

Client Classification
Policy
UniCredit Bank
Hungary Zrt.

Effective from
2nd January 2018

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Client Classification Policy

UniCredit Bank Hungary Zrt.

Effective from 2nd January 2018

1. The purpose of our Client Classification Policy

The purpose of our client classification policy is to allow UniCredit Bank Hungary (hereinafter: Bank) to offer and provide appropriate investment and supplementary services to all existing and future clients (See Appendix 1).

1.1. Basic principles of the classification

Under Act CXXXVIII of 2007 on investment enterprises and commodity market service providers and on the regulation of activity they may perform (hereinafter: the Act), any entity accessing the services covered by the Act qualifies as a client.

The Act sets the following client categories:

- MiFID retail client
- professional client, and
- eligible counterparty.

The Bank classifies its clients in conformity with these categories. However, within the framework of the Act, it is possible for a client to move from one category to another.

The Bank classifies the Clients into one category regarding all type of services they access.

The Bank shall provide the client with a written statement of the classification outcome prior to concluding a contract or providing access to a service. In addition, Bank shall brief the client on his/her rights regarding changing his/her qualification i.e. transferring to a different client category, including how the changing of the qualification will change his/her rights and the level of client protection. The sample briefings for each client category are in Appendices 2/A to 2/C.

2. Client classification categories

2.1. Retail clients

2.1.1. Clients who qualify as “retail” under the law

Any client not included in the categories listed under Points 2.2. or 2.3., in other words, a client who is not a professional client or an eligible partner, shall be considered a retail client. The retail client category shall include private individuals, the owners of one-person businesses, enterprises not included under Point 2.2.1., central and local government bodies, churches and religious communities, foundations and miscellaneous persons and organizations.

2.1.2. Clients we classify as “retail” at their own request

Entities classified as professional clients under Point 2.2.1. or as eligible counterparties under Point 2.3., on a written request may be granted identical conditions to those of retail clients within the sphere of services listed, for investment and supplementary services, meaning that the Bank shall offer them a higher level of protection.

This higher level of protection shall be provided by Bank if the client who qualifies as a professional or as an eligible counterparty concludes a written agreement with the Bank which stipulates that he/she/it shall not be considered a professional client or an eligible counterparty under the relevant rules of conducting business. The agreement shall include

- a) a binding statement of the fact that the client qualifies as a professional client/eligible counterparty but shall be served under the rules for retail client at his/her/its own request, and
- b) a stipulation of the exact monetary instruments or transactions to be included in the application of the rules governing retail clients.

Draft agreements are included in Appendices 3/A and 3/B of the current Policy Statement.

2.2. Professional Clients

A client who has the experience, knowledge and expertise to know the risks of his/her/its own investment decisions qualifies as a professional client. To qualify a client as a professional client, the client must have a minimum of the following:

2.2.1. Categories of “professional” clients

Based on § 48. of the Act, a client shall qualify as a professional if he/she/it is:

- a) an investment firm,
- b) a commodity market service provider,
- c) a credit institution,
- d) a financial enterprise,
- e) an insurance company,
- f) an investment fund or an investment fund manager or an undertaking for collective investment of transferable securities (UCITS),
- g) a risk capital fund or a risk capital fund manager,
- h) a private pension fund and voluntary mutual insurance fund,
- i) a person determined by law who trades in order to fulfill its statutory obligation of greenhouse gas emission allowance unit and a person who trades with natural gas or electricity,
- j) a central repository,
- k) an employer-pension providing institution,
- l) a stock exchange,
- m) a central contracting party,
- n) any other venture recognized as such by the government of the country where its headquarters are located,
- o) a premium venture that meets at least two of the following conditions: according to its most recently audited financial statement
 - the total assets at the official exchange rate issued by the National Bank of Hungary as of the balance sheet date shall be at least twenty million euros and
 - the net revenue shall be at least forty million euros, and
 - the equity shall be at least two million euros,
- p) a premium institution is:
 - the government of an EEC nation,
 - a regional government of an EEC nation,
 - the State Debt Management Agency (ÁAK) or the national debt management organization of another EEC nation,
 - the National Bank of Hungary or the central bank of another EEC nation or the European Central Bank,
 - the World Bank,

- the International Monetary Fund,
 - the European Investment Bank,
 - any other international financial institution established under an international agreement or intergovernmental treaty, and
- q) any other person or organization whose main activity is investment, including special-purpose economic units.

