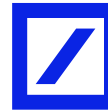




Deutsche Bank AG Hungary Branch
EMIR Article 39(7) Clearing Member Disclosure
Document

May 2014

Passion to Perform



Clearing Member Disclosure Document

Introduction

Throughout this document references to “we”, “our” and “us” are references to Deutsche Bank AG Hungary Branch acting as clearing member for spot and MTS trades. References to “you” and “your” are references to the client.

Deutsche Bank AG Hungary Branch is in a direct legal relationship and has general clearing membership at the Central Clearing House and Depository (Budapest) Ltd. (KELER Ltd.) and KELER Central Counterparty Limited Liability Company (KELER CCP) and is a General Clearing Member in the following markets:

- Budapest Stock Exchange (BSE) spot equities section
- MTS Hungary (operated by EuroMTS Ltd.)

KELER and KELER CCP provide direct clearing and settlement services for the Clearing Member in the markets listed above. The Clearing Member is entitled to provide settlement and clearing service for the Client according to the General Business Rules of KELER CCP, in relation to trades concluded at the spot equities section of the BSE and on MTS Hungary, the secondary trading platform for government securities.

What is the purpose of this document?

To enable us to comply with our obligations as a clearing member under EMIR⁽¹⁾, which requires that where we are providing services to you that involve us clearing securities through an EU Central Counterparty, we are obliged to :

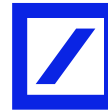
- offer you a choice of an individual client account (segregated client) or an omnibus client account (omnibus client);
- publicly disclose the levels of protection and costs associated with different levels of segregation;
- describe the main legal implications of different levels of segregation.

Organisation of this document

This document is set out as follows:

- Part One A provides some background to clearing.
- Part One B gives information about the difference between the individual client account, the omnibus and quasi omnibus (OmniGate) client account, explains how this impacts on the clearing of your securities and sets out some of the other factors that might affect the level of protection you receive.
- Part One C sets out some of the main insolvency considerations.
- Part Two provides the source for the main CCP changes with regards to EMIR regulations.

(1) Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories.



What are you required to do?

You must review the information provided in this document and the relevant CCP disclosures and confirm to us in writing which account type you would like us to maintain with respect to KELER CCP, where we clear securities or debt securities for you. We will send you a declaration template where you are kindly asked to mark the desired account type and send the document back to us within a reasonable timeframe. A missing response will generate continuous follow up with you because your written confirmation is required. In the meantime we will continue to clear your securities or debt securities using the existing account structure.



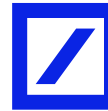
Important

Whilst this document will be helpful to you when making this decision, this document does not constitute legal or any other form of advice and must not be relied on as such. This document provides a high level analysis of several complex and/or new areas of law, whose effect will vary depending on the specific facts of any particular case, some of which have not been tested in the courts. It does not provide all the information you may need to make your decision on which account type or level of segregation is suitable for you. Nothing contained herein should be considered an offer, or an invitation to offer or a solicitation or a recommendation by us for a particular account type, level of segregation or transaction and no representation or warranty is made as to the accuracy or completeness of the disclosure provided. It is your responsibility to review and conduct your own due diligence on the relevant rules, legal documentation and any other information provided to you on each of our client account offerings and those of the CCP on which we clear transactions for you. Before entering into any arrangement you should be aware that certain transactions give rise to substantial risks and are not suitable for all investors. You may wish to appoint your own professional advisors to assist you.

WE SHALL NOT IN ANY CIRCUMSTANCES BE LIABLE, WHETHER IN CONTRACT, TORT, BREACH OF STATUTORY DUTY OR OTHERWISE FOR ANY LOSSES OR DAMAGES THAT MAY BE SUFFERED AS A RESULT OF USING THIS DOCUMENT. SUCH LOSSES OR DAMAGES INCLUDE (A) ANY LOSS OF PROFIT OR REVENUE, DAMAGE TO REPUTATION OR LOSS OR ANY CONTRACT OR OTHER BUSINESS OPPORTUNITY OR GOODWILL AND (B) ANY INDIRECT LOSS OR CONSEQUENTIAL LOSS. NO RESPONSIBILITY OR LIABILITY IS ACCEPTED FOR ANY DIFFERENCES OF INTERPRETATION OF LEGISLATIVE PROVISIONS AND RELATED GUIDANCE ON WHICH IT IS BASED. THIS PARAGRAPH DOES NOT EXTEND TO AN EXCLUSION OF LIABILITY FOR, OR REMEDY IN RESPECT OF, FRAUDULENT MISREPRESENTATION.

