

# UniCredit Bank Hungary Zrt.'s General Business Conditions on Investment Services and Ancillary Services

Effective from  
27<sup>th</sup> September 2018

A bank mindenhez,  
ami számít.



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# UniCredit Bank Hungary Zrt.'s General Business Conditions on Investment Services and Ancillary Services

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## 1. Scope and effect of the Business Conditions

- 1.1. These General Business Conditions on Investment Services and Ancillary Services (hereinafter: "Business Terms") govern the establishment, maintenance, modification and termination of legal relations in the context of the investment services and supplementary investment service activities of UniCredit Bank Hungary Zrt. (1054 Budapest, Szabadság tér 5-6., Number of operating licence issued by the Hungarian Financial Supervisory Authority: I-1523/2003; date of operating licence: 1 December 2003; previous operating licence number: III/41.001-5/2002; date of operating licence: 20 December 2002; previous operating licence number of the now-merged securities company CAIB Értékpapír Rt.: III/75004-24/2002; date of operating licence: 20 December 2002) (hereinafter: "Bank"), as a credit institution established pursuant to the laws of Hungary and operating in accordance with Act CCXXXVII of 2013; and set out the detailed rules on the use of third-party agents ("collaborators") during the course of these activities, the liability rules on the pursuit and provision of investment services and ancillary services, as well as the extent of, and the settlement rules on the fees and costs charged for the various sub-categories of activity.
- 1.2. The effect of these Business Terms extends to the Bank, as well as to all natural and legal persons, and organisations without legal personality, entering into a legal relationship with the Bank in connection with investment service and supplementary investment service activities.
- 1.3. These Business Terms shall automatically constitute a part of any contract entered into between the Bank and its Clients, for any action or service under the Business Terms, unless expressly provided for otherwise in that

contract or in a statute of law. With respect to any matters not regulated in these Business Terms, the Bank's General Terms and Conditions and other rules and policies cited in the Business Terms shall be applicable.

The various rules and policies referenced in the Business Terms (in particular BSE, KELER, rules of other trading venues and clearing houses) can be found at the following link: [www.unicreditbank/mifid](http://www.unicreditbank/mifid)

- 1.4. Annexes of these Business Terms shall be the following documents:
  - a) forms relating to contracts between the Bank and its Clients,
  - b) list of outsourced activities and the parties pursuing the outsourced activities,
  - c) list of fees and charges applied by the Bank, that are published in the Lists of Conditions,
  - d) business hours,
  - e) general contractual terms that are published in the General Terms and Conditions,
  - f) General Complaint Handling Regulations,
  - g) Execution Policy of the Bank,
  - h) Summary of Conflict of Interest Policy that is contained in Section 4.22. of these Business Terms.

Annexes of these Business Terms may be found on the following link:  
[https://www.unicreditbank.hu/en/about\\_us/useful/other/annexes.html](https://www.unicreditbank.hu/en/about_us/useful/other/annexes.html)

## 2. Definitions

- 2.1. The principal concepts, abbreviations and definitions used in these Business Terms shall, for the purpose of these Business Terms, have the following meaning:

**ÁÉKBV (UCITS)** undertakings for collective investment into transferable securities, established on the basis of § 4 (8) b) of Act XVI of 2014 on Collective Investment Undertakings and Their Managers, and on the Amendment of Financial Regulations

**Áht.** Act CXCIV of 2011 on Public Finances

**ÁKK** Government Debt Management Agency Private Company Limited by Shares (H-1027 Budapest, Csalogány u. 9-11.)

**Sub-custodian** a person appointed for the recording, safekeeping and custody of the securities of the Bank and its clients and for the retheir cording of foreign instruments

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**BSE** the Budapest Stock Exchange (H-1054 Budapest, Szabadság tér 7)

**Bszt. (Investment Act)** Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities

**EMIR** Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories and its other implementing regulations

**Supervisory Authority** the Central Bank of Hungary (H-1013 Budapest, Krisztina krt. 39.)  
<http://felugyelet.mnb.hu>

**Consumer** natural person acting outside his/her profession, independent occupation or business activity

**GIRO** the interbank clearing system operated by GIRO Zrt. (GIRO Clearing Ltd.) (H-1054 Budapest, Vadász u. 31.)

**Internet Banking** The Spectra, Spectra Light, Spectranet Light, Spectranet Plusz systems offered by the Bank and the eBanking system as defined in the General Terms and Conditions.

**ISIN code** the internationally and uniformly applied 12-character alpha-numerical code defined by Tpt. and by ISO standard 6166, which serves to identify individual securities series or stock exchange products

**KELER** KELER Központi Értéktár Zrt.(KELER Central Depository Ltd.) (H-1074 Budapest, Rákóczi út 70-72.) and KELER KSZF Központi Szerződő Fél Zártkörűen Működő Részvénytársaság (KELER CCP Central Counterparty Ltd.) (H-1074 Budapest, Rákóczi út 70-72.)

**KELER regulations** All relevant General business rules, regulations and depository announcements of KELER

**trading venue** regulated market, MTF, OTF

**Key information document (KID):** a document setting out the key features and risks of packaged retail investment products as defined in Regulation (EU) 1286/2014 and Regulation (EU) 653/2017

**LEI code** (Legal Entity Identifier/global legal entity identifier) The legal entity identifier consisting of 20 alphanumeric characters in accordance with the ISO 17442 standard

**MiFID** Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU

**MiFIR** Directive 600/2014/EU on markets in financial instruments

**MNB** the Central Bank of Hungary (Magyar Nemzeti Bank) (H-1850 Budapest, Szabadság tér 8-9.)

**MTF** Multilateral Trading Facility: a trading system that facilitates the exchange of financial instruments between multiple parties in a non-discriminatory manner, resulting in a contract, e.g. the BÉTa Piac

**National ID** the identification number required for transactions by natural person Clients, generated in accordance with Article 6 and Annex II of Commission Delegated Regulation (EU) 2017/590

**OECD** Organisation for Economic Co-operation and Development, 2 rue André Pascal, F-75775 Paris CEDEX 16, France

**an OTC transaction or a transaction outside a trading venue** any venture or agreement involving the purchase or sale of financial instruments in any form, the execution of which takes place outside the network operated for this purpose by any stock exchange, primarily the BSE, the MTF and the OTF and not governed by the regulations of

regulated markets or Stock exchanges, including in particular the regulations of the BSE, the MTF and the OTF

**an OTC market or a market outside a trading venue** the venue for over-the-counter (OTC) transactions

**OTF** Organised Trading Facility: a multilateral system other than a regulated market or an MTF, where the intention of various third parties to buy and sell bonds, structured finance instruments, emissions allowances or derivative products can be brought together within the system in a manner resulting in a contract.