For a premium venture, the appropriateness of qualifying the client as a professional client shall be assessed on the basis of the most recently audited individual audit report. Since the client must meet the size requirements specified by the Act on an ongoing basis, he/she/it must submit an audited financial statement to the Bank by December 1 of each year. If, in the given year, the client does not meet the specifications of the Act, the client shall be re-classified. In addition, at the Bank’s request, the client shall be required at any time to certify the existence of these criteria (particularly if the Bank accesses reliable information suggesting that the client does not meet criteria for retail clients). In addition, the client is mandated to notify the Bank immediately if the conditions qualifying it as a professional client no longer exist.

For the ventures listed above, prior to the concluded contract of investment service activities, ancillary services, our Bank shall brief the client on whether, based on information regarding the business, the client shall qualify as a professional client and be accordingly treated, unless the Bank and the client have otherwise agreed. The client may request that agreement conditions be altered to provide a higher level of protection (see Point 2.1.2). The professional client bears responsibility for requesting a higher level of protection should he/she/it believe he/she/it is not able to appropriately evaluate or manage the attendant risk.

2.2.2. Clients we classify as “professional” at their own request

At the specific written request of a retail client, the Bank shall provide it with a professional client qualification, if the client can meet at least two of the following conditions:

- the client has concluded **an average of at least ten** transactions per quarter at the official exchange rate set by the National Bank of Hungary on the day of the transaction, each of which was a minimum of **forty thousand euros in value** in the year prior to making the request, or the client has transacted

an overall value of **four hundred thousand euros** in the given year,

- the client has a **portfolio and deposits** in which the combined financial instruments exceed **five hundred thousand euros** calculated in the official exchange rate made public by the National Bank of Hungary on the day preceding the day the request is submitted,
- the client has an employment contract or an equivalent contract for at least one continuous year or for at least one of the five years preceding the assessment, and has worked for:
 - an investment firm,
 - a commodity market service provider,
 - a credit institution,
 - a financial enterprise,
 - an insurance company,
 - an investment fund manager,
 - an undertaking for collective investment of transferable securities (UCITS),
 - a risk capital fund manager,
 - a private pension fund,
 - a voluntary mutual insurance fund,
 - an organization conducting clearing house activity,
 - a central repository,
 - an employer-pension providing institution,
 - a central contracting party or,
 - a stock exchange,

which assumes that the client has knowledge of the financial instruments and investment services included in the contract between Bank and client.

Bank and client shall conclude a written agreement on the change in classification. The agreement shall contain:

- a statement that the classification has been changed at the client's request (attached client's such request) and
- the specific financial instruments or transactions that are subject to the professional or retail classification,
- the difference in the rules for professional clients and retail clients, and the consequences of those differences, and
- the fact that the client has understood the briefing received and has taken note of it (Appendix 1.4.).

The Bank shall attach the agreement described above to the contract as a separate document.

Client shall be required to certify the existence of the criteria under which he/she qualified as a professional client with appropriate written documentation when

submitting his/her request to the Bank as well as once a year after having been classified as a professional, and at any time he/she is so requested by the Bank.

The Bank shall revoke the professional client classification established under the current Point 2.2.2. if

- a) he client submits a written revocation of the request to be classified as a professional client,
- b) the client notifies the Bank of any change which results in the fact that the conditions for maintaining the professional client qualification as set forth under this point no longer exist,
- c) the Bank learns of any change which results in the fact that the conditions for maintaining the professional client qualification as set forth under this point no longer exist.

Once the professional client classification has been revoked, client shall be treated as a retail client.

2.3. Eligible counterparties

An eligible counterparty is

- a) a venture defined under Point 2.2.1., Subsections a)-m),
- b) a premium venture as defined under Point 2.2.1. Subsection o),
- c) a premium venture as defined under Point 2.2.1. Subsection p),
- d) a venture recognized as such by the nation in which its headquarters/head office is located.

If the entity is an eligible counterparty, the Bank does not have to apply the conditions set forth under § 40-50 (rules on information to clients and obligation to provide prior information and obligation to obtain prior information) or § 55 (Records of Contracts and Client Orders) or § 62-65 (rules on Obligation to Execute Orders on Terms Most Favorable to the Client and rules on Client Order Handling and Allocation) of the Act

- when accepting and transmitting the commission,
- when executing the transaction to the benefit of client,
- when trading for its own accounts,

when providing investment services and/or related supplementary services – unless otherwise agreed by the parties.

A client who qualifies as an eligible counterparty under Points b) or c) above may ask the Bank in writing to apply § 40-50., § 55., and/or § 62-65. of the Act to him/her/it. In this case – unless the eligible counterparty specifically requests that it be otherwise – the Bank shall apply the provisions valid for professional clients.

Should the eligible counterparty so written request, the Bank will provide the client with conditions identical to those of a retail client

- when accepting and transmitting the commission,
- when executing the commission to the benefit of the client, and
- when trading for its own accounts, and

in the course of providing investment services and related supplementary services.