Please note that this disclosure has been prepared on the basis of Hungarian law save as otherwise stated. However, issues under other laws may be relevant to your due diligence. For example, the law governing the CCP rules or related agreements; the law governing our insolvency; the law of the jurisdiction of incorporation of the CCP; and the law of the location of any assets.

Nothing contained herein is intended to create or shall be construed as creating a fiduciary relationship between you and Deutsche Bank. You are not permitted to reproduce in whole or in part the information provided in this document without our prior written consent. Information provided herein may be a summary or translation and is subject to change without notice.



Part One A: A brief background to clearing

Central Clearing Counterparty

As an exclusive activity KELER CCP acts as central counterparty in the securities markets towards clearing members. The operation of KELER CCP ensures that stock exchange transactions made by the market players are cleared and settled.

Along with its parent company KELER Ltd (CSD), and thanks to the competitive post-trading services it provides, KELER CCP ensures safe and EMIR-compliant operation of the financial and energy markets.

Functions of KELER CCP:

- KELER CCP as a central counterparty ensures the financial performance of both the cash and derivative transactions and settles on-exchange deals;
- KELER CCP also ensures the clearing and settlement of trades made on MTS Hungary, the secondary trading platform for government securities, as from 01 January, 2013.

Functions of KELER Ltd (CSD):

- KELER as a clearing house runs the settlement of OTC transactions;
- KELER is in charge of account management with respect to spot transactions with multinet settlement concluded on the BSE and MTS Hungary.

Transaction Clearing

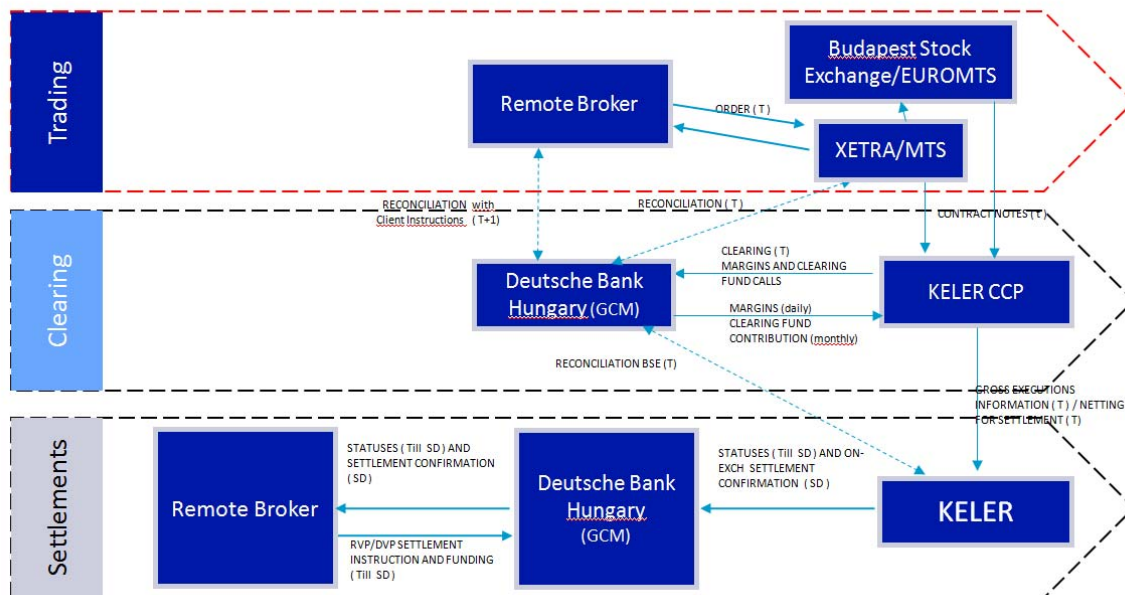
Deutsche Bank AG Hungary Branch is providing clearing services for our remote member clients in relation to the following areas:

- trades concluded at the spot equities section of BSE (previously and hereinafter: spot trades);
- trades concluded on the secondary market of the Hungarian government bonds and treasury bills via the MTS Hungary (previously and hereinafter: MTS trades).

