

**PERIODS AND TIME-LIMITS FOR EXECUTING TRANSACTIONS IN THE SKD****Article 1  
Introductory Provisions**

(1) The SKD accepts electronically transmitted instructions from the agents' offices and instructions for exchange submitted in writing on business days during the time from 8:30 a.m. to 5:30 p.m., unless stipulated otherwise in paragraph (3). The agent must ensure that his instructions arrive at the SKD within this interval.

(2) The operator accepts other instructions submitted in writing and applications during the hours of attendance, on business days from 9:00 a.m. to 3:00 p.m., unless stipulated otherwise in paragraph (3).

(3) The SKD accepts instructions, on the basis of which payments ensured by the SKD are to be effected, on the day when the payment is to be made only until 4:00 p.m. - the termination of the accounting day of the CERTIS system<sup>1</sup>.

(4) The decisive moment for the processing of an instruction is the moment of its acceptance for settlement, not the moment of its dispatching.

(5) An instruction that does not reach the SKD within the stipulated time cannot be accepted for settlement.

(6) The participant who did not adhere to the stipulated time-limit shall be liable for any damages arising as a result of his failure to deliver an instruction within the time-limit.

**Article 2  
Primary Market**

(1) An issue of securities in book-entry form (hereinafter referred to as the "securities") must be registered in the SKD not later than one business day before the day of processing the orders to purchase from the primary sale or recording the results of an auction in the SKD through the agent (hereinafter only the "auction"). At the request of the issuer, the operator may exceptionally extend this deadline until the opening of the auction.

(2) The auction must take place not later than on the day of issue.

(3) The place, method and time of delivery of orders for purchase from the primary sale are determined by the issuer.

(4) The auction takes place on the stipulated day during the time when the SKD processes instructions from the agents (Article 1(1)). If the day of auction is identical with the day of issue, the auction must be completed by the time of closing of the accounting day of the CERTIS system (Article 1(3)).

(5) The method and the time of announcement of the results of an auction to its participants are determined by the issuer.

(6) At the opening of the SKD accounting day stipulated as the day of issue, the SKD will generate payment instructions for the CERTIS system. If the stipulated day of issue is the same as the day of auction, the issuer's agent must inform the operator about the termination of the auction. The SKD will subsequently generate the respective payment instructions for the CERTIS system.

(7) Beginning from the day of issue, the SKD shall send satisfied buyers a statement of their asset accounts.

(8) Beginning from the day of issue, the SKD shall send the issuer and the participants a report on the results of the primary sale.

(9) The securities that have not been sold on the day of issue are removed from the records at the end of the day of issue.

---

<sup>1</sup> Determined on the basis of the Time Schedule of the Operation of the CERTIS System.

### **Article 3**

#### **Transactions on the Secondary Market**

(1) Provided their transferability is not limited, securities are transferable in the SKD within the framework of the secondary market from the moment of their issue until the end of the business day preceding their maturity day.

(2) The transferors and the transferees shall send their instructions comprising payments for delivery of securities in accordance with the principle “delivery versus payment”, the settlement date of which is the current accounting day, via their agents to the SKD during the time stipulated for the acceptance of instructions pursuant to Article 1, paragraph (3).

(3) The transferors and the transferees shall send their instructions not comprising payments for delivery of securities and instructions comprising payments for delivery of securities in accordance with the principle “delivery versus payment with the settlement date” during the days that follow after the current accounting day via their agents to the SKD during the time stipulated for the acceptance of instructions pursuant to Article 1, paragraph (1).

(4) The SKD shall accept instructions for registration of a lien or extinction of a lien during the time stipulated for the acceptance of instructions pursuant to Article 1, paragraph (2). The registration of extinction of a lien can be carried out only on condition that the instruction for extinction of a lien is delivered to the SKD not later than on the day preceding the maturity day of the pledged securities. Should the instruction for extinction of a lien be delivered to the SKD later, the yield from these securities will be paid to the pledgee, or the recipient of financial collateral.

(5) The SKD accepts instructions for registration of a lien or extinction of a lien against payment during the time stipulated for the acceptance of instructions pursuant to Article 1, paragraph (3).

(6) The SKD accepts cancellation instructions during the time stipulated for the acceptance of instructions pursuant to Article 1, paragraph (1).

(7) The SKD shall send information about non-execution of transactions due to formal deficiencies of the respective instructions to the agents of the participants in such operations immediately.

(8) Instructions for registration of transfers are matched in the SKD on the day of delivery of both instructions.

