

**THE BUDAPEST STOCK EXCHANGE LTD.**

**REGULATIONS  
ON THE  
USE OF BETa REMOTE TRADING**

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**PART I: GENERAL**

**1. PURPOSE, SUBJECT MATTER, FUNDAMENTAL PRINCIPLES, EFFECT**

**1.1 Purpose**

The “Budapest Stock Exchange Ltd. Regulations on the Use of BETa Remote Trading” (hereinafter: Regulations) specify the rules of operating the Remote Trading System of the Budapest Stock Exchange Ltd. (hereinafter: the Exchange), the method of proper use of the supporting technical equipment and the methods of connecting to the Trading System, as well as the obligations and rights of and the rules of mutual co-operation among persons under the scope of the Regulations in order to ensure the controlled operation of the Exchange Trading System.

**1.2 Subject Matter**

The subject matter of these Regulations is to specify the rights and obligations of the Exchange and the persons subject hereto in connection with the specification of the rules of BETa Remote Trading and to set forth the related rules of procedure in line with the purpose also mentioned in these Regulations.

**1.3 Fundamental Principles**

The application and interpretation hereof shall be subject to the following principles:

- a) each affected party shall exercise the rights and perform the obligations arising from these Regulations in good faith;
- b) unless provided otherwise, the burden of proof in a dispute shall lie with the party interested in having a statement accepted as true in said dispute;
- c) any interpretation of these Regulations shall be in line with the general principles of legal interpretation, with professional standards, and with common practice;
- d) each affected party shall exercise the rights and perform the obligations arising from these Regulations in accordance with the general interest of the market;
- e) the provisions herein are binding, and deviations are only allowed in the cases specified in these Regulations; any issues not specifically provided herein shall be handled in accordance with effective statutory regulations, as amended from time to time.

**1.4 Scope of the Regulations**

The scope of these Regulations covers the Exchange, its officers, the Section Members, the users of the Exchange Trading System, traders, brokers, and the employees of the Exchange.

## **2 DEFINITIONS**

Any terms used herein and not defined in this section shall be interpreted in accordance with the term definitions in the Regulation on the Operation of BETa Market.

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| <b>Background Trading Network:</b>         | The computer network that makes up the IT system of the Remote Trader.   |
| <b>Central Trading Software:</b>           | All software applications installed on the Central System explicitly for the central implementation of trading.  |
| <b>CMA:</b>                                | Acronym for Act CXX of 2001 On the Capital Market (Capital Market Act).  |
| <b>Complementary Activities:</b>           | The back office processes of preparing for, processing, and evaluating exchange trading in support of transactions on the exchange.  |
| <b>Connection Server Service Provider:</b> | The legal entity/entities, specified in a resolution by the CEO of the Exchange, that ensure user access rights to the Connection Server Software for the remote traders.  |
| <b>Connection Server Software:</b>         | A complete set of software programs and files installed on the Connection Server, which are designed to provide remote trading functionality for Remote Traders and to facilitate a connection with the Background Trading Network when the Background Trading Network is configured properly.   |
| <b>Connection Server:</b>                  | The special configuration of hardware and software forming part of the Workstation that supports an online connection between the Central Trading Software and the Background Trading Network in a manner that provides access to trading functions. The Connection Server is a system that can be concurrently operated with and does not influence the functionality of the Trader Workstation Software. |
| <b>Floor:</b>                              | The room(s) designed and operated by the Exchange as the physical location of Stand-by Workstations.   |
| <b>Installation Package:</b>               | The software components included in a collection of files, with the help of which a specific release of the Trading Software and the Connection Server Software can be installed on the Remote Trader Workstation.   |
| <b>Lost Workstation:</b>                   | A Workstation affected by Workstation Loss.  |
| <b>MMTS Examination:</b>                   | Examinations designed to test the skill in the use of Trader Workstation Software, as specified in the Regulations.  |
| <b>Operating Period:</b>                   | The period in which a given version of Trader Workstation Software or Connection Server Software can be used for remote trading.   |