Our business relationship is governed by several documents, such as:

- Multi Market Custody Agreement;
- General Clearing member Clearing Services Agreement or
- Primary Dealership Clearing Services Agreement;
- Security Lending Frame Agreement (for fail coverage)
- Cash Account Agreement (specific to clean cash payments and the operation of a nostro account);
- Security Deposit Contract;
- Service Level Agreement

The below flow is giving a brief overview of the currently applied workaround for the clearing of spot and MTS trades on the Hungarian market:



Trade Date:

1. Execution of trade orders by Remote Broker on XETRA for equities or MTS for government bonds
2. Budapest Stock Exchange/EuroMTS real-time sends matched trades (contract notes) to Keler CCP, and Keler CCP sends gross executions data to Keler for information and for netting for settlement
3. For government bonds, MTS sends for information real-time trading data to DB as GCM (EOD)
4. For both MTS and XETRA trades, Keler sends trading report netted per security and per Remote Broker to DB for reconciliation (EOD)
5. Keler CCP sends clearing margin or fund call and collateral requirements to DB (EOD)

Trade Date + 1 (MTS) / Trade Date + 2 (XETRA):

1. DB fulfills Keler CCP margin and fund call and collateral requirements (until 08:45 CET as CCP deadline)
2. Remote Broker sends instructions (MT541 / 543) on net position per security to DB during the day
3. DB continuously prematch at Keler CCP and sends status updates to Remote Broker
4. If Remote Broker and CCP data mismatch, DB contacts Remote Broker for new/modified instruction
5. Remote Broker amends / sends new instruction until 15:00 CET
6. DB performs continuous securities position and EOD position check to ensure cover for the spot and MTS trades.

Settlement Date (Trade Date+2 for MTS / Trade Date+3 for XETRA):

1. DB performs cover check for matched instructions, and blocks positions on securities or cash account until settlement
2. Remote Broker must cover securities or cash account by 11:00 CET (otherwise the Clearing Member is entitled to borrow securities under the prevailing market conditions in its own name, but at the Customer's risk and cost)
3. Keler CCP effects settlement at 14:00 CET for Omnibus, OmniGate and Individual Segregated Client accounts and sends settlement confirmation back to DB
4. DB confirms settlement to Remote Broker via MT54X real-time



Resources of the clearing guarantee system

The guarantee system operated by KELER CCP is multi level to cover different types of risks and consists of the following elements:

A) Individual or Clearing Member collaterals:

- Basic Financial Collateral

Considered as a precondition for entering the market, it is an amount serving as collateral to partner risks, and as (preliminary) collateral to the risk of the positions opened on the relevant day. This collateral has to be continuously provided by each Clearing Member.

- Initial Margin

The next element of the guarantee system is the initial margin. KELER CCP calculates the initial margin on a portfolio basis, by means of the SPAN® software. It is supposed to secure the risk of any price shift taking place on the day following settlement, i.e. cover additional costs connected to the closing of the position that may arise until the next day. The initial margin is regularly reviewed depending on market changes. Initial Margin has to be provided by the Client for its own transactions. Margins can be provided by the GCM based on separate agreements.

- Variation Margin

In order to reduce the risks entailed by performance guarantee to avoid the accumulation of risks, KELER CCP uses in the spot market the mark-to-market, and in the derivative market the settlement-to-market principle, i.e. the daily evaluation of positions, and the calculation and settlement of open gain/loss (variation margin), which is called the daily settlement of variation margin. In the case of the derivative market, the daily settlement of variation margin takes place in cash, and in the case of the spot market in a collateralised form. Variation Margin has to be provided by the Client for its own transactions. Margins can be provided by the GCM based on separate agreements.

- Additional Financial Collateral

It is used in case of the non-observance of the requirements prescribed in KELER CCP's rules, basically with sanctioning purposes. Accordingly, KELER CCP has the right to impose additional financial collateral among others in the case of limit excess, or upon the omission of data supply. Additional Financial Collateral has to be provided by the Client for its own transactions. Collaterals can be provided by the GCM based on separate agreements.

B) Collective Guarantee Schemes

In order to increase the security of the settlement of spot, MTS and derivative trades, the clearing members established two Collective Guarantee Schemes according to exchanges and markets. Their purpose is to reduce the risk arising from the non performance of exchange transactions. The collective guarantee must be provided in the form of cash, so that it may be immediately used if it is needed. Funds are:

- CGF - Collective Guaranteed Fund owned collectively by members of the derivatives market of the Budapest Stock Exchange,
- ESF - Exchange Settlement Fund is created for the multinet settlement driven markets of the Budapest Stock Exchange (spot and MTS trades).



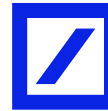
C) KELER CCP's assets

If the aforementioned collateral elements proved to be insufficient, at the worst case scenario KELER CCP's own assets (its shareholders' equity) and KELER' guarantee may also be used to ensure settlement.

