

## Section 61 of the Hungarian Act CXX of 2001 on Capital Markets

### Notification and Disclosure of Voting Rights

**Section 61** (1) Holders of shares or voting rights in a public limited company (for the purposes of this Section hereinafter referred to as “shareholder”) shall notify the issuer and the Authority at the time of reaching or exceeding the threshold specified in Subsection (3) relating to voting rights, or shares to which voting rights are attached, held directly or indirectly, including when such holdings of shares or voting rights fall below the said threshold without delay, but not later than within two calendar days, the first of which shall be the day after the date on which the shareholder:

*a)* learns of the acquisition or disposal of shares carrying voting rights or of the possibility of exercising voting rights, or on which, having regard to the circumstances, should have learned of it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect; or

*b)* is informed by the issuer’s notice concerning changes in the quantity of shares to which voting rights are attached in accordance with the issuer’s charter document.

(2) In connection with own shares, the notification required under Subsection (1) shall be satisfied by the issuer.

(3) The notification of holdings as required under Subsection (1) applies to the following percentages: five, ten, fifteen, twenty, twenty-five, thirty, thirty-five, forty, forty-five, fifty, seventy-five, eighty, eighty-five, ninety, ninety-one, ninety-two, ninety-three, ninety-four, ninety-five, ninety-six, ninety-seven, ninety-eight and ninety-nine.

(4) The voting rights shall be calculated - irrespective of any provisions for restrictions on voting rights - on the basis of all the shares to which voting rights are attached according to the issuer’s charter document. In determining the proportion referred to in Subsection (1), in addition to the shares held by the shareholder, the voting rights described in Subsections (5) and (6) shall also be taken into account.

(5) In determining the proportion referred to in Subsection (1), voting rights attached to shares shall be recognized as the voting right of the applicant in any of the following cases, where the voting right:

*a)* is exercised by the shareholder and a third party under an agreement, which permits the concerted exercise of the voting rights – aiming a constant common policy towards the issuer - for the parties to the agreement;

*b)* is exercised by the shareholder under an agreement providing for the temporary transfer of the voting rights in question;

*c)* is exercised by the shareholder, in the case of voting rights attaching to shares which are lodged as collateral, under an agreement which provides for the exercise of such voting rights;

*d)* is exercised by the shareholder under the right of beneficial interest;

*e)* is exercised by the shareholder’s controlled company within the meaning of Paragraphs *a)-d)*;

*f)* is exercised by the shareholder, if functioning as a custodian, at its discretion in the absence of specific instructions from the depositor;

*g)* is exercised by a third party in its own name on behalf of the shareholder, under an agreement with the applicant;

*h)* is exercised by the shareholder, if functioning as a proxy, at its discretion in the absence of specific instructions from the principal.

(6) In determining the proportion referred to in Subsection (1), the voting rights of:

*a)* any fund management company, if the fund management company is controlled by the shareholder and if able to exercise the voting rights attached to the securities it manages,

*b)* any investment firm or credit institution, if the investment firm or credit institution is controlled by the shareholder and if able to exercise the voting rights attached to the portfolio it manages under direct or indirect instructions from the shareholder or another controlled company of the shareholder, or in any other way.

(7) In determining the proportion referred to in Subsection (1), voting rights shall not be taken into account held by any investment fund management company, management company engaged in the management of UCITS, investment firm or credit institution that is controlled by the shareholder, if the investment fund management company, management company engaged in the management of UCITS, investment firm or credit institution is authorized to provide portfolio management services, and it is permitted to exercise the voting rights attached to the portfolio it manages:

*a)* under instructions received on paper or by way of electronic means,

*b)* independently from the shareholder.

(8) In addition to what is contained in Subsection (7):

*a)* the shareholder is required to send to the Authority the name of the investment fund management company, management company engaged in the management of UCITS, investment firm, credit institution it controls and the name of the competent supervisory authority supervising them;

*b)* the shareholder shall provide a statement to the Authority to the effect that:

*ba)* the voting rights attached to the portfolio it manages are exercised by the investment fund management company, management company engaged in the management of UCITS, investment firm or credit institution it controls independently from the shareholder, and

*bb)* it neither intervenes in the management of the investment fund management company, management company engaged in the management of UCITS, investment firm or credit institution it controls nor exerts any influence on them by way of direct or indirect instructions in their exercise of such voting rights;

*c)* the shareholder and its controlled companies shall established written policies and procedures reasonably designed to prevent the distribution of information between them in relation to the exercise of voting rights.

(9) The requirement of notification described in Subsection (1) shall apply to any person who, directly or indirectly, is in possession of any financial instruments specified in the IRA - including futures and options contracts -, provided that they result in an entitlement to acquire, on the holder's own initiative alone or under a formal agreement, shares of an issuer to which voting rights are attached.

(10) The shareholder shall not be required to comply with the obligation of notification under Subsection (1), if the notification requirement is satisfied by its parent company, or if the parent company is controlled by others, by that parent company.

(11) In connection with shares shown in the trading book, the credit institution and the investment firm shall not be required to comply with the obligation of notification under Subsection (1), if:

*a)* they ensure that the voting rights attaching to shares held in the trading book are not exercised,

*b)* they are not involved in the decisions relating to the appointment and removal of members for the issuer's decision-making, management or supervisory bodies, and

*c)* the voting rights held in the trading book do not exceed five per cent.

(12) Market makers shall not be required to comply with the obligation of notification under Subsection (1), if:

*a)* they ensure that the voting rights attaching to shares held in the trading book are not exercised,

*b)* they notify the Authority in advance of the commencement and termination of market making activities,

*c)* they keep separate accounts on the shares and financial instruments required for market making activities.

(13) Where the market maker has concluded a market-making agreement with the stock exchange and/or the issuer, this agreement shall be presented to the Authority upon request.

(14) In the event of non-compliance with the obligation of notification as prescribed in this Section, the person affected may not exercise his voting rights in the company in question until the notification is submitted.

(15) The Authority shall publish on its website the calendar of trading days of regulated markets.