Bank and client shall conclude a written agreement on the change in classification. The agreement shall contain:

- a statement that the classification has been changed at client's request; and
- which financial instruments and/or transactions are involved in the professional/retail qualification.

The draft agreements are contained in Appendices 3/B and 5.

2.4. Transferring from one client category to another

A client only may switch to a category providing fewer protections (such as from a retail to a professional category) if the client specifically requests it in writing.

Classification in a professional category is possible only in the manner described under Point 2.2., and classification in the eligible counterparty category requires compliance with Point 2.3.

The Bank may, at its own discretion, transfer a client from a category offering less protection to one providing more (such as reclassifying a client from professional client to retail client).

Clients shall not switch categories for certain specific investment services or for concrete transactions.

3. The process of client classification

The client's account manager is responsible for completing the following tasks when classifying a client:

- When working with an existing client the Bank shall qualify the client using client data already available to it.
- Each and every new client must be classified.
- If the classified client wishes to access services not used before, then the client's classification is also applicable for that type of service.
- The client classification rules must be revisited annually and/or if there is any change in the rules the classification must be revisited accordingly.
- The classification must be revisited should the client request that it be done.

4. Effect of the Client Classification Policy

The text of this Client Classification Policy, incorporated with all amendments into a unified structure, shall come into effect on 2nd January 2018.

Budapest, 15 December 2017

UniCredit Bank Hungary Zrt.

APPENDIX 1. THE DEFINITION OF INVESTMENT SERVICES

The following economic activities that involve financial instruments, qualify as investment services if conducted regularly:

- a) accepting and transmitting a commission,
- b) executing a commission for the benefit of a client,
- c) trading against own accounts,
- d) portfolio management,
- e) providing investment advice,
- f) placement of financial instruments accepting an obligation (subscription guarantee) regarding their purchase (securities and other financial instruments),
- g) or placement of financial instruments without underwriting the purchase of the instrument (financial instrument) and
- h) operation of a multilateral trading system,
- i) operation of an organised trading facility.

The following qualify as supplementary services:

- a) holding financial instruments for safekeeping and maintenance of related records, and related client account management,
- b) managing the securities held for safekeeping and maintaining related securities accounts, or maintaining records of hard copy securities and managing client accounts (with the exception of central maintenance service),
- c) providing investment credit,
- d) offering counselling and services on capital structure, business strategy and related issues, as well as on mergers and acquisitions,
- e) trading in own currency and foreign exchange in relation to investment services,
- f) investment analysis and financial analysis,
- g) services related to subscription guarantee,
- h) investment services or supplementary services related to assets used for derivative transactions under Points e)-g), j), and k) of the definitions of financial instruments.

The definition of financial instruments

Financial assets are

- a) transferable securities,
- b) money market assets,
- c) securities issued in undertakings for collective investments of transferable securities (UCITS),
- d) options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- e) options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties to the transaction other than by reason of default or other termination event;
- f) options, forward agreements, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a multilateral trading facility, or an organized trading facility, except for wholesale energy products traded on an organized trading facility that must be physically settled in accordance with Article 5 of Commission Delegated Regulation 2017/565/EU (must be physically delivered);
- g) options, futures, swaps, forwards and any other derivative contracts relating to commodities not otherwise mentioned in Paragraph f), which have the characteristics of other derivative financial instruments and that can be physically settled and not being for commercial purposes in accordance with Commission Delegated Regulation 2017/565/EU;
- h) derivative instruments for the transfer of credit risk;
- i) financial contracts for differences;
- j) options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties to the transaction other than by reason of default or other termination event;
- k) any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned under Paragraphs a)-j), which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or multilateral trading facility, furthermore, the derivative contracts referred to in Article 8 of Commission Delegated Regulation 2017/565/EU;
- l) greenhouse gas emission allowance units and other rights of emission of air polluting substances consisting of any units recognized for compliance with the requirements of Act CCXVII of 2012 on Participating in the Scheme for Greenhouse Gas Emission Allowance Trading Within the Community and in the Implementation of the Decision on Effort Sharing.

APPENDIX 2/A. BRIEFING THE RETAIL CLIENT ON THE CLASSIFICATION

Client number:

Name:

Dear Client,

In order to comply with the Act CXXXVIII of 2007. on Investment Enterprises and Commodities Brokers and the Rules of their Activities (hereinafter "Bszr.") UniCredit Bank Hungary Zrt. (hereinafter „Bank”) classifies clients into one of the three client categories (retail client, professional client, eligible counterparty) set out by the regulation.