**Consolidated Securities Account** Account opened for recording and managing the dematerialised securities and securities in paper form, owned by the Client

**financial instrument** an instrument defined in Bszt. § 6 subsections (a)-(k)

**PRIIPs** Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products

**Regulation** Commission Delegated Regulation (EU) 2017/565 as regards organisational requirements and operating conditions for investment firms

**SWIFT** System for Worldwide Interbank Financial Telecommunication; an international inter-bank information and document forwarding system

**regulated market** the Stock Exchanges of European Union member states and all other markets in which supply and demand are concentrated in the same location under specific rules, and which meet the conditions for a regulated market set by the Capital Market Act (Tpt.)

**durable medium** any instrument under the Bszt., which enables a Client to store data addressed to such Client in a way accessible for future reference for a period of time adequate for the purposes of the data concerned and which allows the unchanged reproduction of data stored (e.g. e-mail, DVD, CD, Internet Banking);

**stock exchange** all Hungarian or international stock exchanges, including in particular the BSE, in accordance with the Tpt.

**Tpt.** Act CXX of 2001 on the Capital Market

**Client** any entity who uses the services of the Bank under Bszt. (Investment Act) or Tpt. (Capital Market Act)

2.2. Unless expressly stated otherwise, whether the terms listed above are used in the singular or plural, and whether written in capital or small letters, they shall have the same meaning.

2.3. Terms and expressions not defined in this section or in any other part of these Business Terms are to be interpreted in accordance with the prevailing laws of Hungary. Currencies and foreign exchange denominations shall in all cases be referred to in these Business Terms and in contracts by their full name or by their respective ISO code (ISO standard 4217), while the Hungarian forint shall be abbreviated as "HUF".

### 3. Investment services and ancillary services performed by the Bank

The operating licence issued to the Bank by the Supervisory Authority allows for the performance of the following investment services and supplementary services:

#### Investment services

- Acceptance and transfer of order (Bszt. § 5), Section (1), Subsection a)
- Performance of action for which order was received from Client (Bszt. § 5), Section (1), Subsection b)
- Trading on own account (Bszt. § 5. Section (1), Subsection c)
- Investment advisory service (Bszt. § 5. Section (1), Subsection e)
- Placement of financial implements including acceptance of obligation to purchase implement (security or other financial implement) subscription guarantees (underwriting) Bszt. § 5, Section (1) Subsection f)
- Placement of monetary instruments without undertaking the obligation to purchase said instrument (security or other monetary instrument (Bszt. § 5. Section (1). Subsection g)

#### Ancillary services:

- Safeguarding monetary instrument on deposit and maintaining related client account (Bszt § 5. Section (2), Subsection a)
- managing deposits and maintaining the related security accounts; in the case of securities in paper form, maintaining records and keeping client accounts, with the exception of providing and maintaining securities accounts at the top tier level ('central maintenance service') in accordance with point 2 of Section A of the Annex of Regulation (EU) 909/2014; (Bszt. § 5., Section (2), Subsection b))

- Provision of loans to investors (Bsz. § 5, Section (2), Subsection c)
- Offering to consult with companies on matters related to their capital structures and business strategies, and provision of services in relation to corporate mergers and acquisitions Bsz. § 5. Section (2), Subsection d)
- Investment research and financial analysis Bsz. § 5. Section (2), Subsection f)
- Services related to security purchase guarantees (Bsz. § 5, Section (2), Subsection g)

hereinafter referred to, respectively separately and collectively, as “investment services.”

## 4. General provisions on investment services

### 4.1. General conditions for the conclusion of contracts

- 4.1.1. The Bank shall pursue its investment services on the basis of standard or non-standard framework agreements and individual contracts concluded with Client as well as on the basis of one-time orders from Client (hereinafter, together: Contract)
- 4.1.2. The Client may use the Bank’s investment and supplementary services where it has concluded a Consolidated Securities Account Contract or if it has a framework agreement with the Bank.
- 4.1.3. The Client or the Client’s authorised representative shall be entitled to sign contracts with the Bank, excepting framework contracts. Only the natural entity who is the Client shall be authorized to sign a framework contract and must appear in person to do so. Before concluding a framework or individual contract, the Bank shall always be required to verify the personal identity of the Client or the Client’s representative and, in the case of the latter, also his or her right of representation. In this regard, the Client is obliged to provide the Bank, prior to the start of performance of the contract, with the documents requested by it, and with the Bank’s form, duly completed, and to keep the Bank informed on an ongoing basis of any subsequent changes in accordance with point 4.1.9. For the purposes of this provision, a change recorded in the company register, or a public disclosure thereof, shall not be deemed a notification of the Bank. If the Bank is already in possession of the personal data of the Client or of his representative, the personal identity of the acting person(s) shall be deemed confirmed upon verification of their right of disposal.

The Bank may in good faith trust in the veracity of the personal identity of the Client or Client’s representative and shall not be obliged, but shall be entitled, to examine the veracity thereof. The Bank shall moreover, be entitled to request appropriate documents or information from the Client or from the competent authorities. The Bank shall be entitled not only to request information related to the person of the Client, but – in the case of a legal entity, or a business association without legal entity – to request from the Client any company-law and business information related to the Client’s founders, members or subsidiaries, or to its participations in other enterprises.