(9) When instructions are matched, the following rules shall be applied to settlement in koruna; if the amounts of both instructions are not the same

- and are higher than CZK 2,500,000 and the difference is less than CZK 50, instructions shall be matched at the seller's price
- and are lower than CZK 2,500,000 and the difference is less than CZK 625, instructions shall be matched at the seller's price.

(10) The instructions for registration of transfers which could not be matched by the end of the stipulated day of transfer of securities are cancelled at the end of the same day and the securities remain recorded in the original asset account. The SKD shall notify the transferor and transferee of this fact via their agents at the end of the given day.

(11) If an transaction is not executed due to a lack of disposable securities in the transferor's (or the pledgor's, or the financial collateral provider's) asset account on the record date,<sup>2</sup> the respective orders shall be cancelled at the end of this day, no change shall be made in the records of the SKD and the SKD shall notify the transferor and the transferee, or the pledgor and pledgee, or the financial collateral provider and recipient, of this fact via their agents at the end of the day which is the record date. The SKD shall subsequently generate instructions to register the transfer (or pledge) on the following SKD accounting day.

---

<sup>2</sup> Record date is the date agreed-upon by the participants as the date of settlement of the transfer for consideration, the delivery of a security within the framework of transfer without consideration, the establishment or extinction of a lien.

(12) In the event that there is not by the end of the stipulated time on the following settlement day a sufficient number of disposable securities in the transferor's (or pledgor's, or financial collateral provider's) asset account (paragraph (10)), the SKD shall cancel the respective instructions for registration and notify the transferor (or the pledgor, or the financial collateral provider) and the transferee (or the pledgee, or the financial collateral recipient) of this fact via their agents, giving the reason. The SKD shall subsequently generate instructions to register the transfer (or pledge) on the following SKD accounting day.

(13) The procedure pursuant to paragraph (11) may be repeated until the end of the stipulated time on the following seventh SKD accounting day or until the end of stipulated time on the last day preceding the maturity day of the issue which is settled.

(14) The SKD shall provide the transferor and the transferee or, as the case may be, the pledgor and the pledgee, or the financial collateral provider and recipient, a statement of their respective asset accounts not later than by the end of the business day following the day on which the registration was carried out.

#### **Article 4** **Repayment of Securities**

(1) Unless stipulated otherwise in the conditions of issue, the SKD ensures the repayment of securities on the maturity day of the issue at the instruction of the issuer's agent, who by such instruction confirms that there are sufficient funds to repay the securities. Following the opening of the SKD accounting day, the SKD shall generate third party payment orders to the debit of the cash account of the issuer's agent and to the credit of the cash accounts<sup>3</sup> connected with the respective asset accounts in which the securities which are being repaid are registered.

(2) The SKD shall send the issuer a statement of the record of the issue and a list of the liens attaching to the mature securities as recorded at the end of the last day of transferability of these securities, but not later than on the business day following that day.

(3) Should the maturity day fall on a day of rest or a public holiday and the conditions of issue do not state otherwise, the repayment will be carried out on the nearest following business day.

#### **Article 5** **Acceptance of Applications and Provision of Information**

(1) The operator accepts applications delivered personally and provides information to visitors during the hours of attendance pursuant to Article 1, paragraph (2).

(2) The operator shall provide the issuer at his written request with an excerpt from the record of the issue as at the day of receipt of the request not later than on the business day following the day of receipt of the request.

(3) The operator shall provide the issuer at his written request with an excerpt from the record of the issue as at the day preceding the day of receipt of the request not later than on the second business day after the receipt of the request.

(4) The operator shall provide the issuer at his written request with an excerpt from the record of the issue as at various dates not later than on the fifth business day after the receipt of the request.

(5) The issuer may ask for an excerpt from the record pursuant to paragraphs (2) to (4) via his agent. The excerpts are provided in written form.

#### **Article 6** **Changes of Deadlines**

---

<sup>3</sup> The Rules, Article 38(3)

(1) The CNB as the operator of the SKD may, in justified cases, temporarily change the stipulated deadlines on operational grounds.

(2) The operator is obliged to inform all participants of any changes according to paragraph (1) in advance and to publish the change on the CNB website. A change in the Rules of the SKD (hereinafter referred to as the “Rules”) or their appendixes shall become effective upon their publication, unless a later date is specified by the operator

### **Article 7** **Non-observance of Time-Limits**

The consequences of any failure to observe the time-limits shall be taken by the participant who caused the non-observance.