Please be informed that based on the information available the Bank has classified you as belonging to the client category of

MiFID Retail client

which ensures that you benefit from the highest protection and security regarding the provision of investment services and ancillary services.

The detailed rules of classification are included in the Bank's Client Classification Policy.

Before giving any order to the Bank please examine thoroughly the documents related to the Bank's investment services (including, without limitation the General Business Conditions Pertaining to Investment Services and Ancillary Services, the Investment Guide, the Best Execution Policy and the Investment Questionnaire). These documents will help you to make investment decisions with the knowledge of the adequate information. Documents referred to in this letter can be viewed at our branch offices and are available on our website www.unicreditbank.hu.

Yours sincerely,

UniCredit Bank Hungary Zrt.

I acknowledge the information about my client category and I confirm that the UniCredit Bank Hungary Zrt. made available for me its Investment Guide, Client Classification Policy, Best Execution Policy and the General Business Conditions Pertaining to Investment Services and Ancillary Services.

Place/Date

Client's authentic signature (identical with the signature held at the Bank)

APPENDIX 2/B. BRIEFING THE PROFESSIONAL CLIENT ON THE CLASSIFICATION

Client number:

Name:

Dear Client,

In order to comply with the Act CXXXVIII of 2007. on Investment Enterprises and Commodities Brokers and the Rules of their Activities (hereinafter "Bszk.") UniCredit Bank Hungary Zrt. (hereinafter „Bank”) classifies clients into one of the three client categories (retail client, professional client, eligible counterparty) set out by the regulation.

Pursuant to the above, please be informed that based on the information available the Bank has classified you as belonging to the client category of

Professional client

regarding the provision of investment services and ancillary services.

Based on this regulation, under an agreement, you may elect that we grant your company the same conditions as and therefore higher protection level for MiFID retail clients when providing you with investment services and ancillary services. A higher level of protection means applying the rules of Bszk concerning information, preliminary information, suitability and appropriateness tests which apply to retail clients.

Please note that if your company wishes to be classified as a MiFID retail client, thus ensuring a higher level of protection, then you will have significantly greater obligations to submit statements and certifications to the Bank, and the deadline for completing your orders may increase.

The detailed rules of classification are included in the Bank's Client Classification Policy.

Before giving any order to the Bank please examine thoroughly the documents related to the Bank's investment services (including, without limitation the General Business Conditions Pertaining to Investment Services and Ancillary Services, the Best Execution Policy and the Investment Questionnaire). Documents referred to in this letter can be viewed at our branch offices and are available on our website www.unicreditbank.hu.

Yours sincerely,

UniCredit Bank Hungary Zrt.

I acknowledge the information about my client category and I confirm that the UniCredit Bank Hungary Zrt. made available for me its Client Classification Policy, Best Execution Policy and the General Business Conditions Pertaining to Investment Services and Ancillary Services.

Place/Date

Client's authentic signature (identical with the signature held at the Bank)

APPENDIX 2/C. BRIEFING THE ELIGIBLE COUNTERPARTY ON THE CLASSIFICATION

Client number:

Name:

Dear Client,

In order to comply with the Act CXXXVIII of 2007. on Investment Enterprises and Commodities Brokers and the Rules of their Activities (hereinafter "Bszr.") UniCredit Bank Hungary Zrt. (hereinafter „Bank”) classifies clients into one of the three client categories (retail client, professional client, eligible counterparty) set out by the regulation.

Please be informed that based on the information available the Bank has classified you as belonging to the client category of

MiFID Eligible counterparty

regarding the provision of investment services and ancillary services.

If the information serving as a basis for classification is incorrect, or if you disagree with the qualification “eligible counterparty” for whatever reason, we look forward to receiving your feedback. Based on this rule and at your expressed request, we can grant your company the same conditions as for MiFID retail or professional clients (and therefore a higher level of protection from the Bank) when providing you with investment and other additional services.

A higher level of protection means applying the rules of Bszr which correspond to MiFID retail or professional client categories concerning information, preliminary information, suitability and appropriateness tests, and provisions of the same scope applying to records kept of contracts and orders, to the execution of orders, in a way that is most favourable for the client, the Execution Policy and allocation.

Please note that if your company wishes to be classified as a MiFID retail or professional client, thus ensuring higher level of protection, then you will have significantly greater obligations to submit statements and certifications to the Bank, and the deadline for completing orders may increase.

The detailed rules of classification are included in the Bank’s Client Classification Policy.

Yours sincerely,

UniCredit Bank Hungary Zrt.

I acknowledge the information about my client category.