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| <b>Operating System Password:</b>  | A string of uppercase and lowercase characters and numbers used by a Remote Trader for authentication when accessing the operating system of the personal computer(s) that form part of the Workstation, entered after providing the Operating System User Name.   |
| <b>Operating System User Name:</b> | A string of alphanumeric characters used by a Remote Trader for identification when accessing the operating system.  |
| <b>Order Book:</b>                 | Refers to the concept defined as such in the Code of Trading.  |
| <b>Ready-to-Trade State:</b>       | A state reached when a Remote Trader has logged on to the operating system of a personal computer in its Workstation or of the Connection Server, all the programs required for trading have been started, and the Central System is accessible from the Workstation.  |
| <b>Remote Error Correction:</b>    | The process by which, upon any failures experienced in Remote Trading, the Remote Trading Help Desk and/or the Telecommunications Service Provider resolves errors remotely via telecommunication lines.   |
| <b>Remote Trader:</b>              | A person to whom the Exchange has granted the right to use the Trading System via Remote Trading on the basis of a specific legal relationship established in a contract or by an Exchange Rule.   |
| <b>Remote Trading Help Desk:</b>   | The service operated by the Exchange for the purposes of co-operating in the elimination of errors of the Trading System as laid out herein.   |
| <b>Remote Trading:</b>             | The exclusive trading method used by the Exchange whereby Remote Traders use Workstations located at their Sites that enable access to the Central System and allow them to participate in trading.  |
| <b>Site:</b>                       | The location(s), officially reported to the Exchange, where a Trader Workstation is installed upon request by a Remote Trader on the basis of a permit issued by the Exchange.   |
| <b>Stand-By Central System:</b>    | The central computer system owned and used exclusively by the Exchange for conducting electronic trading and the related communication network. The Stand-By Central System supports a lower number of connecting Workstations compared to the Central System, and is operated at a different geographic location, separate from the Central System. |
| <b>Stand-by Workstation:</b>       | A personal computer owned by the Exchange and installed on the Floor as well as the network devices needed for connecting to the Central System, available to a Remote Trader for the purposes of Trading upon Workstation Loss or to the Exchange for training purposes.  |

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| <b>Supervisor Password:</b>                 | The secret identifier used by Remote Traders for authenticating notices to the Trading Supervisor.   |
| <b>System Access Point:</b>                 | The physical point of connection through which a Remote Trader connects to the Central System, and thus can access the Trading System. It is the Ethernet port of the active network element (router) handling the termination of the telecommunication lines at the Remote Trader's site.   |
| <b>System Opening Hours:</b>                | The period of time determined and published from time to time in a resolution by the CEO of the Exchange, during which the Trading System is available for Remote Trading and Complementary Activities.  |
| <b>Telecommunications Service Provider:</b> | The legal entity (entities) specified in a resolution by the CEO of the Exchange that provide Trading System Access Services to the Remote Trader based on a contract with the Remote Trader.  |
| <b>Telecommunications Service:</b>          | The Trading System Access Service defined by the provisions of a contract between the Telecommunications Service Provider and the Remote Trader, which specifies the rights and obligations related to the implementation of a connection between the Remote Trader and the Central System of the Exchange, to the deployment and maintenance of an appropriate telecommunications network, and to the provision of data communication services on said network. |
| <b>Telephone Password:</b>                  | The secret identifier used by a Remote Trader with the Remote Trading Help Desk for the purposes of reporting problems over the phone.   |
| <b>Trader Workstation Software:</b>         | The set of software programs and files installed on a personal computer that forms part of a Remote Trader Workstation and which is designed to ensure the trading functionality of the Workstation.   |
| <b>Trader Workstation:</b>                  | A personal computer used as a trading terminal at a Remote Trader Site and the Trader Workstation Software, collectively.  |
| <b>Trading Software Documentation:</b>      | The documentation including the user guides for the Central Trading Software and/or the Trader Workstation Software.   |
| <b>Trading Software Password:</b>           | A string including uppercase characters, lowercase characters and numbers, entered after entering the Trading Software User Name by a Remote Trader for authentication of its broker right's right to access the Trading System, or if a Connection Server is used, for authentication of its own right's right to access the Trading System   |

