

Clearing Participation Agreement (DCM)

Centrální depozitář cenných papírů, a.s., with its registered office at Rybná 14, 110 05 Praha 1, ID No. 25081489, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 4308, represented by Ing. Petr Koblíček, Chairperson of the Board of Directors, and by Ing. Ondřej Dušílek, member of the Board of Directors, (hereinafter “**Central Depository**” or “**CSD**”), of the one part

and

Name of Company:	
Registered Office:	
ID No.:	
Registration in Commercial Register:	
Represented by persons:	

(hereinafter “**Clearing Participant**” or “**DCM**”), of the other part

hereby enter into, pursuant to Section 1746 (2) of Act No. 89/2012 Sb., the Civil Code, as amended (hereinafter “**Civil Code**”), pursuant to the provisions of Art. 31 (1) of the Settlement System Rules UNIVYC (hereinafter “**Settlement Rules**”), the following Clearing Participation Agreement (hereinafter “**Agreement**”).

I. Basic Provisions

- (1) This Agreement sets forth the terms and conditions for the establishment of the DCM's participation in the clearing of the CSD Settlement System (hereinafter “**Clearing Participation**”) and defines the mutual rights and responsibilities of the Parties arising from the Clearing Participation, unless such rights and responsibilities are regulated by generally binding legal regulations or by the Settlement Rules.
- (2) Terms undefined in this Agreement shall have the meaning set forth in the Settlement Rules.

II. Definitions

- (1) Central Depository is the operator of the Settlement System for exchange trades determined by the Prague Stock Exchange (hereinafter “**Exchange**”).
- (2) Clearing Participant shall mean the trading member responsible for the unconditional fulfilment of the obligations arising from the settlement of exchange trades. DCM is a participant in the CSD Settlement System or has concluded an agreement with the clearing agent regarding the performance of the settlement.
- (3) Clearing Agent shall mean a participant in the CSD Settlement System and the clearing bank that has concluded an agreement with DCM regarding the performance of the services of clearing agent (hereinafter “**Clearing Agent**”).

- (4) In accordance with the Settlement Rules, Clearing Bank shall mean the bank participating in the monetary settlement of trades on its own account or on behalf of another (hereinafter “**Clearing Bank**”).

III.

Rights and Responsibilities of the Clearing Participant

- (1) The DCM is hereby authorised to make use of the clearing services of the CSD Settlement System.
- (2) By signing this Agreement, the DCM expressly undertakes to comply with all responsibilities set forth by the Settlement Rules.
- (3) The DCM undertakes to unconditionally fulfil the obligations arising from the settlement of their exchange trades.
- (4) A DCM which is not or ceased to be a participant in the CSD Settlement System undertakes to conclude an agreement with the Clearing Agent, on the basis of which settlement shall be performed. The DCM also undertakes to have opened at least one Asset Account for the settlement of trades. The DCM shall be obliged to conclude the respective agreements prior to the effective date of this Agreement, and/or prior to the future termination of participation in the Settlement System. The DCM shall be obliged to demonstrate to CSD that an agreement on the performance of settlement by means of the Clearing Agent has been concluded. This shall be done by delivering a signed copy of the form annexed to the Settlement Rules.
- (5) The DCM which is a participant in the CSD Settlement System but is not the Clearing Bank shall be obliged to conclude an agreement with the Clearing Bank regarding the performance of settlement under the Settlement Rules.
- (6) The DCM shall notify the Central Depository, without undue delay and in compliance with the Settlement Rules, of all facts relating to the DCM’s legal subjectivity and/or facts which may affect the performance of the DCM’s activities, including, but not limited to:
 - a) any material changes in its financial standing which could result in a failure to fulfil its financial obligations;
 - b) the commencement of proceedings aimed at the withdrawal of relevant licences, and/or other facts that may lead to the expiry of authorisation to act as a trading member or Clearing Participant in the Czech Republic;
 - c) the commencement of insolvency proceedings, institution of receivership, or decision on the termination of the DCM.
- (7) The DCM undertakes to provide CSD with a list of its employees responsible for communication with the Central Depository, together with a Specimen Signature.
- (8) Upon request, the DCM shall be obliged to provide CSD with all information relating to the Clearing Participation during the entire effective period of this Agreement.

IV.

