

CONDITIONS FOR THE OPENING AND MAINTENANCE OF ASSET ACCOUNTS IN THE SKD

Article 1 Opening of the Account

(1) The operator shall open an asset account in the SKD for a participant who is a client or a custodian (hereinafter only the “account holder”), provided he applies for it. A participant becomes a client or a custodian on the basis of the first concluded contract on an asset account.

(2) Asset accounts in the SKD are owner accounts in the SKD and customer accounts in the SKD. An owner account is opened and maintained on the basis of a contract on an owner account in the SKD concluded between the CNB and the client; a client account is opened on the basis of a contract on a client account in the SKD, concluded between the CNB and the custodian (hereinafter only the “contracts on an asset account in the SKD”).

(3) The client or the custodian shall submit an application for the opening of an asset account in the SKD¹ (hereinafter only the “application”) pursuant to paragraph (1) to the operator in writing.

(4) The operator shall prepare a contract on a client account in the SKD² or a contract on an owner account in the SKD³ within 10 business days of receiving all documents from the applicant and in accordance with it shall open the respective asset account for the client or the custodian.

(5) The SKD shall keep records of the data on the account holder, as well as the data concerning which agent has access to the asset account, when the asset account was opened and other data in accordance with the Rules of the Short-Term Bond System (hereinafter only the “Rules”) and the Participant’s Manual (hereinafter only the “Manual”)

Article 2 Maintenance of the Account

(1) Whenever there is a change in the asset account, the operator shall send the account holder not acting as an agent the statements of the asset account; the statements will be sent to the e-mail address registered for that purpose in the SKD. The account holder acting as an agent withdraws the statements of the asset account directly from the SKD application.

(2) The fees for the opening and maintenance of the asset account and for operations in it shall be paid by the account holder’s agent on the basis of the tax documents, which the operator shall send to him; these documents will be sent to the contact person and address registered in the SKD.

Article 3 Change of the Cash Account

(1) In the event of a change in the cash account for some other reason, the account holder is obliged to notify the operator of the change in writing and the operator shall carry out the change.

- (2) In the notification of a change of the cash account, the account holder must state
- a) the code and abbreviated name of the account holder in accordance with the Contract on an Asset Account in the SKD^{2,3},
 - b) the code and abbreviated name of the agent in accordance with the Contract on an Asset Account in the SKD^{2,3},
 - c) designation of the asset account,

¹ Form – Application for the Opening of an Asset Account in the SKD

² Appendix to the Rules No. 1b – Specimen Contract on a Customer Account in the SKD

³ Appendix to the Rules No. 1c – Specimen Contract on an Owner Account in the SKD

- d) the number of the original cash account,
- e) the number of the new cash account,
- f) the date on which the change is to be made,
- g) at the request of the operator, also other facts that are relevant for a change of the cash account.

(3) When notifying of a change of the cash account, the account holder shall also submit a declaration of the bank that maintains his new cash account, stating that this cash account will not be cancelled without the knowledge of the operator during the period in which it is on record in the SKD.

(4) The notification must contain the date and signature of the notifying natural person or the person representing the account holder that is authorized to apply on behalf of the account holder for the opening of an account or to conclude contracts with the CNB, and whose specimen signature is at the disposal of the operator.

(5) The operator may refuse to implement a change or postpone it, if such change might have detrimental effects on the functioning of the SKD. It shall inform the account holder of this fact within five business days of the receipt of the application.

(6) If the operator does not reject the notified change, it shall prepare, within five business days of the receipt of the notification, an amendment to the Contract on an Asset Account in the SKD (hereinafter only the “amendment”).

(7) The operator shall carry out the change of the cash account on the day when the amendment becomes effective, during the time after the termination of acceptance of reports, unless agreed upon otherwise in the amendment.

(8) The operator shall not be liable for any damages which might arise in connection with a change pursuant to (7).

Article 4 Change of the Agent

(1) The account holder must notify the operator in writing of a change in the agent who has access to his asset account.

- (2) In the notification of a change of the agent the account holder must state
 - a) the code and abbreviated name of the account holder in accordance with the Contract on an Asset Account in the SKD,^{2,3}
 - b) the code and abbreviated name of the original agent in accordance with the Contract on an Asset Account in the SKD,^{2,3}
 - c) the code and abbreviated name of the new agent,
 - d) upon the request of the operator also other facts that are relevant for a change of the agent.

(3) The notification must contain the date and signature of the notifying natural person or the person representing the account holder that is authorized to conclude contracts with the CNB on behalf of the account holder and whose specimen signature is at the disposal of the operator.

(4) The operator may refuse to implement a change or postpone it, if such change might have detrimental effects on the functioning of the SKD. It shall inform the account holder of this fact within five business days of the receipt of the application.

(5) If the operator does not refuse the notified change, it shall prepare, within five days of the receipt of the notification, an amendment to the Contract on an Asset Account in the SKD (hereinafter only the “amendment”).

(6) The operator shall carry out the change of the agent who has access to the asset account on the day when the amendment becomes valid and effective, during the time after the termination of acceptance of reports, unless agreed-upon otherwise in the amendment.

(7) If a change of the agent is accompanied with a change of the cash account, the application for a change of the agent shall also include all particulars stated in Article 3 (3) and (4).

(8) The operator shall not be liable for any damages which might arise in connection with a change pursuant to (7).

Article 5 Change of the Asset Account

(1) The operator shall carry out a change of the name and number of the asset account if there are urgent operational reasons for it on the basis of the account holder's general consent given in the Contract on an Asset Account in the SKD.^{2,3}

(2) The account holder must be informed of a change of the name and number of his asset account at least five business days in advance. At the same time, the operator shall inform the agent that has access to the asset account. The operator shall also send the account holder an amendment to the Contract on an Asset Account containing the change in the designation of the asset account.

(3) In the event of a change of the name and number of an asset account, the operator shall:

- a) open a new asset account,
- b) transfer the securities from the original asset account to the new one,
- c) cancel the original asset account.

(4) The transfer of securities pursuant to (3) shall be carried out by the SKD.

(5) The acts pursuant to (3) shall be carried out by the operator free of charge.

Article 6 Cancellation of the Asset Account

(1) The asset account may be cancelled only for the reasons stated in the Contract on an Asset Account in the SKD^{2,3} and in these Conditions.

(2) The asset account may not be cancelled, if there are securities registered in it or if it is connected with an issue which is not repaid yet, with the exception stated in Article (5).

(3) Should there be securities registered in the asset at the moment of extinction of the Contract on an Asset Account in the SKD,^{2,3} the SKD shall block the given asset account so that no further securities can be transferred to it. The account holder is at the same time obliged to transfer the securities from this account to some other asset account.

Article 7 Closing Provisions

(1) The participants in the SKD shall be informed of changes of the Conditions for the Opening and Maintenance of Asset Accounts in the SKD in accordance with the Rules and the Contract on an Asset Account in the SKD^{2,3} on the CNB website. The change shall become effective upon publication, unless a later date is specified by the operator.