Place/Date	Client’s authentic signature (identical with the signature held at the Bank)

APPENDIX 3/A. AGREEMENT TO HANDLE A PROFESSIONAL CLIENT AS A RETAIL CLIENT

AGREEMENT

TO QUALIFY A PROFESSIONAL CLIENT AS A RETAIL CLIENT

concluded by and between

UniCredit Bank Hungary Zrt.

head office: 1054 Budapest, Szabadság tér 5-6.

company registration number: 01-10-041348,

as Bank (hereinafter: **Bank**),

and

.....

address/head office:

Personal ID/company registration number:

as Client (hereinafter: **Client**)

(the Client and the Bank shall hereinafter be referred to together as: **Contracting Parties**)

under the following conditions:

1. Antecedents

- 1.1. A legal relationship was established between Contracting Parties involving investment services or supplementary services, in the course of which the Contracting Parties have concluded or will conclude an agreement for transactions involving financial instruments.
- 1.2. Prior to concluding the contract for the services defined under Point 1.1., Client was qualified a professional client under Act CXXXVIII of 2007. on investment enterprises and commodity market service providers and the regulation of activity they may perform (hereinafter: the Act).

2. Purpose of the Agreement

- 2.1. Upon Client's expressed request, Contracting Parties agree by signing this agreement that the Bank shall provide Client with conditions identical to those of

retail clients with respect to the financial instruments and transactions defined under Point 3.1., in the course of providing investment services and supplementary services, as of the effective date of the Agreement.

3. The object and consequences of qualifying client as a retail client

- 3.1. Client requests that the rules for retail client be applied to it for all financial instruments and transactions.
- 3.2. In conformity with this agreement, the information, preliminary information, suitability and appropriateness tests according to regulations for retail clients specified by the Act shall be applied.
- 3.3. Client notes that applying the specifications of Point 3.2. requires
 - a) submitting significantly more declarations and certifications to Bank;

- b) so the deadline for executing transactions submitted by the Client may become longer;
 - c) the range of products eligible for the client may be limited.
- 3.4. By signing this Agreement, Client declares that he/she is aware of the regulations of the Act on retail clients and hereby acknowledges the consequences, in particular, those set forth under Point 3.3.

4. Termination of this Agreement

- 4.1. Only Client may terminate this agreement, which he/she may do at any time, effective immediately and without cause. Client may only terminate this agreement with regard to all financial instruments and transactions at one and the same time.
- 4.2. Once this Agreement is terminated, the rules set by the Act for professional clients shall be applied to Client and to all commissions submitted by Client.

5. Other provisions

- 5.1. Contracting Parties shall proceed in a mutually cooperative manner in connection with this agreement.
- 5.2. For all issues not regulated in this Agreement, the contracts concluded or to be concluded by Contracting Parties for investment services and/or supplementary services, as well as the Act and other pertinent legislation shall have precedence.
- 5.3. This Agreement becomes effective on the day it is signed by both Contracting Parties.

The Parties have signed this Agreement to indicate their approval, and that it is fully concordant with their intentions.

Place/Date	Client's authentic signature (identical with the signature held at the Bank)

UniCredit Bank Hungary Zrt.

Signature	Signature
Name	Name
Position	Position

APPENDIX 3/B. AGREEMENT TO HANDLE AN ELIGIBLE COUNTERPARTY AS A RETAIL CLIENT

AGREEMENT

TO QUALIFY AN ELIGIBLE COUNTERPARTY AS A RETAIL CLIENT

concluded by and between

UniCredit Bank Hungary Zrt.

head office: 1054 Budapest, Szabadság tér 5-6.

company registration number: 01-10-041348,

as Bank (hereinafter: **Bank**),

and

.....
address/ head office:

Personal ID/company registration number:

as Client (hereinafter: **Client**)

(the Client and the Bank shall hereinafter be referred to together as: **Contracting Parties**)

under the following conditions:

1. Antecedents

- 1.1. A legal relationship was established between Contracting Parties involving investment services or supplementary services, in the course of which the Contracting Parties have concluded or will conclude an agreement for transactions involving financial instruments.
- 1.2. Prior to concluding the contract for the services defined under Point 1.1., Client was qualified an eligible counterparty under Act CXXXVIII of 2007. on investment enterprises and commodity market services and the regulation of activity they may perform (hereinafter: the Act).

2. Purpose of the Agreement

- 2.1. Upon Client's expressed request, Contracting Parties agree by signing this agreement that the Bank shall provide Client with conditions identical to those of

retail clients with respect to the financial instruments and transactions defined under Point 3.1, in the course of providing the performance and transmission of commissions and the performance of commissions to the benefit of Client and trading on own accounts, as of the effective date of the Agreement.