4.1.4. A basic condition for the conclusion of a contract is, in accordance with the provisions of point 4.1.3., that the following identification data be provided, which the Bank shall record:

- 4.1.4.1. If a natural entity:
- i) Family and given name, and birth name if different from current name
  - j) Address
  - k) Date and place of birth
  - l) Gender
  - m) Nationality
  - n) Mother’s maiden name
  - o) Type and number of ID document
  - p) Tax ID number
  - q) In the case of a foreign natural entity, those of the items listed in a)-f) that can be ascertained from the ID document, as well as the place of residence in Hungary
  - r) The most important data on and related to the business relationship and the transaction order
- 4.1.4.2. Legal entity, or organisation without legal entity:
- a) Name, abbreviated name
  - b) Head office, in the case of a company headquartered abroad, address of branch office in Hungary
  - c) Registration number of legal entity as recorded by the Court of Registration if so recorded
  - d) If other legal entity, number of decision allowing establishment or registration number of entity (given upon registry or recordation of entity)
  - e) Main activity
  - f) Tax number
  - g) Name and position of authorised representatives
  - h) Appropriate data of person authorised to handle mail
  - i) The most important data on and related to the business relationship and the transaction order

If so required for a specific transaction, conclusion of the contract is subject to a national ID in the case of individuals, while for legal entities and other organizations, the LEI code is required pursuant to Clause 4.1.6.

4.1.5. During identification, the Bank may request that the following documents or certificates be presented in the case of legal entities and unincorporated organizations:

- 4.1.5.1. A document issued in the past 30 days, certifying that
- a) in the case of a domestic business organisation, it has been registered by the Court of Registration, or that the latter has received its application for registration; or in the case of a private entrepreneur that either the entrepreneur's license or a certificate on the registration has been issued
  - b) in the case of any other domestic legal entity, if entering it into the authority or court records is necessary for it be created, it has indeed been entered into the records
  - c) in the case of a foreign legal entity or organisation without legal personality, it has been registered or entered into the official records in accordance with the law of the country in which it is based
- 4.1.5.2. If the document as set forth under point 4.1.5.1. was issued abroad, the Bank shall be entitled to request a certified Hungarian language translation of said document.
- 4.1.5.3. The Bank shall, moreover, request from a legal entity or organisation without legal entity a copy of entity's deed of foundation (articles of association, bylaws) prior to its submission to the court of registration, the authorities, or the courts, of its request for registration by the court of registration, the authorities, or the courts.

4.1.6. Identifiers to be provided by the Client for transactions

In order to comply with its reporting obligation based on the EMIR, in the case of Clients other than natural persons, including individual entrepreneurs, the Bank must have the Client's LEI code.

Notwithstanding the previous paragraph, in order to comply with its obligation to report transactions under the MiFIR, the Bank must have the LEI codes (legal entity identifier codes) of all legal entity Clients or the National ID of natural persons in order

to enable it to execute Client orders with regard to the following financial instruments:

- a) financial instruments admitted for trading or traded on a trading venue or for which a request for admission for trading has been made;
- b) financial instruments where the underlying financial instrument is a financial instrument traded in a trading venue; and
- c) financial instruments where the underlying instrument is an index or a basket composed of financial instruments traded in a trading venue.

The Client's obligation shall apply to transactions in financial instruments irrespective of whether or not such transactions are carried out in or outside the trading venue. In the absence of identifiers, the Bank may refuse the transaction.

4.1.6.1. LEI code – for transactions subject to the EMIR

If a transaction concluded with a Client other than a natural person is subject to a reporting obligation based on the EMIR, the Client shall provide its valid LEI code in advance, in writing to the Bank in order to use the service. Clients other than natural persons shall be entitled to use the service once they have provided the LEI code. The Bank shall refuse the execution of orders that are subject to a reporting obligation if the Client has failed to provide a valid LEI code to the Bank.

The Client shall obtain and continuously maintain a LEI code (in a manner to ensure that it always applies to the Client and is constantly present in the global LEI database). The Client shall notify the Bank without delay of any changes or withdrawal of the LEI code and shall provide true, accurate and complete information to the Bank in that regard.

The Bank shall be entitled to refuse to conclude or modify a transaction and reporting on behalf of the Client if the Client has not, prior to the conclusion of the individual transaction, provided the Bank with the required data that are necessary for the Bank to comply with its reporting obligations (in particular the LEI code), or if the Client has failed to maintain the active status of its LEI code.

If the LEI code provided by the Client is not valid, but otherwise the individual transaction may be concluded, the Client shall be fully liable and shall hold the Bank harmless for the consequences of the invalid LEI code with regard to the individual

transaction, including any consequences arising from the reporting obligation to be performed by the Bank.

4.1.6.2. The LEI code – for transactions subject to the MiFIR

If a transaction concluded with a legal entity is subject to a reporting obligation based on the Bszt. (Investment Act) or the MiFIR, the Client shall provide its valid LEI code in advance, in writing to the Bank in order to use the service. Legal entity Clients shall be entitled to use the service once they have provided the LEI code. The Bank shall refuse the execution of orders that are subject to reporting obligation if the Client has failed to provide a valid LEI code to the Bank.

The Client shall obtain and continuously maintain a LEI code (in a manner to ensure that it always applies to the Client and is constantly present in the global LEI database with a valid status). The Client shall notify the Bank without delay of any changes or withdrawal of the LEI code and shall provide true, accurate and complete information to the Bank in that regard.

4.1.6.3. National ID

Where the applicable EU legislation requires a National ID from natural person Clients for the performance of an individual transaction, the Client shall be entitled to use the service from the day the following data for the generation of a National ID pursuant to Article 6 and Annex II of Commission Delegated Regulation (EU) 2017/590 has been made available to the Bank:

- a) the surnames and first names of the Client and his agent, their date of birth if a CONCAT can be generated for the Client according to the 1st priority based on Article 6 and Annex II of Commission Delegated Regulation (EU) 2017/590;
- b) in respect of those countries listed on the basis of Article 6 and in Annex II of the Regulation in clause a) above, where a CONCAT cannot be generated or it cannot be generated in accordance with the 1st priority, the personal identification code/personal identity document number specified therein,
- c) where the identification data under the 1st priority are unavailable to the Client, the rules under the 2nd and 3rd priorities shall apply.