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| <b>Trading Software User Name:</b>     | A string of uppercase and lowercase characters and numbers used by a Remote Trader for its broker's user identification at login, or if a Connection Server is used, for its own identification, for the purpose of accessing the Trading System.  |
| <b>Trading Software:</b>               | The Central Trading Software, the Trader Workstation Software, and the Connection Server Software collectively. The Central Trading Software, the Trader Workstation Software, and the Connection Server Software are protected by copyright.  |
| <b>Trading System Access Provider:</b> | The legal entity (entities) that provide(s) Trading System Access Service for the Exchange based on a contract signed with the Exchange.   |
| <b>Upgrade:</b>                        | The replacement of all or part of a Trader Workstation Software release or the Connection Server Software by a new release containing program fixes or enhanced functionality.   |
| <b>Workstation Loss:</b>               | Any error in the Central System, or in the telecommunications network constructed by or the equipment supplied by the Telecommunications Service Provider, or in the Trader Workstation Software or Connection Server Software, preventing the affected Remote Trader from participating in trading on the Exchange via its Workstation. |
| <b>Workstation:</b>                    | A personal computer used as a trading terminal at a Remote Trader Site, the Connection Server, the network devices that establish the connection with the Central System, and the communication lines collectively.  |

**PART II: SPECIAL PROVISIONS**

**2 Method of Connecting to the Central System**

- 2.1 Remote Traders may participate in trading on the Exchange exclusively via their Workstations, except in case of Workstation Loss.
- 2.2 The number of Workstations used by a Remote Trader is not limited. Workstations may be installed for operation in accordance with the provisions herein at as many Remote Trader sites as requested by a Remote Trader. More than one Workstation may be installed at a single site. In the event that the physical location of a Workstation is changed, Remote Traders shall advise the Exchange of such a change at least thirty (30) days prior to moving the Workstation to the new location.
- 2.3 Workstations connect to the Central System via at least 2 (two) designated communication lines, a primary line and a secondary line, as specified by the CEO. Only a Remote Trader possessing trading rights in the Commodity Section is entitled to connect its workstation to the Central System via a dedicated single (1) communication line as set forth in the resolution of the CEO. Lines of communication are to be used by the Remote Traders only for establishing and maintaining the connection between the Workstation and the Central System.
- 2.4 Remote Traders may only commission the Telecommunications Service Provider to construct and install the communications network required for connecting to the Central System.
- 2.5 The Telecommunications Service Provider shall have a legal relationship with the Trading System Access Provider that enables it to provide Telecommunications Service to the Remote Traders. The Telecommunications Service Provider undertakes the obligation to enter into a contract with each Remote Trader for the provision of Telecommunications Service under identical terms.
- 2.6 The computer configurations that may be connected to the Central System as a Workstation are defined in a resolution by the CEO of the Exchange.
- 2.7 The CEO determines the specific release of the Trader Workstation Software, which based on its Operating Period, can actually be installed on the Trader Workstation.
- 2.8 The CEO also specifies in a resolution the availability of the Trader Workstation Software Installation Package with a valid Operating Period.
- 2.9 Remote Traders install the Trader Workstation Software needed to connect to the Central System on its Workstation and integrate the Workstation to the Central System on their own, without assistance from the Exchange.
- 2.10 Workstations that are not able to participate in remote trading due to errors made during installation or integration shall not be considered Lost Workstations.
- 2.11 Prospective Remote Traders that have submitted applications for section membership to the Exchange in the manner set forth in the Section Membership Regulations may

conclude the contracts defined in Sections 2.4 and 4.6, provided that they accept liability for all contractual consequences and obligations arising upon any decision rejecting their applications for section membership, and such prospective Remote Traders hereby waive the right to make any related claim on the Exchange.

- 2.12 Remote Traders shall bear all costs of procuring, installing, operating, and maintaining a Workstation, as well as the costs of integration with the Central System.
- 2.13 The Exchange bears all costs of creating, operating, and maintaining the Central System.

### **3 Provisions to Safeguard the Operation of the Trading System**

- 3.1 Remote Traders may not in any form or fashion modify the Trader Workstation Software or the Connection Server Software.
- 3.2 If a Remote Trader violates any of the provisions set forth under Section 3.1, the Exchange will immediately, without prior notice disconnect the affected Workstation from the Trading System and record the violation, and may furthermore apply sanctions as set forth in the applicable Exchange Rule.
- 3.3 Remote Traders shall compensate the Exchange and other Remote Traders in full for any damages arising from a violation by the Remote Trader of the obligations set forth in Section 3.1.
- 3.4 The Exchange may audit compliance with the obligations provided herein at any time. The Exchange may also perform on-site audits of such compliance at Remote Trader sites. Remote Traders shall assist such on-site audits by their supportive co-operation.