3. The object and consequences of qualifying a client as a retail client

- 3.1. Client requests that the rules for retail client be applied to it for all financial instruments and transactions.
- 3.2. In conformity with this Agreement, the information, preliminary information, suitability and appropriateness tests for Client in conformity with regulations for retail clients specified by the Act shall be applied along with the registration and accounting of contracts and commissions and instructions concerning the best execution policy and allocation and the performance of commissions in the manner most favourable to Client.

- 3.3. Client notes that applying the specifications of Point 3.2. requires
 - a) submitting significantly more declarations and certifications to Bank;
 - b) so the deadline for executing transactions submitted by the Client may become longer;
 - c) the range of products eligible for the client may be limited.
- 3.4. By signing this Agreement, Client declares that he/she is aware of the regulations of the Act on retail clients and hereby acknowledges the consequences, in particular, those set forth under Point 3.3.

4. Termination of this Agreement

- 4.1. Only Client may terminate this agreement, which he/she may do at any time, effective immediately and without cause. Client may only terminate this agreement with regard to all financial instruments and transactions at one and the same time.

- 4.2. Once this agreement is terminated, the rules set by the Act for eligible counterparties shall be applied to the Client and to all commissions submitted by Client.

5. Other provisions

- 5.1. Contracting Parties shall proceed in a mutually cooperative manner in connection with this agreement.
- 5.2. For all issues not regulated in this Agreement, the contracts concluded or to be concluded by Contracting Parties for investment services and/or supplementary services, as well as the Act and other pertinent legislation shall have precedence.
- 5.3. This Agreement becomes effective on the day it is signed by both Contracting Parties.

The Parties have signed this Agreement to indicate their approval, and that it is fully concordant with their intentions.

Place/Date	Client's authentic signature (identical with the signature held at the Bank)

UniCredit Bank Hungary Zrt.

Signature	Signature
Name	Name
Position	Position

APPENDIX 4. AGREEMENT TO HANDLE A RETAIL CLIENT AS A PROFESSIONAL CLIENT

AGREEMENT TO QUALIFY A RETAIL CLIENT AS A PROFESSIONAL CLIENT

concluded by and between

UniCredit Bank Hungary Zrt.

head office: 1054 Budapest, Szabadság tér 5-6.

company registration number: 01-10-041348,

as Bank (hereinafter: **Bank**),

and

.....

address/ head office:

Personal ID/company registration number:

as Client (hereinafter: **Client**)

(the Client and the Bank shall hereinafter be referred to together as: **Contracting Parties**)

under the following conditions:

1. Antecedents

- 1.1. A legal relationship was established between Contracting Parties involving investment services or supplementary services, in the course of which the Contracting Parties have concluded or will conclude an agreement for transactions involving financial instruments.
- 1.2. Prior to concluding the contract for the services defined under Point 1.1., Client was qualified a retail client under the Act CXXXVIII, of 2007. on investment enterprises and commodity market service providers and the regulation of activity they may perform (hereinafter: Act).

2. Purpose of the Agreement

- 2.1. Upon Client's expressed request that is attached to this Agreement, Contracting Parties agree by signing this agreement that the Bank shall handle Client as a professional client with respect to the financial instruments and transactions defined under Point 3.1 from the time this Agreement enters into effect on the basis of the conditions set out and certified under Point 3.3.

3. Purpose of and reason behind qualifying client as professional client

- 3.1. Client requests that the rules for professional client be applied to it for all financial instruments and transactions.
- 3.2. The prerequisite for classification as a professional client is that Client must meet at least two of the following three conditions:
 - 3.2.1. the client has concluded an average of at least ten transactions per quarter at the official exchange rate set by the National Bank of Hungary on the day of the transaction, each of which was a minimum of forty thousand euros in value in the year prior to making the request, or the client has transacted an overall value of four hundred thousand euros in the given year;
 - 3.2.2. the client has a portfolio and deposits in which the combined financial instruments exceed five hundred thousand euros calculated in the official exchange rate made public by the National Bank of Hungary on the day preceding the day the request is submitted;
 - 3.2.3. the client has an employment contract or an equivalent contract for at least one continuous year or for at least one of the five years preceding the assessment, and has worked for:

- a) an investment firm,
- b) a commodity exchange service provider,
- c) a credit institution,
- d) a financial enterprise,
- e) an insurance company,
- f) an investment fund manager,
- g) an undertaking for collective investment of transferable securities (UCITS),
- h) a risk-capital fund manager,
- i) a private pension fund,
- j) a voluntary mutual insurance fund,
- k) an organization conducting clearing house activity,
- l) a central repository, or
- m) an employer-pension providing institution, which assumes that the client has knowledge of the financial instruments and investment services included in the contract between Bank and client.