Central Depository’s Rights and Responsibilities

The Central Depository shall manage the Clearing Fund under the Settlement Rules and shall operate the Settlement System that the Clearing Participant may use under the Settlement Rules and this Agreement.

V.

Clearing Fund

- (1) The CSD Clearing Fund (hereinafter “**Clearing Fund**”) shall pool the resources of the Clearing Participants in order to secure the liabilities and cover the risks ensuing from the settlement of exchange trades.

- (2) By signing this Agreement, the DCM undertakes to contribute to the Clearing Fund and comply with all obligations arising in respect of the Clearing Fund that ensue for the Clearing Participant from Clearing Participation.
- (3) The DCM shall, in particular, be obliged to make a contribution to the Clearing Fund no later than on the day prior to the date on which it became the DCM. The amount of the contribution, its form and terms of settlement are provided in the Settlement Rules.
- (4) By signing this Agreement, the DCM agrees that its contribution to the Clearing Fund be used for the purposes specified in the Settlement Rules.
- (5) Throughout the effective period of this Agreement, the DCM shall abstain from any activity that could complicate or prevent use of the Clearing Fund resources for the purposes set in the Settlement Rules.
- (6) By signing this Agreement, the DCM agrees that the contributions entered in the Clearing Fund will be administered by the Central Depository in accordance with the Settlement Rules.

VI.

Establishment, Duration and Termination of the Clearing Participation

- (1) This Agreement shall enter into force and effect on the day of its signing. Clearing Participation shall be established as of
- (2) This Agreement is entered into for an indefinite period of time.
- (3) The Clearing Participation of the Clearing Participant shall end with the termination of this Agreement in accordance with Par. 4 of this Article. Prior to the termination of the Agreement, the Parties undertake to settle all liabilities and claims arising from the settlement of the Clearing Participant's exchange trades and other payments related to the participation of the ceasing Clearing Participant.
- (4) This Agreement may be terminated:
 - a) by means of a notice of Agreement termination by the Clearing Participant;
 - b) by means of a notice of Agreement termination due to a decision by the CSD's Board of Directors to cancel clearing participation;
 - c) due to a decision to cancel participation upon the DCM's loss of eligibility to be a Clearing Participant;
 - d) by means of termination of participation in the Settlement System, unless the DCM proves, under Art. III hereof, to the Central Depository in advance that an agreement has been concluded with the Clearing Agent;
 - e) by agreement of the Parties.
- (5) The Clearing Participation Agreement shall be terminated on the day set forth in the notice of termination referred to in Par. 4 (a) of this Article, but not earlier than 6 months after the delivery of the Clearing Participant's notice of termination to the Central Depository, or as of the date stated in the decision of the CSD' Board of Directors with regard to the termination of the Clearing Participation in accordance with Par. 4 (b) of this Article, or as of the date stated in the decision on the termination of participation due to the Clearing Participant's loss of eligibility to be a Clearing Participant in accordance with Par. 4 (c) of this Article, or as of the day on which the participation in the Settlement System is terminated in accordance with Par. 4 (d) of this Article.
- (6) The Central Depository's Board of Directors shall be authorised to decide on the termination of clearing participation in the Settlement System in accordance with Par. 4 (b) of this Article only if the Clearing Participant violates its obligations arising from this Agreement or from the Settlement Rules to such a degree that it results in damage or jeopardises the activities of the Central Depository, the Exchange, and/or another Clearing Participant or Non-Clearing Participant.

VII.
Common and Final Provisions

- (1) This Agreement shall be governed by, and interpreted in accordance with, the law of the Czech Republic.
- (2) Should any provision herein be in conflict with the mandatory provisions of the applicable law, the provisions of the law shall prevail.
- (3) No rights or responsibilities arising under this Agreement may be transferred or assigned to third parties, or ceded to a legal successor, unless a separate agreement between the Central Depository and the Clearing Participant stipulates otherwise.
- (4) This Agreement may only be amended or supplemented by means of a written agreement between the Parties in the form of written amendments.
- (5) This Agreement is drawn up in two original copies, one for each of the Parties.

In, date:

For

Signed in Prague on

For **Centrální depozitář cenných papírů, a.s.:**

.....
By:
Title:

.....
By: Ing. Petr Koblíček
Title: Chairperson of the Board of Directors

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By:
Title:

.....
By: Ing. Ondřej Dušílek
Title: Member of the Board of Directors