### **4 The Method and Terms of Connecting the Workstation to Third Party Computer Networks**

- 4.1 Workstations may only be connected to computer networks and other systems in a manner and under the terms set forth herein.
- 4.2 Workstations can be operated only using the IP addresses specified/approved by the Exchange. A Workstation may freely be connected to a Remote Trader's Background Trading Network, but Remote Traders shall report such connection to the Exchange in writing at least 10 days prior establishing it.
- 4.3 Network connections between the Workstation and the Background Trading Network or any other computer network or the system don't need prior approval of the Exchange. However the Remote Trader shall see to it that no unauthorised persons access the Workstations and no unauthorised network traffic could be directed to the Central System. Remote Traders in breach of this obligation shall take full responsibility for the damage caused and can be sanctioned as set forth in the applicable Exchange Rule.
- 4.4 The Exchange may prohibit the connection if it does not comply with the BETa Market Rules or in case the connection jeopardizes the security of the Trading System. In the event

that the Exchange does not reject the change, the Exchange will make available to the Remote Trader all information and details needed for the modification and for configuring the network communication device used for establishing the network connection, The necessary data for configuring the personal computer connecting via the network to the Workstation will also be made available.

- 4.5 The only method by which the Remote Trader can send/receive trading data (orders, market data, etc.) to or from the Central System automatically is through the Connection Server.
- 4.6 Connection Servers can only be acquired through a legally binding contract with a Connection Server Service Provider.
- 4.7 The CEO of the Exchange sets forth in a resolution the computer configurations eligible for use as a Connection Server, and the currently applicable Connection Server Software programs with a valid Operating Period.
- 4.8 Network connections shall be implemented by the Remote Trader in accordance with the BETa Market rules, and the related costs shall be borne by the Remote Trader.
- 4.9 Workstations that are not able to participate in remote trading due to the improper implementation of the network connection shall not be considered Lost Workstations.
- 4.10 The responsibility and liability of the Exchange in terms of the operation of the network connection via a Workstation is limited to providing accurate information and correct data.
- 4.11 The Exchange may, without prior notice to Remote Traders, perform a remote audit using the communication network of the Central System or an on-site audit at the Remote Trader's site to verify whether or not the network connection via the Workstation has been implemented in compliance with the relevant BETa Market rules. During the audit, Remote Traders shall co-operate with the Exchange.
- 4.12 In the event that the network connection via the Workstation has not been implemented in compliance with the relevant BETa Market rules, or in case circumstances evidence that unauthorized network traffic to the Central System results from the activity or negligence of the Remote Trader, the Exchange will immediately, without prior notice disconnect the Remote Trader's Workstation from the Central System, record the violation, and will furthermore apply sanctions as set forth in the applicable Exchange Rule. The same applies in case a Connection Server is used and a Remote Trader jeopardizes the secure operation or efficient performance of the Central System or of another Remote Trader by any procedure used in the Background Trading Network, or in case the Remote Trader doesn't fulfil its obligation to co-operate thus keeps back the Exchange from performing an on-line audit. The Exchange takes no responsibility for any damage caused by disconnecting the Workstation from the Central System without prior notice.
- 4.13 The Exchange will restore the connection between the Remote Trader's Workstation and the Central System only in the event that the network connection is in full compliance with the BETa Market rules.

- 4.14 In case a Connection Server is employed, the Remote Trader may only use software and applications in the Background Trading Network that are in compliance with any applicable BETa Market rules.

## **5 Trading System Operating Requirements**

- 5.1 Remote Traders shall ensure the human and physical resources within their control as required by the connection to the Central System and for the operation of Workstations.
- 5.2 With regard to the services provided by the Telecommunications Service Provider, Remote Traders are responsible and liable for building the computer network beyond the connection point at the Remote Trader Site. When building the computer network, Remote Traders may only use the standard devices specified in a resolution by the CEO.
- 5.3 Each Remote Trader with a Workstation incorporating personal computers shall operate at least one of the personal computers in its Workstation from an uninterruptible power supply, which in case of a power outage ensures continued operation for at least sixty (60) minutes, and shall furthermore ensure an uninterruptible power supply for all network devices implementing the connection with the Central System, and shall at all times keep such network devices connected to said uninterruptible power supply and with the power switch on.
- 5.4 Remote Traders shall be liable for all deficiencies due to their failure to act in compliance with the provisions in Section 5.3.
- 5.5 The Exchange will ensure, within its scope of control, the conditions for the uninterrupted operation of the Central System, including in particular the technical conditions required for keeping the Central System in operation as well as the human resources required to support the unhindered flow of trade on the Trading System.
- 5.6 The Exchange shall enable and support Remote Trading and Complementary Activities by Remote Traders continuously during System Opening Hours, unless a BETa Market rule provides differently.
- 5.7 The Exchange shall not be liable to the Remote Trader for damages arising from the inappropriate installation of Trader Workstation Software on a Workstation, the inappropriate integration of the Workstation and the Central System, the inappropriate deployment of the Connection Server, or the inappropriate upgrade of Workstation Software or the Connection Server Software. Furthermore, the Exchange is not liable for damages inflicted by Remote Traders upon each other by breaching the Regulations.