Where a natural person is a national of more than one EEA Member State, the Client shall provide the Bank with the identifier for the country listed in Annex II of Commission Delegated Regulation 2017/590, which appears first in the alphabetical order of the country codes for nationality. Where a natural person Client is a national of a non-EEA country, the highest priority identifier in accordance with the field referring to ‘all other countries’ provided in Annex II of Commission Delegated Regulation 2017/590 shall be made available.

Where a natural person Client is a national of both an EEA Member State and a non-EEA country, the highest priority identifier for his or her EEA nationality shall be made available. The Bank shall be entitled to refuse the transaction if the Client has not, prior to the conclusion of the individual transaction, provided the Bank with the data required for the generation of a national ID.

The Client shall provide the Bank with up-to-date and correct information required for the national ID at all times.

The Bank shall not be obliged to continuously monitor the veracity and validity of the national ID. If the data provided by the Client is not valid, yet in other respects the individual transaction may be concluded, the Client shall be fully liable and shall hold the Bank harmless for the consequences of providing an invalid national ID, including in particular any consequences arising from the reporting obligation to be performed by the Bank.

4.1.7. Prior to conclusion of contract, the Bank shall brief the Client, based on available information, on whether Client qualifies as a Retail or Professional Client under Bszt in accordance with MiFID (the EU’s Markets in Financial Instruments Directive), and whether Client is qualified an Acceptable Partner. Bank’s Client Classification Policy, accessible on the Bank’s website or in every Bank branch office, lists the considerations and criteria for the different client categories and the manner and conditions enabling a switch to a different category. Where current Business Terms mention Retail or Professional Client, or Acceptable Partner, reference is made to the Retail Client, Professional Client and Acceptable Partner Client cited in Bszt.

4.1.8. The Client is obliged to make a written declaration to the Bank to the effect that he is proceeding in his own name and/or interest or in that of the “actual



owner". If doubt should at any time arise in respect of the existence or person of the actual owner, the Bank shall request that the Client make a (repeat) written declaration in this regard. If the Client refuses to make the declaration, the Bank may not perform the transaction order.

4.1.9. For the duration of the business relationship, the Client shall inform the Bank in writing or in person with respect to any change in the data provided during the identification, or in the identity of the actual owner, and shall do so within five banking days of his becoming aware of such change. The Bank shall accept no liability in the event that the Client has not notified it of changes in such data, or has done so late, or has performed the notification in an incorrect fashion, or has supplied data which is itself fundamentally incorrect or false.

4.1.10. The Client shall, at the time he or she concludes a contract with the Bank, provide the Bank, on the specimen signature card supplied by the Bank for this purpose, with the specimen signatures of the persons authorised to give instructions with respect to the contract, and shall undertake to notify the Bank immediately of any changes in such persons. The Bank shall electronically record the signatures of the Client, his or her proxy, and/or of any other person(s) reported by the Client as being authorised to proceed with respect to the contract. The Bank is obliged to check the signature on all the Client's written instructions. The Bank shall compare the signature on each written instruction with the electronically recorded specimen signature. If the instruction is not signed in a manner identical with the signature held at the Bank, the Bank shall be entitled to return the instruction to the submitter, together with an explanation, and shall not be responsible for any damages that may occur as a result.

4.1.11. The provision of information to the Client in advance

Prior to concluding contracts related to its investment services or to providing services on request, the Bank shall provide the information to Clients under § 43 of the Bszt. and under the Regulation on the Client's rating, the terms of the agreement, the investment enterprise, the investment or supplementary investment service intended to be used, the financial instruments, recommended investment strategies, place of execution, protection of the client's financial instruments and of all costs and related fees.

The Bank is entitled to provide the information to the Client

- a) in writing on paper,
- b) on its website,
- c) on any other durable medium.

The Bank shall comply with this obligation to provide information – depending on the specific agreement or order – through its [www.unicreditbank.hu](http://www.unicreditbank.hu) website or any other website determined by the Bank, also complying with other conditions set forth by Bszt.

The Bank is entitled to provide this information to the Client on its website if

- a) the Client has stated that it has regular access to the Internet, in particular where the Client has provided an email address for communications with the Bank,
- b) the Client has specifically consented to the provision of information in that form,
- c) the Client has been notified by the Bank by email of the address of the website, and the actual location on the website where the information can be accessed;
- d) the information shall be up-to-date and continuously accessible to the Client for such period of time as the Client may reasonably require such information.

The Bank reserves the right to provide the investment or supplementary investment services concerned to the Client only where the Client has specifically consented to the provision of information through the website. The Bank shall provide access to its website free of charge through information desks located in all of its branches, and shall provide the Client with the necessary information on paper or (where the required conditions exist) on other durable medium.

The Bank shall not provide information to the Client on a durable medium unless the provision of information on such durable medium conforms to the contractual context in which the business between the Bank and the Client is conducted (e.g. in the case of information to be provided by email, the Client has provided its email address to the Bank) and the Client has specifically chosen to receive information on that medium when presented with the choice between paper and another durable media.

It is in the Client's discretion whether or not to accept the information thus provided, and the Bank shall bear no responsibility for any damage incurred by the Client as a consequence of Client's decision,

or for any damage that may be attributed directly or indirectly to the provision of such information. Depending on the Client's rating, the Bank may provide different or uniform information. Of the information listed in the Bszt., the Bank is only obliged to provide to the Client the information directly connected to the contract to be concluded.

With professional clients or clients recognized as acceptable counterparties under the Bszt., the Bank may make a separate agreement concerning the restrictions related to information prior to and after concluding the transaction, which can only be provided based on an agreement pursuant to the law. In such cases, the Bank may notify the Client that if the Client does not object to the proposed procedure within a specific period, the procedure shall be considered as accepted by the parties.

In the case of clients recognized as acceptable counterparties, the Bank is not obliged to provide detailed information applicable to retail clients in respect of the acceptance and forwarding of orders, execution of orders for the client, dealing on own account and related supplementary services, unless otherwise provided for by the law.