Please note that the above description of the clearing guarantee elements is only an excerpt from the documentation of KELER CCP. The fully detailed overview can be found in the General Business Rules of KELER CCP published on the official webpage of KELER CCP.

Please refer to the below website:

http://www.kelerkszf.hu/kelerkszf_files/File/00ARCULAT/2014_02_01_kelerccpgbr_korrless.pdf

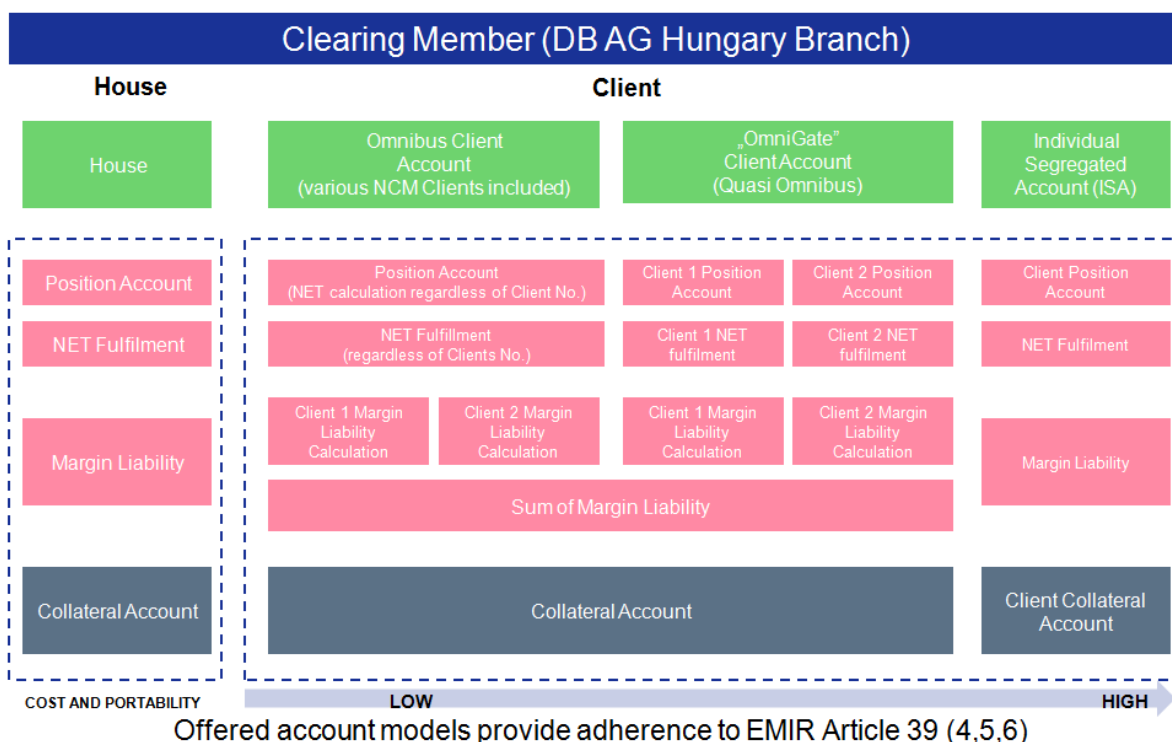


Part One B: Your choice of account type and the factors to consider

Types of account possible to select

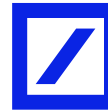
With the below attached picture we would like to provide an overview about the possible account structures to choose in connection to EMIR Article 39 (7):

EMIR – Hungary Specific Account Structures - Overview



According to the above the offered types of clearing accounts in the Hungarian market are:

- I. Omnibus Client Account
- II. OmniGate Client Account
- III. Individual Segregated Account (ISA)