## **6 Procedure upon Trading System Failure**

- 6.1 The Exchange operates a Remote Trading Help Desk for the purposes of assisting in the resolution of any Remote-Trading-related errors occurring during System Opening Hours. The tasks of the Remote Trading Help Desk are strictly limited to providing assistance in the troubleshooting and error resolution process, and, with the exception of the errors occurring in the Central System, its responsibility does not cover the actual correction of errors. The responsibility of the Exchange doesn't extend beyond the System Access Point.

- 6.2 The Remote Trading Help Desk is responsible for:
- a) the continuous monitoring of Trading System operations, detection of potential errors, and participation in the troubleshooting and resolution of detected errors as provided herein,
  - b) participation as provided herein in the troubleshooting and resolution of errors reported by Remote Traders to the Remote Trading Help Desk,
  - c) initiating the correction of any technical defects in the Central System and eliminating, or making arrangements for the elimination of, such technical defects within the shortest possible time.
- 6.3 The Remote Trading Help Desk is in contact with the technical support service operated by the Trading System Access Provider as part of the services of the Telecommunications Service Provider.
- 6.4 The Remote Trading Help Desk will participate in troubleshooting upon the occurrence of any error experienced or reported.
- 6.5 When an error is reported or experienced, the Exchange will determine whether the error is caused by a malfunction in the Central System, the Trader Workstation Software, the network, or specific network components. If there is an active connection between the Remote Trader Workstation and the Background Trading Network or another computer network or system, the Exchange will only participate in troubleshooting – in addition to the activities specified above – by examining components up to the Connection Server Software.
- 6.6 The Exchange notifies Remote Traders of errors it detects with its network management or other system monitoring tools via the Workstation, the communications system, or via telephone or email.
- 6.7 If an error is due to a failure of the Central System, the Remote Trading Help Desk will immediately begin error resolution or will make arrangements to have the error corrected and will inform Remote Traders to this effect.
- 6.8 If an error is identified as a communication error due to a failure in the network connection between the Central System and a Workstation, the Remote Trading Help Desk will notify the technical support service of the Telecommunications Service Provider, which will immediately respond to such notice by investigating whether or not the error has occurred in the communications network. The Telecommunications Service Provider will notify the Exchange of the result of such investigation and the estimated time of correcting the error.
- 6.9 If a Workstation is not connected to the Background Trading Network or another computer network or system, and the Remote Trading Help Desk finds that an error is at the hardware or the operating system level, the Help Desk will immediately notify the Remote Trader, who will make arrangements to have the error corrected.
- 6.10 If a Workstation is not connected to the Background Trading Network or another computer network or system, and upon a failure of the Trader Workstation Software, the Exchange will only give the Remote Trader suggestions regarding the steps to be taken by the Remote Trader to resolve the error.

