provisions of Article 42 shall apply mutatis mutandis to the maintenance of the record linked to the SKD record.

PART X – STOCK EVENTS INVOLVING BOOK-ENTRY SECURITIES

Article 46

Conversion of Securities to Book-entry Securities and Vice Versa

1. When converting a security to a book-entry security, the issuer and the Central Depository shall proceed in accordance with Section 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 book-entry security in the Issue Register, the Central Depository and issuer shall proceed similarly to the issue of book-entry securities (especially Article 21).
4. The issuer may request the Central Depository for the registration of book-entry securities in the accounts only if the conditions set out in Section 532 (1) of the Civil Code are complied with. The Central Depository will arrange for the registration of the book-entry securities in the transferees' accounts on the basis of an issuer's order in accordance with the Issue Register 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 security interest creditor or the security interest 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 security interest 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 security interest creditor or the security interest 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 book-entry 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 book-entry securities under the issue concerned for the settlement of a trade concluded on the regulated market.
8. If the issuer decides to convert book-entry 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 Register is required, the Central Depository shall set this date so that is in accordance with the time limit under Section 537 of the Civil Code. The date of extract from the Issue Register is the date since which no entry has been made regarding the book-entry 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 register 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 book-entry securities to be converted, which have not been executed as of the date of the closing of entries in the Issue Register, shall not be executed by the Central Depository or the clients' account owner.

Article 47

Payment of Yields from Book-entry Securities

1. The record date for the determination of the person entitled to the yield from a book-entry security is the date specified by their issuer.
2. If thus determined in the Issue Register Agreement or another agreement entered into with the issuer, the Central Depository shall arrange for the payment of the yields for book-entry securities maintained in its register. 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 book-entry 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 book-entry securities via the Participant who has ordered the opening of the owner's account or the clients' 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 book-entry securities maintained in the Independent Register of the Central Depository, the Central Depository is entitled to
 - a) claim from the Participant the yields which the Participant owes to the Central Depository for the payment of the yields to other Participants because of his negative position on the record date of the corporate action, and
 - b) suspend the settlement in the meaning of Art. 25 par. 1 letter c) of the Settlement System Rules of such a transfer that would result in removal of yields by a foreign depository, until the Participant transfers the yields to the Central Depository account at respective foreign depository.

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 book-entry securities for the purposes of the correct taxation of yields.
6. The transfer of funds corresponding to the payment of the yields from book-entry 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.

Article 48

Repayment of Nominal Value of Book-entry Bonds

1. The record date for the determination of the person eligible for the repayment of the book-entry bond nominal value or the payment of individual instalments of the book-entry bond nominal value (hereinafter the **"Book-entry 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 Register. 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.

Article 49

Issue Consolidation

1. The consolidation of issues means the joining of two or more book-entry security issues maintained in the Issue Register 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 book-entry 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 register;
 - b) In the register of accounts on which the book-entry securities to be consolidated are maintained;
 - c) In all the orders to register the transfer or passage of book-entry securities.

Article 50

Splitting of Book-entry Securities

1. The splitting of book-entry securities means an increase in the number of the book-entry 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 book-entry 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 register;
 - b) In the register of accounts on which the book-entry security is maintained;
 - c) In all the orders to register the transfer or passage of book-entry securities.

Article 51

Change of Nominal Value of Book-entry Shares

1. Changing the nominal value of book-entry shares means changes in the nominal value of book-entry shares maintained in the Issue Register 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 book-entry shares in the Issue Register 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 book-entry shares in the Newsletter.

Article 52

Free Issue of Book-entry Shares

1. Free issue of book-entry shares means the increase in the number of book-entry shares within an issue by means of issuing new book-entry 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 book-entry shares are divided among the shareholders according to the ratio fixed by the issuer.
2. The record date for the free issue of book-entry shares is the date determined by the issuer.
3. The Central Depository shall perform the free issue of book-entry shares at the issuer's request as of the start of the accounting day determined by the issuer:
 - a) In the issue register;
 - b) In the register of accounts on which the book-entry share is maintained.
4. The Central Depository shall report the form of the free issue of book-entry shares in the Newsletter.

Article 53

Separation of Right to Book-entry Bond Yield

1. The Issuer may request the Central Depository for the registration of separability of yield from the book-entry bonds in the Issue Register 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 book-entry bond by performing the following on the specified account:
 - a) Cancelling the required number of book-entry bonds with coupons;
 - b) Entering the same number of book-entry bonds without coupons (hereinafter the "**Separated Principal**");
 - c) Entering all unpaid vouchers relating to the book-entry 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 book-entry bonds with coupons;
 - d) The number of book-entry bonds for which the right to yields should be separated.

3. The Central Depository shall separate the right for the book-entry 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 book-entry 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 book-entry bonds with coupons;
 - d) The number of book-entry 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 book-entry securities.

Article 54

Decrease in Registered Capital by Reducing Number of Book-entry Shares in Issued

1. The Central Depository shall upon the issuer's order reduce the number of book-entry shares in the Issue Register and on accounts on which the book-entry 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 book-entry shares shall be reduced, together with an exact instruction about how the book-entry shares should be withdrawn from circulation.
3. If the book-entry 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 book-entry shares in the Newsletter.

Article 55

Registration of Limited Transferability of Book-entry Security

1. The Central Depository shall register the limited transferability in the Issue Register and account register, 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 book-entry securities pursuant to paragraph 1.

Article 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 book-entry 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 financial 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 regulation³, the Central Depository shall arrange for the settlement of the rights relating to book-entry securities which the Participant has lost in connection with the suspended settlement of an exchange trade.

PART XI – COMPLAINTS PROCEDURE AND COMPLAINTS HANDLING

Article 57

Scope of Complaint Procedure

1. The Complaints Procedure regulates the procedure relating to the filing and settlement of claims arising from defective provision of services provided by the CSD, which are defined by 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 Business Act (hereinafter referred to as "**complaint**").
2. An objection by an authorised person aimed at correcting an error in the register within the meaning of Section 98 of the CCCPA shall not be considered a complaint. In correcting an error, the Central Depository shall proceed in accordance with the Capital Market Business Act.
3. The Complaints Procedure shall similarly apply to the submission and handling of formal complaints about the performance of the CSD's activities, other than claims.

Article 58

Persons Entitled to File Complaints

Complaints relating to the services 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**").

Article 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 usually 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 maintain a book of complaints in which all filed complaints shall be entered, including the data regarding the outcome of the complaint procedure.

³ *Special regime for disposal of rights associated with book-entry securities*

Article 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.

Article 61

Time Limits and Appeals

1. The Central Depository shall decide about a complaint within 30 days following the receipt thereof. The time limit for the settlement of complicated complaints may be extended to 60 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 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 days.

PART XII– FINAL PROVISIONS

Article 62

Correction of Errors in Register

1. Within the meaning of Section 98 of the Capital Market Business Act, the Central Depository is obliged to correct errors in its register:
 - a) Based on an objections submitted by an authorised person (Section 98 (1) (a) of the Capital Market Business 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 linked register 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 Business 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 linked register are obliged under the Capital Market Business Act to cooperate with the Central Depository to ensure the correction of each error in register as soon as possible. The Central Depository or the person maintaining the linked register 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 maintaining the account.
3. The Central Depository shall maintain register of corrected errors.

Article 63

Personal Data

Subject providing personal information is aware that Central Depository shall process as an administrator provided personal data. Processing shall be performed for the reasons of execution of

contractual relationship and for the reasons of protection of lawful interests of the administrator. More information about processing of personal data is published on websites.

Article 64 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 1 April 2023.