Where the Bank is required under the applicable law to inform clients recognized as eligible counterparties, the Bank shall inform clients recognized as eligible counterparties in accordance with the rules applicable to professional clients.

#### 4.1.12. Product information on packaged retail investment products

On the basis of the PRIIPs Regulation, the Bank is required to provide to its retail clients Key Information Documents ('KIDs'), setting out the key information on its 'packaged retail investment products'.

The Bank shall provide the KIDs on paper and, based on the client's specific statement, also on other durable media (including its website), provided that, subject to the Client's express consent, in the case of transactions concluded through telecommunications devices, the KIDs shall be made available to the Client subsequent to the transaction.

The KID may be provided to retail Clients on a durable medium if

- a) the use of the durable medium is appropriate in the context of the business conducted between the person providing the investment consulting

service related to the product concerned or selling the product and the retail Client;

- b) the retail Client has been given the choice between information on paper and on the durable medium, and has demonstrably chosen such other medium.

The KID may be provided to retail Clients by the means of a website that does not meet the definition of a durable medium if all of the following conditions are met:

- a) the provision of the KID by means of a website is appropriate in the context of the business conducted between the person providing the investment consulting service related to the product concerned or selling the product and the retail Client;
- b) the retail Client has been given the choice between information provided on paper and by means of a website and has demonstrably chosen the latter method of information;
- c) the retail Client has been notified electronically, or in written form, of the address of the website, and the place on the website where the KID can be accessed;
- d) the KID remains accessible on the website, capable of being downloaded and stored on a durable medium, for such period as the retail Client may need to consult it.

The Bank is entitled to provide certain KIDs through a reference to the page of the issuer/manufacturer or to another electronic page where the KIDs can be accessed. The Bank shall provide paper copies of KIDs provided on a durable medium or on the website to retail Clients upon request and free of charge.

Where making the KID available on the website is not possible in the case of the Client - the Bank may provide the KID after concluding the transaction to Clients with a retail Client rating, without undue delay, where all of the following conditions are met:

- the Client has, in his discretion, chosen to contact the Bank and conclude the transaction using a telecommunication device;
- provision of the KID in advance is not possible;
- the Client consents to receiving the KID without undue delay after concluding the transaction, rather than delaying the transaction in order to receive the document in advance.

In such cases, the Bank shall advise the Client that the Client may delay the transaction in order to receive and read the KID before concluding the transaction, which the Client may state prior to concluding the transaction;

With the exception of the subsequent provision of the KID, by giving an order, the Client acknowledges that it had sufficient time, from the moment the KID was made available to him, to consider its contents.

Where successive transactions regarding the same financial instrument are carried out on behalf of a Client, the obligation to provide a KID shall only apply to the first transaction, and to the first transaction after the KID has been revised.

**4.1.13. Information on exceeding the 10% threshold**

In the case of retail clients, in respect of positions in leveraged financial instruments or contingent liability transactions in accordance with Article 62 (2) of the Regulation, the Bank shall inform the Client if the 10% threshold has been exceeded.

**4.1.14. The Bank shall bear no liability if, due to a delay in the provision of information by a third party or inadequate provision of information by a third party, it is unable to fulfil its obligation to notify the Client, unless otherwise provided by the law. The Bank shall not be obliged to notify the Client with respect to information that another market participant is obliged to make public pursuant to the provisions of Tpt., Bszt or other pertinent legislation.**

**4.1.15. Prior to concluding the contract, the Client shall apprise the Bank in accordance with Regulation (EU) 596/2014 if it qualifies as an insider in respect of the financial instrument constituting the subject of the contract.**

**4.1.16. The Client with foreign citizenship, dual citizenship or with a foreign residence undertakes to examine whether the Client is entitled to acquire the financial instrument offered by the Bank during its investment service provision without any limitations, according to the applicable law on the Client based on citizenship or residence and the documentation of the specific financial instrument. The Bank shall not be liable in case the Client was not entitled to acquire the specific financial instrument according to the applicable law on the Client, or the Client was entitled to acquire it but only with certain limitations. With regard to the prohibitions defined by the „Final Rule” (Volcker Rule), implementing Section 619 of the US Dodd-Frank Wall Street Reform and Consumer Protection, – except for Hungarian and US government securities – the Bank is entitled to refuse to conclude contracts in the framework of trading activity from its own accounts with Clients resident in the United States of America,**

and Clients being foreign operations of a U.S. entity, where US personnel is involved in the arrangement, negotiation, or execution of transactions, respectively the accounting, financing of the transaction can be linked to the United States.

**4.2. Execution of the contract, acceptance of orders, provision of prior information**

**4.2.1. Suitability test (Investment Form) – investment advice**

**4.2.1.1. Bank shall provide Clients – when specifically requested to do so – personal investment advisory service related to financial instruments under Bszt. § 5, Section (1), Subsection e) The provisions of Clause 5.11 shall apply to personal investment consulting services.**

**4.2.1.2. In the case of retail and a professional clients, before concluding a contract for financial instruments following an investment consulting service, the Bank shall**

- a) Ascertain that Client’s information level and his/her experience with the financial instruments involved in the commission and/or with the venture, and his/her risk-bearing capacity are sufficient to make a well-founded investment decision and
- b) That Client has disclosed his/her financial situation, source or income and investment goals to the extent necessary to perform in accordance with the contract

in order to be able to offer a venture or monetary instrument adjusted to Client’s circumstances and able to meet his./her investment expectations (suitability test)

**4.2.1.3. Within the framework of the suitability test, Bank shall evaluate the product or service offered in the investment counselling phase to determine**

- a) whether it is suitable for implementing the investment goals stated by Client,
- b) whether the level of risk otherwise in harmony with Client’s investment goals is in accordance with Client’s financial abilities, and
- c) whether Client has the experience and knowledge to understand and evaluate the nature of the transactions and related risks.

**4.2.1.4. In accordance with Bszt., when conducting the suitability test, Bank may ask Client for:**

- a) a written declaration of assets and income

- b) documents to verify the statement in point a), or
- c) disclosure of agreements with other investment brokers

the result of the test shall also be deemed as an acknowledgement.