3.3. Client declares that he/she meets the conditions set forth in Points 3.2 ... and 3.2 ... and has deposited the documents certifying this with the Bank or has presented them to it prior to concluding this Agreement. Copies of this document shall become appendices to this Agreement.

3.4. Client is required to report it to the Bank immediately if any change occurs in his/her circumstances resulting in a situation in which he/she no longer meets the conditions set forth under Point 3.3.

3.5. As long as this Agreement is in effect, the Bank is entitled to call upon Client at any time to verify that he/she meets the conditions of Point 3.3. Should Client not comply with the above request within 5 days of receiving it, the Bank shall be entitled to act as though Client no longer met the conditions of Point 3.3.

3.6. Should Client neglect to meet the notification and verification requirements of Points 3.4 and 3.5, or delay in doing so, Client shall be fully responsible for any damages to Client or Bank resulting from this.

4. Differences in the rules for professional clients and retail clients, and consequences of those differences

4.1. Provision of preliminary information

Under the Act, the Bank shall be required to offer detailed information to retail clients prior to concluding a contract or executing a service. For professional clients, Bank's obligation to provide information is less

detailed; the Bank provides information considering the experience, knowledge and the competence of the professional client.

4.2. Suitability test

4.2.1. If Bank offers counselling, prior to executing a commission, it will require Client to fill out a suitability test (Investment Questionnaire) to enable Bank to offer Client the most suitable transactions or financial instruments adjusted to Client's circumstances and in conformity with his/her investment expectations. For retail clients, the suitability test shall include an assessment of

- a) whether the transaction is suitable for meeting client's investment goals, including the risk tolerance of Client;
- b) the risks related to the investment goals meet the ability of the client to bear financially burden, and
- c) the client has the experience and knowledge to understand the associated risks.

4.2.2. For professional clients, the Bank shall not investigate Point 4.2.1., Subsections b) and c), and instead will assume that

- a) the professional client is able to determine the size of the risk associated with the investment goals meet the ability to bear financially burden, and that
- b) the client has the experience and knowledge to understand the nature of the transactions service.

4.2.3. In the suitability test the Bank analyses the Client's financial situation and investment goals and not the person's who is acting in the name or on behalf of the Client. However, knowledge and experience concerns the person who is authorised by the client to carry out transactions.

4.3. Appropriateness test

4.3.1. If Bank offers additional services to client other than investment counselling, then prior to concluding a contract or executing a commission, it will require a retail client to fill out an appropriateness test focused on the services, transactions and financial instruments known by client and the nature, magnitude and frequency of his/her transactions in connection with financial instruments and the client's knowledge and experience with the risks involved, in order to determine whether the client has enough experience and knowledge regarding the risks in connection with products and investment services.

- 4.3.2. The professional client does not have to fill out the appropriateness test because it can be assumed that he/she has the knowledge and experience required under Point 4.3.1. Thus, prior to executing a commission from a professional client, the Bank shall not assess the commission for appropriateness.
- 4.4. For professional clients, Bank may provide a wider selection of products.
- 4.5. By signing this Statement, Client hereby declares that he/she has understood and acknowledges the information provided by Bank under this point.

5. Revoking the professional client qualification

- 5.1. Under this Agreement, the Bank shall revoke the professional client qualification if
 - a) Client submits a written cancellation of this Agreement;
 - b) Client submits a report to Bank under Point 3.4.;
 - c) the Bank learns of a change due to which the conditions set forth under Point 3.3. are no longer valid.
- 5.2. Once the professional client qualification is revoked, the rules set by the Act for retail clients shall be applied to Client.

6. Termination of this Agreement

- 6.1. Client is entitled to terminate this Agreement in writing at any time, effective immediately and without cause. Client may only terminate this agreement with regard to all financial instruments and transactions at one and the same time.

- 6.2. The Bank is entitled to terminate this Agreement effective immediately in the cases described under Points 3.5. and 5.1. c).
- 6.3. Termination of this Agreement qualifies as revocation of Client's professional client qualification.
- 6.4. Once this Agreement has been terminated, no claim may be submitted for damages, not even if the information learned by Bank and referred to under Point 5.1. c) should prove inaccurate or untrue.

7. Other provisions

- 7.1. Contracting Parties shall proceed in a mutually cooperative manner in connection with this agreement.
- 7.2. For all issues not regulated in this Agreement, the contracts concluded or to be concluded by Contracting Parties for investment services and/or supplementary services, as well as the Act and other pertinent legislation shall have precedence.
- 7.3. This Agreement becomes effective on the day it is signed by both Contracting Parties.

The Parties have signed this Agreement to indicate their approval, and that it is fully concordant with their intentions.