I. Omnibus Client Account

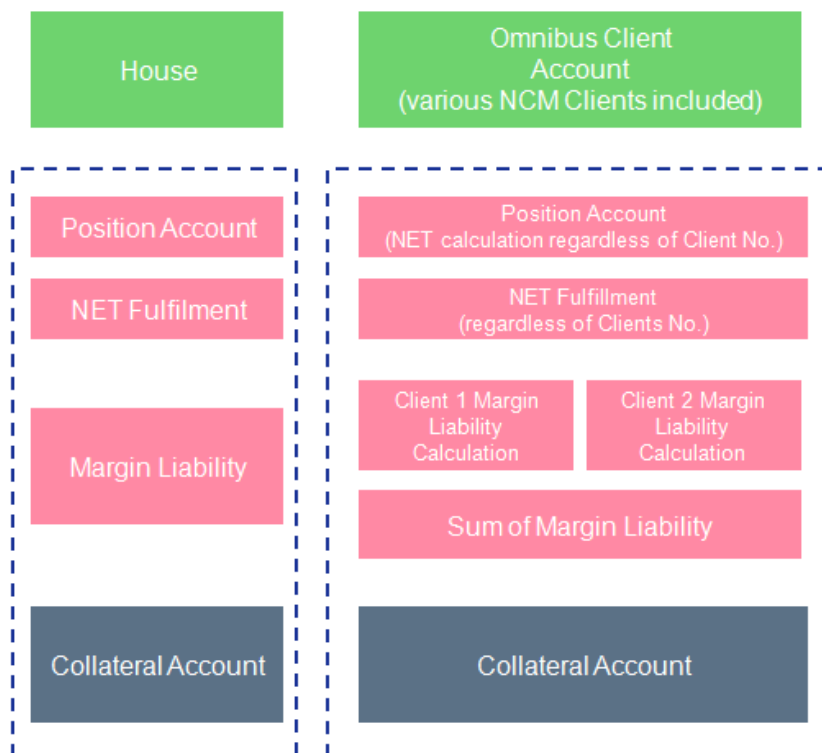
The positions and margins of our Clients under the Omnibus Client Account structure will not be segregated from each other. Your positions will be comingled with other clients' positions at KELER CCP and will be shown on NET basis, irrespective of the number of clients.

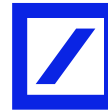
Omnibus Client accounts are fully segregated from any House (DB Hungary own accounts) or ISA (Individual Segregated Account) Client positions and assets.

Margins will be calculated as per Client, on a NET basis but will be paid in an aggregated way to the CCP. According to the current setup margins will be provided by the Clearing Member, based on collateral agreements with the Clients.

It is important to mention that all assets which are provided as margin to the CCP will be used to cover losses for any of the clients belonging to the OmniGate and Omnibus Client Account.

In the event of Clearing Member (CM) default, porting is difficult; as all clients in the Omnibus and OmniGate account structures must be ported to the same new Clearing Member. Subdivision is not possible.





II. OmniGate Client Account

According to the rules of KELER CCP, the positions of Clients under the OmniGate Account structure will be segregated in a client by client way.

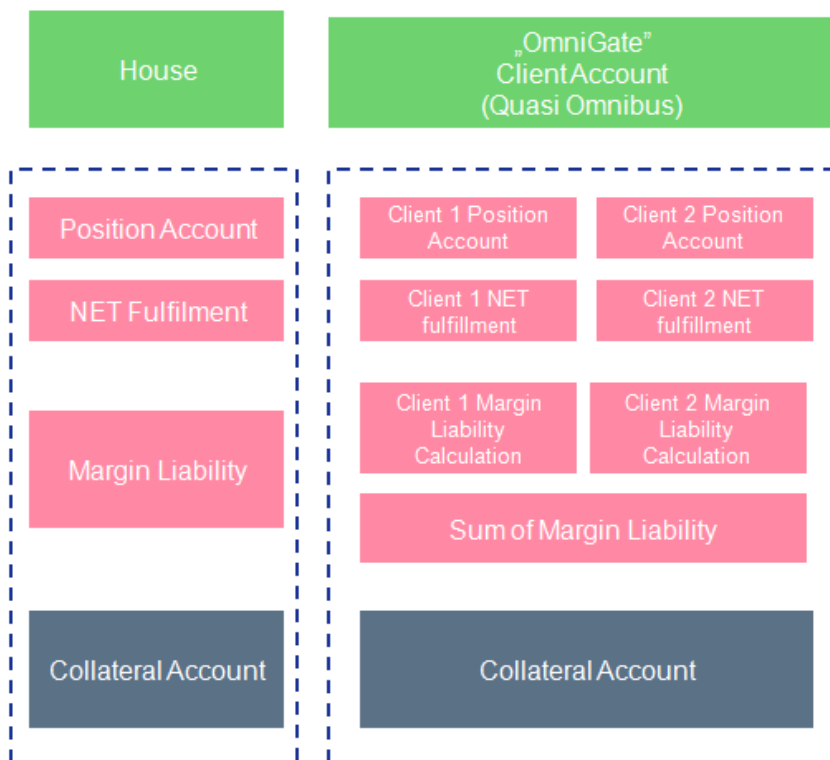
Similar to the Omnibus Client Account structure OmniGate Client accounts are fully segregated from any House (DB Hungary own accounts) or ISA (Individual Segregated Account) Client positions and assets.