4.2.1.5. After completion of the suitability test, the Bank has the right to request further information from the Client in order to check the Client's information and experience and, on that basis, the Bank may change the result of the test.

4.2.1.6. The Client is entitled to complete the suitability test. The Client's agent is not entitled to complete the Client's suitability test.

4.2.1.7. Client is mandated to inform Bank in writing if there is any change in the data or information included in the suitability test and to repeat said declaration at any time Bank requests it, should Bank believe the information in the suitability test is obsolete, faulty, or incomplete. Bank does not have to justify this request.

4.2.1.8. If Client fails to complete the suitability test or provides incomplete information, Bank may not offer Client investment advisory.

4.2.1.9. If, in the course of investment consulting, based on the suitability test, the transaction or financial instrument concerned is not suitable for that Client, Bank shall not recommend that transaction or financial instrument to the Client.

4.2.1.10. The Bank shall assess the suitability test as follows:

for the agents of natural person Clients or legal entity Clients that have requested and been granted a professional client rating, the Bank shall perform a compliance test, assessing it together with the Client's statements as follows:

- in the case of the agent, his information and experience (for more details, see Clause 4.2.2), whereas
- in respect of the Client represented by the agent, information on its risk profile, financial situation and investment objectives shall be considered.

4.2.1.11. The Bank shall advise the Client of the result of the suitability test, including the result of its review by the Bank and the consequences thereof, which the Client shall acknowledge. A contract or order from the Client for the financial instrument or transaction with the Bank following the Bank's notice on

4.2.2. Appropriateness test (Investment data sheet, Part 1.)

4.2.2.1. When providing investment services other than investment consulting, the Bank shall request the following declarations from the Client prior to concluding a contract where no compliance test has been conducted, with the exception under Point 4.2.2.3, regarding Client's information and experience

- a) as related to the essence of the venture contained in the contract
- b) the specifics of the financial instruments involved in the venture, and
- c) particularly regarding the risks of same in order to determine whether Bank has really provided Client an appropriate financial instrument or venture (appropriateness test)

4.2.2.2. Based on Client's statement, during the appropriateness test, Bank shall

- a) determine the services, ventures and financial instruments known to Client,
- b) investigate the nature of transactions performed with Client's monetary instruments as well as the size and frequency of these transactions and the time frame in which they are implemented,
- c) and shall investigate Client's education level, employment and any former employment relevant to the evaluation

4.2.2.3. The compliance test need not be completed if the Client and the Bank have concluded an agreement for receiving and transmitting client orders and executing orders on behalf of Client (not including own-account dealings), the transaction concerns the (non-complex) financial instruments listed in § 45 (3) of the Bszt., the Client has initiated the agreement regarding the transaction and Bank gives the Client simultaneous notice that the Bank does not apply the compliance test and, therefore, its consequences shall not apply to the Client and the Bank ensures continued compliance with the conflict of interest rules included in the Bszt. and the Bank's Conflict of Interest Policy during its operation.

Upon the Client's request, the Bank shall provide information on non-complex financial instruments for which a transaction can be concluded.

- 4.2.2.4. Client is mandated to inform Bank in writing if there is any change in the data, information included in the appropriateness test and to repeat said declaration at any time Bank requests that Client do so if Bank believe the information in the appropriateness test is obsolete, faulty, or incomplete. Bank does not have to justify this request
- 4.2.2.5. If Bank must evaluate the appropriateness of the commission given by Client and if Client has been incomplete or inaccurate in filling out the appropriateness test, Bank shall be unable to ascertain whether the instrument or venture included in the commission is appropriate. Therefore, in this case, Bank shall treat the commission given by Client as inappropriate.
- 4.2.2.6. Based on the appropriateness test, if Bank believes the instrument or venture commissioned by Client is inappropriate – based on information given or the lack of information – Bank shall call this to the attention of Client, but Bank shall perform the commission as requested if Client continues to request it despite the warning.
- 4.2.2.7. The Bank shall investigate whether the orders given by a party entitled to give instructions or an agent are suitable or, within investment advisory services, appropriate based on the suitability or compliance test completed by the Client, and signed by an authorized signatory in case of a legal entity Client.
- 4.2.2.8. The Bank may provide certain information with reference to other documents or information published by third parties, providing their accessibility, unless provided otherwise by the law, provided, however, that the Bank assumes no liability with respect to the completeness, veracity, or up-to-dateness of information provided by third parties, according to the general rules. Such third-party service providers shall not qualify as subcontractors or other agents of the Bank.
- 4.2.2.9. Following completion of the compliance test, the Bank may request supplementary information from the Client for checking its information and experience, on the basis of which the Bank may change the result of the test.
- 4.2.2.10. The Client shall inform Bank in writing if there is any change in the data or information included in the compliance test and shall repeatedly make such declaration in writing at any time the Bank so requests the Client without stating any specific reasons, if the Bank believes that the information in the compliance test is obsolete, faulty, or incomplete.
- 4.2.2.11. If the Client has been incomplete or inaccurate in completing the compliance test, the Bank shall warn the Client that it is unable to ascertain which financial instrument is suitable for the Client, provided however, that if the Client wishes to conclude the transaction with regard to the financial instrument in spite of the warning, the Bank shall not be held liable for the consequences arising from the absence of determination of compliance.
- 4.2.2.12. If the Client has authorised other persons to use the investment or supplementary services and act on behalf of the Client, the Bank shall request from such authorised person(s) the declarations defined in Clause 4.2.2.1 in order to determine if the agent has sufficient information and experience for using the service.
- 4.3. Provision of advance information to the Client regarding costs and related charges
- 4.3.1. The Bank shall provide to the Client the information with regard to fees and expenses, which shall generally be taken into consideration in connection with the provision of the service.
- Such fees and expenses include the following:
- direct transaction costs arising in relation to the use of a service, including the fee for providing the service and the fees and costs of starting, maintaining and discontinuing the provisions of a continuous service,
  - issuer/manufacturer fees, costs and amounts received from third parties in relation to investment services in respect of the given financial instrument that are not directly borne by the Client, which, however affect the price of the financial instrument concerned, e.g. fees due to the distributor and other product-related costs.
- 4.3.2. The information shall include the presentation, for information, of the effect of costs on the returns.
- 4.3.3. When drawing up preliminary calculations of costs and fees, the Bank shall use actual costs incurred during the given transaction or order to determine the expected cost and fee ratios, or if such actually incurred costs are not available, it shall use a

reasonable estimate to determine such costs. The Bank shall review the preliminary cost and fee calculations based on the available data and perform the modification thereof as required. Accordingly, the preliminary cost and fee calculations may differ from the actually incurred costs and fees.