- 6.11 Errors in the operation of the Trader Workstation Software are primarily resolved through Remote Error Correction. If Remote Error Correction fails to bring results, the Remote Trader is responsible for fixing the problem. The Exchange will only take part in the remote error resolution process if the installation and integration of the Workstation was performed according to the installation instructions given to the Remote Trader by the Exchange. Through installation and integration based on such instructions, Remote Traders provide the Exchange with the authorisation to use Remote Error Correction in order to resolve any problems with the Trader Workstation Software.
- 6.12 Errors in the operation of the Connection Server Software are primarily resolved through Remote Error Correction. If Remote Error Correction is unsuccessful, the Remote Trader shall arrange for the resolution of the error based on the terms of its contract with the Connection Server Service Provider. The Exchange will only take part in the remote error resolution process if the installation and integration of the Connection Server was performed according to the installation instructions provided by the Exchange. By performing the installation based on such instructions, the Remote Trader authorises the Exchange to use Remote Error Correction in order to resolve any problems with the Connection Server Software.
- 6.13 To the best of its knowledge, the Exchange will keep the Remote Trader continuously informed of the status of the error resolution process.
- 6.14 When the Trading System is restarted upon a service interruption, the Exchange will notify Remote Traders that their Workstations are in the Ready-to-Trade State again.
- 6.15 The Exchange does not accept any liability for damages due to errors in the Central System, the Trader Workstation Software, or the Connection Server Software.
- 6.16 In order to facilitate the correction of errors, Remote Traders shall co-operate with the Remote Trading Help Desk, the Telecommunications Service Provider, and the Connection Server Service Provider. As part of such co-operation, Remote Traders shall provide access to their Workstations if necessary, at any time upon prior consultation, and they shall ensure that error correction can proceed. Remote Traders shall be liable for all the consequences of their failure to comply with the co-operation requirement set forth herein.

## **7 Trader Workstation Software and Connection Server Software Upgrades**

- 7.1 If the Exchange decides to upgrade the Trader Workstation Software or Connection Server Software, then the date of commencement of the upgrade, the new Trader Workstation Software release number or Connection Server Software release number, the availability of the installation package for the new release of the Trader Workstation Software, and the last day of the Operating Period of the previous release of the Trader Workstation Software or Connection Server Software to be replaced, shall be determined by the CEO of the Exchange in a resolution as soon as possible, but at least two (2) Exchange Days before the date of commencement of the Upgrade.
- 7.2 Upgrades are performed by the Remote Traders on their own, without assistance from the Exchange. Upgrading to a specific release of the Trader Workstation Software or Connection Server Software can be performed by the Remote Trader any time following the starting date of the respective Update.

7.3 However, Workstations for which the last day of the Operating Period of the currently installed Workstation Software and/or Connection Server Software has elapsed, or which have not been properly Updated, lose their Ready-to-Trade State status without being considered Lost Workstations.

## **8 The Supervisor**

8.1 The Supervisor shall:

- a) perform cancellation requests received from Remote Traders in respect of their own orders,
- b) modify a Remote Trader's trading authorisation levels upon instruction from the Remote Trader.

8.2 The Supervisor will only perform the tasks specified in Section 8.1 upon being given the Supervisor Password.

8.3 The Supervisor shall confirm, via telephone, the instructions given by Remote Traders under Section 8.1.

## **9 Contacting the Remote Trading Help Desk**

9.1 The Remote Trading Help Desk or the Supervisor can be accessed via an adequate number of telephone and fax lines, which will allow Remote Traders to get through to either without unnecessary delay. The telephone and fax lines available for this purpose may be used only for reporting problems to the Remote Trading Help Desk and submitting notices to the Supervisor during System Opening Hours, as well as for thirty (30) minutes before and after System Opening Hours.

9.2 The Remote Trading Help Desk and the Supervisor are available for contact during, and for thirty (30) minutes before and after, System Opening Hours, and fax announcements to the Remote Trading Help Desk and the Supervisor may be made continuously by dialling the telephone numbers provided during such period.

9.3 The Exchange will send prior written notice to Remote Traders of the abovementioned telephone and fax numbers and any changes thereof.

9.4 The Exchange will only accept Workstation and Trading Software problem reports and notices to the Supervisor if such are sent or made using the telephone or fax numbers provided for this purpose.

9.5 Remote Traders shall submit their Telephone Password and Supervisor Password in sealed envelopes to the Remote Trading Help Desk and the Supervisor, respectively, before connecting to the Central System, and shall always provide such passwords when reporting errors or submitting notices.

9.6 Remote Traders may use their Telephone Passwords and Supervisor Passwords for as long as they wish and may modify such passwords at any time. To modify a password, a

Remote Trader shall submit a sealed envelope containing the cancelled old Password and the new Password to the Remote Trading Help Desk or the Supervisor, and shall clearly specify the point in time at which the use of the new Password will begin. The Remote Trading Help Desk or the Supervisor, as the case may be, will only accept the new Telephone or Supervisor Password as identification from the Remote Trader from the specified time onwards.