Segregated position accounts will be opened for each Client, where the positions will be shown on a NET basis for each of the Clients. Fulfilment will also be calculated on a NET basis per Client accounts in the OmniGate account structure.

Margins will be calculated as per Client, on a NET basis but will be paid in an aggregated way to the CCP. According to the current setup margins will be provided by the Clearing Member, based on collateral agreements with the Clients.

It is important to mention that all assets which are provided as margin to the CCP will be used to cover losses for any of the clients belonging to the OmniGate and Omnibus Client Account.

In the event of Clearing Member (CM) default, porting is difficult; as all clients in the Omnibus and OmniGate account structures must be ported to the same new Clearing Member. Subdivision is not possible.





III. Individual Segregated Account

According to the rules of KELER CCP, the positions, margins and assets which relate to individual clients, will be recorded in an Individual Segregated Account (ISA).

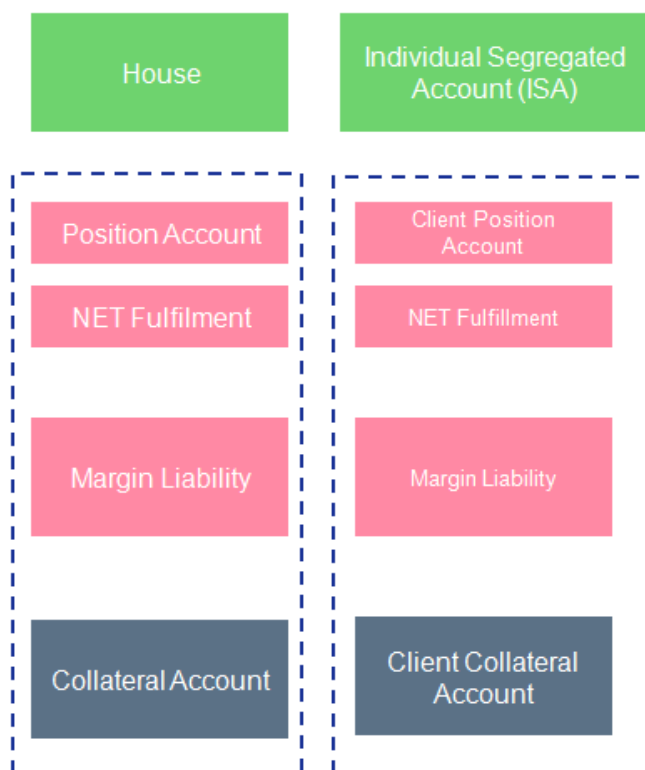
Positions and assets and margins are fully segregated from any House (DB Hungary own accounts) and from any other client positions, assets and margins.

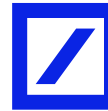
The ISA Client positions will be calculated on NET basis.

Margin requirements will be calculated as per ISA Client and should be available as per ISA accounts. Margin contribution should be facilitated by the ISA Client, using CCP eligible assets, unless there is a separate agreement concluded between the Client and the Clearing Member.

All assets that were provided as collateral for a dedicated ISA account can only be used to cover losses for that particular ISA account. Usage to mutualise losses of other clients is not possible.

In the event of a Clearing Member (CM) default, porting can be readily facilitated from an ISA account. All positions and assets may be transferred to the dedicated new CM following the provisions of the porting agreement already in place or after making appropriate arrangements with a new CM.





Summary of the main characteristics of account models

As a brief summary the below attached table is detailing the main features of the account types, giving the possibility to compare them with each other.

EMIR – Hungary Specific Account Structures – Art. 39 Segregation Model Characteristics



Model Characteristics	EMIR ART 36(2) Omnibus Segregation		EMIR ART 39(3) Individual Segregation
	Omnibus Client Account	OmniGate Client Account	ISA
Segregation of House from Client Positions/Margin	✓	✓	✓
Margin Collected Individually from Client paid Aggregated to CCP	✓	✓	X
Excess Margin segregated at CCP	X	X	✓
Co-mingling of Client with other Client Positions	✓	X	X
Positions completely segregated between Clients	X	✓	✓
Margins completely segregated between Clients	X	X	✓
Clients Mutualise other Clients in event of CM default	✓	✓	X
Assets Tagged by CM & CCP	X	X	✓
Portability Likely	X	X	✓

Portability

General Rules of porting

The option to select a so called Back-up Clearing Member provides additional security for ISA Clients. If the ISA Client selects a Back-up Clearing Member, all of its positions and assets can be transferred to the Back-up Clearing Member, should its original Clearing Member default. The Back-up agreement has to be submitted by the Back-up clearing member to KELER CCP on behalf of the segregated client, pursuant to the agreement between the Back-up Clearing Member and the ISA Client. By submitting the agreement the Back-up clearing member makes a statement to KELER CCP on taking over the segregated client in case of any default of the original Clearing Member.