4.3.4. The Bank shall be entitled to provide this information in a standard format, considering the cost items typical for that financial instrument category (including in the form of information applicable to several instrument categories). The materials of such information shall be available on the Bank's website or shall be at the Client's request by other methods.

The Client may request additional information prior to concluding a contract for a specific transaction in respect of the costs and fees arising in connection with such transaction. The Bank shall provide the additional information requested by Client, with special consideration of the Client's individual circumstances relating to the transaction and the keeping of the financial instrument.

4.3.5. The provision of subsequent information to the Client regarding costs and related charges  
In the case of investment consulting or sales services provided within the framework of the legal relationship between the Bank and the Client, the Bank shall also provide subsequent information to the Client on an annual basis regarding the actually incurred fees and charges. The Bank shall be entitled to provide this information to the Client together with other notices and statements.

4.3.6. Option to enter into a different agreement regarding the information on fees and charges  
With Clients with a professional client rating, the Bank may agree on a limited application of the provisions of this Clause 4.3. The provisions of this Clause shall not apply:

- a) to the provision of investment consulting services to Clients having a professional client rating, or
- b) where the subject of an investment service or supplementary service provided to the Client having a professional client rating is a financial instrument including a derivative element.

4.3.7. With Clients having acceptable counterparty classification, the Bank may agree on a limited application of the provisions of this Clause 4.3. The provisions of this Clause 4.3 shall not apply to cases where:

- a) the subject of an investment service or supplementary service provided to the Client having acceptable counterparty rating is a financial instrument including a derivative element, and
- b) the Client having acceptable counterparty rating intends to offer the financial instrument defined in sub-clause a) to its clients.

In respect of Clause b) above, the Bank shall be entitled to rely on the Client's declaration and the information provided by it.

#### 4.4. Conclusion of Contract, acceptance of commissions, business hours

4.4.1. The Bank shall accept orders that are submitted, based on individual contracts or framework agreements concluded with the Client, via the telephone or via electronic communication channels accepted by the Bank in accordance with the following conditions. According to its standard business practices, the Bank shall, in the absence of a separate agreement concluded with the Client, exclusively regard the Bank's clickFX, BusinessNet Securities, Internet Banking services, Bloomberg and Reuters and, subject to a separate agreement, fax as acceptable electronic channels. The Bank shall not accept orders by email. Based on a separate agreement or the Bank's announcement, the Client and the Bank agree that individual contracts and framework agreements concluded, and any other legal declarations made by telephone, clickFX, BusinessNet Securities and Internet Banking services, Bloomberg and Reuters as written documents, if such contracts or agreements meet the requirements of a written document.

4.4.2. Unless stipulated otherwise in a contract, the Client may give orders by using the Bank's Telephone Bank service, a condition of which shall be that the Client has a framework agreement or a securities account and a bank account or a client account with the Bank, and a valid Telephone Bank contract related to it.

4.4.3. Client may give telephone-based orders to the bank if Client and Bank have concluded a separate contract, in the manner specified in this contract. During the provision of these orders, the Client shall identify himself/herself in the specified by the contract.

4.4.4. The Bank shall immediately record orders received over the telephone or electronically during Client service opening hours in its computerised record-keeping system.

The Client understands that the Bank is entitled to record telephone calls taken or made by its dealers and operators, as well as other calls related to its investment service activity, in order to comply with legal regulations, to avoid any misunderstandings or disputes of interpretation between the parties, and in order to protect the Bank's and the Client's business interests. The Bank also reserves the right to record conversations on its other telephone lines, of which it shall advise the Client in advance.

- 4.4.5. The Bank is entitled to use such recordings in order to resolve any issues of dispute between the parties. The Bank shall handle the voice recordings privately, in the strictest of confidence, in accordance with the regulations applicable to durable mediums, and shall retain such recorded conversations for a period of 5 years unless a longer period is specified by law. If the Client disputes a claim by the Bank, the Parties may mutually use the recorded telephone conversations, which are of full conclusive value, to support their respective standpoints. The recordings shall at all times be the property of the Bank; they shall be available at the Bank, therefore the Bank shall enable the Client to store information addressed personally to that client in a way accessible for future reference for a period as defined by law and in accordance with the purposes of the information and which allows the unchanged reproduction of the information stored. If the Client wishes to hear the recorded conversations, he/she shall indicate such intention to the Bank in writing two days in advance, and shall specify the date and the time of and the other party to the conversation, a copy of which shall be provided to the Client at its request.
- 4.4.6. The Bank shall accept orders given over the telephone in accordance with Points 4.4.2 and 4.4.3., if:
- a) they arrive during the period of time specified in the Bank's List of Conditions,
  - b) they contain information adequate to conclude the transaction, and, in the Bank's judgement, it may be ascertained that the order thus given originates from the person who presented himself as the Client,
  - c) the financial instruments needed to perform the commission are available in Client's securities account or bank or client account or if Client has otherwise made the finances needed to cover the commission available to Bank in an unrestricted manner. and
  - d) the Client has fulfilled all other preconditions necessary for the transaction to be effected.
- 4.4.7. A voice recording shall be made of the Client's transactions concluded over the telephone, and the Bank shall immediately forward to the Client a written confirmation regarding the fulfilment of his commission-based transactions. If the Client disputes the conditions of the transaction set out in the confirmation, he may lodge an objection in this respect within ten banking days from receipt of the confirmation, unless stipulated otherwise in the individual agreement concluded with the Client.
- 4.4.8. With respect to execution of orders given over the telephone, the Bank shall accept responsibility only in the event that such orders arrive to telephone lines specified in the latest List of Conditions, the Business Terms or the individual contract, and that are suitable for the purposes of voice recording. In the case of institutions, the Bank may agree to the use of telephone lines other than those given in the List of Conditions, but in these cases too, conversations related to orders given over the telephone shall also be recorded.
- 4.4.9. The Client understands that, in the case of securities-related instructions submitted through the Bank's Internet Banking network, the instructions are considered as having been received when they have successfully reached the Bank's server. As soon as the commission reaches the Bank's computer, a confirmation message will appear on Client's screen to show that Bank has accepted the commission. The message on acceptance of the commission only certifies that the commission was received by the Bank's computer. The processing of the commission, an investigation of whether it can be performed, and performance or possible rejection, are completed afterwards. The Client may monitor the status of the commission and whether it is performed or rejected, through the Internet Banking system.
- 4.4.10. The Client shall bear all such damage as the Bank or Client may incur that originates from transactions concluded by unauthorised persons in the name of the Client if it could not have been expected from the Bank to avoid concluding the transaction by the unauthorised person or to avert the damage. The Bank renders itself harmless with respect to any damages originating from errors or failures occurring outside the Bank's control, in relation to the fulfilment of orders received over the telephone, fax or other means of electronic communication.