- 9.7 Written notices will only be accepted if duly signed by a person registered with the Exchange as the authorised signatory for the Remote Trader's company.
- 9.8 The Exchange will record on tape all notices made over the telephone regarding Remote Trading, and Remote Traders shall accept such recordings as authentic evidence proving the subject matter of any reports/requests made.
- 9.9 The Exchange shall retain fax messages and recordings for a period of at least thirty (30) days, and if there are any disputes arising during such period, the contents thereof shall be kept until a decision by the competent body.

## **10 Procedure upon Workstation Loss**

- 10.1 The Exchange shall operate as many Stand-by Workstations at the Floor as specified in a resolution by the CEO of the Exchange, provided that the number of Stand-by Workstations in operation shall at all times correspond to at least fifteen (15) percent of the actual number of Remote Traders. Stand-by Workstations may not be used for performing Complementary Activities, they shall strictly be used for trading and for importing into and exporting from one's own Order Book.
- 10.2 In case of Workstation Loss, the affected Remote Trader may continue trading via a Stand-by Workstation at the Floor until the Ready-to-Trade State of the Remote Trader's own Workstation is restored, but at most until the end of System Opening Hours of the given day.
- 10.3 The number of Stand-by Workstations available for use by Remote Traders shall be equal to the number of personal computers forming part of their Workstations affected by Workstation Loss, as long as any unoccupied Stand-by Workstations are available for use.
- 10.4 Once all available Stand-by Workstations are occupied, if a further Remote Trader qualifies for requesting Stand-by Workstation use, the right to use a Stand-by Workstation will be withdrawn first from those Remote Traders who have Workstations in the Ready-to-Trade State and eventually, on a proportionate basis, from those Remote Traders that are using the greatest number of Stand-by Workstations.
- 10.5 The procedure described above shall be applied until all Remote Traders qualifying for the right to use a Stand-by Workstation can exercise the right to use at least a single Stand-by Workstation.
- 10.6 If upon applying such a procedure there still remains a single Remote Trader who is a Section Member with a Workstation installed at its Budapest Site and who has the right to claim the use of a Stand-by Workstation, and yet the Exchange cannot make a Stand-by Workstation available to the Remote Trader for use under such right, the Exchange shall

order a temporary halt of trading in the particular section as long as such circumstances prevail on the particular day.

- 10.7 In the event that fifteen (15) percent of Remote Traders with Section Membership but without a Workstation installed at a Budapest Site as a percentage of all Remote Traders with Section membership fall victim to an error whereby they have no Workstations in the Ready-to-Trade State available for use, the Exchange is entitled to order a temporary halt of trading in the particular section as long as such circumstances prevail on the given day.
- 10.8 Remote Traders whose Workstations are not functional for the purposes of trading due to an error outside the scope of the concept known as Workstation Loss may use Stand-by Workstations under the terms specified in a resolution by the CEO of the Exchange.
- 10.9 No trading halt will be ordered for the sake of Remote Traders whose Workstations have been lost for the purposes of trading due to any error outside the scope of the concept known as Workstation Loss.

## **11 Protecting the Trading System**

- 11.1 In order to protect the Trading System, Remote Traders shall ensure that their Workstations are physically installed at a location that prevents unauthorised access to the Trading System.
- 11.2 In order to prevent unauthorised access via Workstations, Remote Traders shall apply appropriate internal procedures and controls.
- 11.3 Remote Traders are responsible for developing security measures to prevent unauthorised access to Workstations from the Central System, the Background Trading Network, or other computer networks or systems.
- 11.4 The Exchange is responsible and liable for preventing unauthorised access through the Central System and for protecting the Central System.
- 11.5 In order to prevent unauthorised persons from logging on to the Trading System, Remote Traders shall use different Trading Software Passwords for each level of identification. Trading Software Passwords shall contain a minimum of six (6) characters, and shall be made up of a mixed sequence of lowercase and uppercase characters, numbers and symbols.
- 11.6 Remote Traders may use Trading Software Passwords for as long as they wish, and may modify them as desired at any time.
- 11.7 Remote Traders shall keep the passwords used in connection with Remote Trading confidential.
- 11.8 All operations initiated from a Workstation shall qualify as an act by the relevant Remote Trader, and the Remote Trader shall be fully liable for such acts.