Place/Date	Client's authentic signature (identical with the signature held at the Bank)
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UniCredit Bank Hungary Zrt.

Signature	Signature
Name	Name
Position	Position

Witnesses to the above signatures:

Signature	Signature
Name	Name
Address	Address

Appendix to the Agreement to qualify a retail client as a professional client

Subject: termination of the Agreement for qualification as a professional client,
revocation of the professional client qualification

Dear

The UniCredit Bank Hungary Zrt. (hereinafter: **Bank**) and you concluded an agreement on (hereinafter: **Agreement**), which qualified you as a professional client, and we have handled you as a professional client with respect to all financial instruments and transactions.

With reference to Point 3.5. of the Agreement, we hereby terminate the Agreement effective immediately, for you did not respond to our request for verification that you meet the criteria for a professional client by our deadline.

or

With reference to Point 5.1. c) of the Agreement, we hereby terminate the Agreement effective immediately, for the Bank has learned of a change due to which the conditions set forth under Point 3.3. are no longer valid.

As of receipt of this termination notification, we shall manage all of your financial instruments and transactions in accordance with the rules governing retail clients.

Thank you for your understanding.

.....

Yours sincerely,

UniCredit Bank Hungary Zrt.

Signature	Signature
Name	Name
Position	Position

APPENDIX 5.

AGREEMENT TO HANDLE AN ELIGIBLE COUNTERPARTY AS A PROFESSIONAL CLIENT

AGREEMENT

TO QUALIFY AN ELIGIBLE COUNTERPARTY AS A PROFESSIONAL CLIENT

concluded by and between

UniCredit Bank Hungary Zrt.

head office: 1054 Budapest, Szabadság tér 5-6.

company registration number: 01-10-041348,

as Bank (hereinafter: **Bank**),

and

.....
address/ head office:

Personal ID/company registration number:

as Client (hereinafter: **Client**)

(the Client and the Bank shall hereinafter be referred to together as: **Contracting Parties**)

under the following conditions:

1. Antecedents

- 1.1. A legal relationship was established between Contracting Parties involving investment services or supplementary services, in the course of which the Contracting Parties have concluded or will conclude an agreement for transactions involving financial instruments.
- 1.2. Prior to concluding the contract for the services defined under Point 1.1., Client was qualified an eligible counterparty under the Act CXXXVIII of 2007. on investment enterprises and commodity market service providers and the regulation of activity they may perform (hereinafter: Act).

2. Purpose of the Agreement

- 2.1. Upon Client's expressed request, Contracting Parties agree by signing this document that the Bank shall provide Client with conditions identical to those of professional clients with respect to the financial instruments and transactions defined under Point 3.1.

in the course of conducting investment services and supplementary services, as of the effective date of the Agreement.

3. The subject and consequences of the professional client qualification

- 3.1. Client requests that the rules for professional client be applied to it with regard to all financial instruments and transactions.
- 3.2. In conformity with this Agreement, the preliminary information, suitability and appropriateness tests for Client in conformity with regulations for professional clients specified by the Act shall be applied, along with the registration and accounting of contracts and commissions and instructions concerning the best execution policy, the performance of commissions and the allocation in the manner most favourable to Client.
- 3.3. Client notes that applying the specifications of Point 3.2. requires

- a) submitting significantly more declarations and certifications to Bank;
 - b) so the deadline for executing transactions submitted by the Client may become longer;
 - c) the range of products eligible for the client may be limited.
- 3.4. By signing this Agreement, Client declares that he/she is aware of regulations of the Act for professional clients and hereby acknowledges the consequences, in particular, those set forth under Point 3.3.

4. Termination of this Agreement

- 4.1. Only Client may terminate this agreement, which he/she may do at any time, effective immediately and without cause. Client may only terminate this agreement with regard to all financial instruments and transactions at one and the same time.

- 4.2. Once this agreement is terminated, the rules set by the Act for eligible counterparties shall be applied to the Client and to all commissions submitted by Client.

5. Other provisions

- 5.1. Contracting Parties shall proceed in a mutually cooperative manner in connection with this agreement.
- 5.2. For all issues not regulated in this Agreement, the contracts concluded or to be concluded by Contracting Parties for investment services and/or supplementary services, as well as the Act and other pertinent legislation shall have precedence.
- 5.3. This Agreement becomes effective on the day it is signed by both Contracting Parties.

The Parties have signed this Agreement to indicate their approval, and that it is fully concordant with their intentions.

Place/Date	Client's authentic signature (identical with the signature held at the Bank)

UniCredit Bank Hungary Zrt.

Signature	Signature
Name	Name
Position	Position