Clients under Omnibus and OmniGate Account Structures can only appoint jointly a Back-up Clearing Member, which means that by default of the original Clearing Member, all positions and assets on all Omnibus and OmniGate Accounts have to be transferred together to the same Back-up Clearing Member.

Whenever a default occurs without a prior Back-up Clearing Member selection, the Client has only 3 *settlement days* after the default to appoint a Back-up Clearing Member, to execute the Back-up agreement and to start the porting process. Therefore it is advised to choose a Back-up Clearing Member in advance.



Steps of transferability:

1. In case of default of the Clearing Member, the ISA Client or the representative of the Omnibus/OmniGate Clients contact the earlier selected Back-up Clearing Member and requests porting as agreed in the Back-up Clearing Agreement,
2. It is the Back-up Clearing Member who initiates porting from KELER CCP and requests to receive the positions and the assets of the Client,
3. If the Back-up Clearing Member fails to request the transfer within three settlement days, KELER CCP has the right to start the liquidation of the Client positions,
4. In case of the spot market transactions only the newly made trades (meaning the trades concluded after the default of the Clearing Member) are transferred to the Back-up Clearing Member.
5. Positions and assets of performing ISA and Omnibus/OmniGate clients have to be transferred within three settlement days of the establishment of default.

The condition of position and collateral transfer is that the Back-up clearing member should have an active clearing right in the section, in the range of transaction or market, corresponding to the positions to be taken over.

Transferability in case of different account types:

➤ *Porting of Individual Segregated Clients*

In case of default by the Clearing Member, irrespective of the consent by the defaulting Clearing Member, the performing segregated client can request in writing the transfer of its positions and collaterals to the Back-up clearing member pursuant to their Back-up agreement.

➤ *Porting of Omnibus or OmniGate Clients*

In case of default by the Clearing Member, irrespective of the consent by the defaulting Clearing Member, the performing non-segregated clients jointly or their authorised representative can request in writing the transfer of their positions and collaterals to the Back-up clearing member jointly appointed.

In both cases, KELER CCP informs subsequently the defaulting Clearing Member on the result of the transfer.

Costs associated with selection of an account type

Deutsche Bank AG Hungary Branch will not charge any additional fees with respect to the client selection between individual or omnibus account structures; however any CCP fee items in connection with the different account structures will be devolved to our clients. All other fee items which are currently used during our clearing activity will remain in place and will be charged based on our signed Fee Schedules.

The prices for clearing are presented under the following link:

https://www.db.com/hungary/en/content/general_terms_and_conditions.html



Part One C: Governing Law and description of main legal consequences of bankruptcy of a Clearing Member and assets segregation

General insolvency risks

Please note that if we or other parties in the clearing structure enter into insolvency proceedings, you may not receive all of your assets back or retain the benefit of your positions; and there are likely to be time delays and costs (e.g., funding costs and legal fees) connected with recovering those assets. These risks arise in relation to both Individual Segregated Accounts and Omnibus Client Accounts.

Applicable rules in case of clearing member bankruptcy

For the bankruptcy of an entity established and operated as a financial branch in Hungary the rules of the *Act CCXXXVII from 2013 on Credit Institutions and Financial Enterprises* (hereinafter: the Banking Law), the *Act CXXXII from 1997 on Hungarian Branch Offices and Commercial Representative Offices of Foreign-Registered Companies* (hereinafter: Foreign Branches Act) the *Act CXXXVIII from 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities* shall apply (hereinafter: Investment Act). The rules of the *Act XLIX from 1991 on Bankruptcy Proceedings and Liquidation Proceedings* (hereinafter: Bankruptcy Act) shall only apply with the exceptions as set out in the Banking Act, the Foreign Branches Act and the Investment Act.

As a generic rule we can state that pursuant to Section 185/C of the Banking Act the Hungarian branch of a credit institution established in another Member State of the European Union shall not be liquidated or wound up under Hungarian law. Consequently our insolvency proceedings are most likely to be insolvency proceedings opened and controlled by the Bundesanstalt für Finanzdienstleistungsaufsicht (*BaFin*), the German financial supervision authority in accordance with the applicable German insolvency rules.