- 11.9 In order to use a Workstation, Remote Traders shall identify themselves by entering the Operating System User Name plus the Operating System Password. In addition to this identification method, other mechanisms suitable for the unambiguous identification of the Remote Trader can be used including among others intelligent cards, RSA tokens or biometric identification. In order to use the Trading System, Remote Traders shall identify themselves by entering a Trading Software User Name plus a Trading Software Password suitable also for identifying the broker that logs in on their behalf, excepting in cases of using the Connection Server, where the Trading Software User Name and the Trading Software Password used at log-on will only identify the Remote Trader.
- 11.10 When trading through a Connection Server, Remote Traders are not obliged to identify the broker that enters an order through the Connection Server and shall be liable for orders entered through the Connection Server in accordance with the general terms of liability.
- 11.11 If a Remote Trader fails to take proper precautions to protect the Trading System, and if unauthorised access through the Workstation of a Remote Trader endangers or threatens to endanger other Remote Traders or the Central System, the Exchange will immediately disconnect the Workstations of such Remote Trader from the Central System, record the violation, and apply sanctions as set forth in the applicable Exchange Rule in respect of the Remote Trader.
- 11.12 The Exchange will re-establish the connection between the Remote Trader's Workstation and the Central System only in the event the Remote Trader verifies that it is in full compliance with the requirements governing the protection of the Trading System.
- 11.13 Remote Traders may not disclose to third parties in any form — neither free of charge nor against consideration — any information displayed on their Workstations in respect of exchange trading. The CEO sets forth in a resolution the rules governing the payment of fees to the Exchange by Remote Traders using a Connection Server or other network connection to the Background Trading Network and the related rate as charged for each computer displaying Trading data in the Background Trading Network.
- 11.14 In the event of a breach of Section 11.13, the Exchange shall suspend the Remote Trader's right to trade as long as the violation exists and apply a pecuniary sanction. The Exchange may, without prior notice to Remote Trader, perform an on-site audit at any time to inspect the full compliance with Section 11.13. During the audit, Remote Trader shall co-operate with the Exchange.
- 11.15 During any on-site audit performed based on present Regulation, the Exchange may, without prior notice to Remote Traders, inspect that how and to what IT applications the trading information, provided by the Exchange via the Workstation or the Connection Server, is forwarded in the Remote Trader's network. In order to determine the abovementioned the Remote Trader shall peculiarly give read only access to its IT systems for the Exchange, furthermore shall submit the Exchange its network topography schemes and the data-link schemes of the concerned IT applications. During the audit, Remote Traders shall co-operate with the Exchange.

## **12 Legal Relationship between the Telecommunications Service Provider and the Remote Trader**

- 12.1 Unless provided otherwise herein, the actual relationship between the Telecommunications Service Provider and the Remote Trader is governed by a written contract between them for the provision of Telecommunications Service.
- 12.2 The Remote Trader shall bear the cost of services provided by the Telecommunications Service Provider under the contract described in Section 12.1. The Remote Trader's failure to meet or duly perform its obligations under Section 12.1 will be considered a violation of Remote Trader's obligations herein.
- 12.3 If the Remote Trader violates its obligation under Section 12.2, the Exchange may apply the following sanctions against the Remote Trader:
- 5 (five) days after the day when payment is due, the Exchange will request in writing that the Remote Trader meet its obligations, and will call its attention to further possible sanctions;
  - after the 10<sup>th</sup> (tenth) day following the day when payment is due, the Exchange will terminate the use of the secondary (backup) communications line ensuring the connection of the Remote Trader's Workstation to the Central System, and at the same time will record this incident;
  - after the 20<sup>th</sup> (twentieth) day following the day when payment is due, the Exchange will terminate the connection of the Remote Trader's Workstation to the Central System, and at the same time will record this incident;
  - after the 25<sup>th</sup> (twenty-fifth) day following the day when payment is due, the legal relationship between the Telecommunications Service Provider and the Exchange will be terminated based on a unilateral statement by the Exchange (cancelling condition).
- 12.4 The terms of the legal relationship between the Telecommunications Service Provider and the Remote Trader shall be defined in compliance with the provisions herein.

## **13 Maintaining Connection to the Central System in Case of Disaster**

- 13.1 In case of a natural disaster, accident, fire, terrorist attack or any other event that makes the operation of the Central System impossible, the Exchange will activate the Stand-by Central System.
- 13.2 In case the Central System is out of operation, these Regulations authorise the CEO to issue a resolution governing the use of the Stand-by Central System with terms different from these Regulations, including the limitation of the number of Workstations in use during the operation of the Stand-by Central System.