In such insolvency proceedings you will generally not be able to take any action directly against us. All powers in respect of our insolvent estate are with the insolvency administrator and all actions have to be taken against or with the consent of the insolvency administrator (which can be a time consuming process with an uncertain outcome). For further details please check the “EMIR Article 39(7) Clearing Member Disclosure Document” published by Deutsche Bank AG on its official website. (<http://cbs.db.com/new/content/4180.html>). Deutsche Bank AG’s Clearing Member Disclosure Document is incorporated into this document by the above reference.

Insolvency of CCPs and others

Please note that

- this disclosure deals only with our insolvency. You may also not receive back assets and positions if other parties in the clearing structure – e.g. the CCP itself, a custodian or a settlement agent – default;
- insolvency law may override the terms of contractual agreements, so you should consider the legal framework as well as the terms of disclosures and legal agreements;
- a large part of your protection comes from CCP arrangements and the legal regimes surrounding them. Therefore, you should understand these in order to evaluate the level of protection that you



have on our default. It is important that you review the relevant disclosures by the CCP in this respect.

In relation to CCP (in Hungary: KELER) insolvency, broadly speaking our (and therefore your) rights will depend on the law of the country in which the CCP is incorporated (with respect to KELER: Hungarian law) and the specific protections that the CCP has put in place. You should review the relevant CCP disclosures carefully in this respect and take legal advice to fully understand the risks in this scenario. For more information in relation to CCP's insolvency rules in Hungary please visit the official website of KELER CCP: <http://www.kelerkszf.hu>

Please note that despite us acting as a Hungarian branch, most of our insolvency-related questions will be determined by German law, however the interaction of key default issues – e.g. porting, recovery of assets, close-out netting and other insolvency matters – are complex and likely to be determined by a combination of German law, Hungarian law and the law of the location of any collateral.

We suggest that you take legal advice on the interaction of the different legal systems because it is beyond the scope of this disclosure.

Hungarian Act on the settlement finality in payment and securities settlement systems

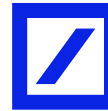
The Directive 98/26/EC on settlement finality in payment and securities settlement systems was implemented in Hungary by the Act XXIII of 2003 on the settlement finality in payment and securities settlement systems. According to the Act if insolvency proceedings (liquidation procedure or supervisory measure restricting payments) are initiated against a participant of the payment or securities settlement system, the relevant decisions made or measures taken in the course of these proceedings shall not have retroactive, or derogatory effects on the rights or obligations of the participants arising from, or in connection with their participation in the system earlier than the moment of opening such an insolvency proceedings. Accordingly, execution of transfer orders and netting entered into and accepted by the system prior to the receipt of a notification on initiation of insolvency proceedings, shall be binding on third parties and legally indefeasible, and the collaterals and bails provided for as coverage for the fulfilment of the obligations in the system by the participant under insolvency proceedings shall not be withdrawn during such proceedings.

The Act empowers the National Bank of Hungary to function as the authority designating the systems to be included in the scope of the Act and at the same time specifies the other responsibilities of the designating authority, primarily the obligation of notification.

Until now, the Interbank Clearing System operated by the GIRO Zrt. and the Securities Settlement System of KELER Zrt. has been designated under a public administration authority procedure. The real-time gross payment system operated by the NBH (VIBER) was declared by the act as an ab ovo designated system.

Protection of the investment pursuant to Hungarian Investment Act

Pursuant to section 136 of the Investment Act in case of liquidation of an investment firm, the financial instruments and funds deposited by clients with the investment firm, the financial instruments and funds held for or belonging to clients shall not comprise part of the bankruptcy estate of the investment firm.



Part two variations on the different levels of segregation that the CCP offers

KELER CCP has disclosed a document with regards to the EMIR changes on the Hungarian market on June 4, 2013. The information sheet gives a detailed view about the characteristics of the newly introduced Individual Segregated Account, collateral cover verification and porting arrangements.

For more information please visit the homepage of KELER CCP, where the disclosure document is also available:

http://www.kelerkszf.hu/kelerkszf_files/File/Partnertájékoztatók/2013ugyfeltajekoztato/2013_06_04_emir_forum_clientinfo.pdf

In case of any additional information needed please contact us directly.

Mónus Attila

Head of DSS

Tel: +36 (1) 301-3734

Email: attila.monus@db.com

Nagy Katalin

Assistant Vice President

Tel: +36 (1) 301-3708

Email: katalin.nagy@db.com

Liu Weiwei

Assistant Vice President

Tel: +36 (1) 301-3781

Email: wei-wei.liu@db.com