4.4.11. If it is justified that the transaction slips, statements and certificates used by the Bank have been produced by the software of the Bank used for this purpose, these shall be deemed authentic and to have evidentiary force with respect to their contents until such time as evidence to the contrary is presented.

4.4.12. The template form agreements to be concluded with Clients are attachments to these Business Terms.

4.4.13. The business hours (opening hours) of the Bank are attached to these Business Terms.

#### 4.5. Relevant communication

4.5.1. Relevant communication shall include verbal communications, electronic and other messages in connection with the legal relationship between the Parties which:

- are conducted with a Client or its representative identified during the conversation by the Bank, and
- relate to own-account transactions and the provision of client order services that relate to the receipt, transmission and execution of client orders, including those that are intended to result in transactions concluded when dealing on own account or in the provision of client order services that relate to the receipt, transmission and execution of client orders, even where such conversations or communications do not result in the conclusion of such transactions or in the provision of client order services.

4.5.2. Based on the law, the Bank shall record telephone conversations and electronic communications qualifying as relevant communication with the Client, store the same for a period of time defined by law and provide a copy of the same to the Client upon request.

4.5.3. Based on the law, relevant information shall include:

- the date and time of the conversation;
- the place of the conversation;
- the identity of participants;
- the party initiating the conversation; and
- the important data of the client order, including the price, the volume, the type of order and the prescribed time of the transfer or execution.

4.5.4. In the case of personal conversations, the Bank shall record relevant information in the contract or, in the absence of a contract, in the comments.

4.5.5. In the case of telephone communications, the Bank shall advise the Client through a recorded telephone conversation of all the relevant information relating to the transaction and the service that is not available in the Business Terms and documents or other materials provided to the Client in other paper-based or electronic form, unless the latter is prohibited by the law.

#### 4.6. Target market

4.6.1. During the offer and recommendation of products, the Bank shall conduct a target market analysis. For that purpose, the Bank shall determine a target market in respect of the financial instruments, that is, determine those conditions under which the financial instrument meets the Client's investment goals (positive target market) and those conditions under the existence of absence of which a specific financial instrument may be sold or recommended following a notification thereof (outside the target market, negative target market).

4.6.2. In respect of the financial instrument concerned, the target market may be defined by its issuer or distributor, therefore the Bank reserves the right to diverge from the target market defined by the issuer.

4.6.3. When assessing the target market, the Bank may determine information obtained during the appropriateness/suitability examination applicable to the client categories, as well as other circumstances relevant to the given product.

The Bank shall perform the target market assessment where the information required to determine whether the target market of the financial instrument is appropriate for that Client is available. Where it cannot be determined whether the target market of a financial instrument is appropriate for a certain Client, including where a 'negative target market' can be identified in respect of the financial instrument for that Client or if insufficient information is available for identifying the target market, no investment consulting shall be provided for that financial instrument and it can also only be sold once a warning has been issued.

#### 4.7. Language of the contract and language and manner of communication

4.7.1. The contracts and other transaction documents shall be drawn up in Hungarian or English. If the contract is



- produced in more than one language, then, unless the contract stipulates otherwise, in the event that there are differences between the two texts or that issues of interpretation arise, the Hungarian version shall be regarded as definitive.
- 4.7.2. Unless otherwise stated in the contract between parties of the current Business Terms, Bank and Client shall communicate by telephone, facsimile, mail, and/or SWIFT messages, or through electronic communications accepted by the Bank
- 4.7.3. Where notices are also required to be sent by post under the law, the Bank shall also send to the Client all information and notices required by law even if the mode of communication is pursuant to Clause 4.7.2. In other cases the Bank shall be entitled to send any notices to the Client also by post even if the Parties have agreed on a mode of communication defined in Clause 4.7.2.
- 4.7.4. The Bank shall communicate with the Client in the manner defined in Clause 4.7.2 solely if there is an express agreement to this effect or if the Client has issued a statement of consent and only to the extent defined in the agreement or the Client's statement of consent. Where written consent by the Client is not required by the law, the Bank may stipulate that the Client may grant its consent in another manner.
- 4.7.5. Language of communication
- 4.7.5.1. Unless provided otherwise by the Business Terms, the framework agreement or the individual contract, communication between the Bank and the Client shall be in Hungarian or in the language of the contract.
- 4.7.5.2. The Client accepts that the Bank fulfills its statutory obligations, in particular the obligation to provide and obtain preliminary information, its obligation to provide information following the execution of the order, its recording obligation, the Bank's notices to and other communications with the Client in Hungarian. If the information in question is unavailable to the Bank in Hungarian (e.g. information available in respect of certain instruments issued or produced abroad), the Bank shall provide that information to the Client in the language of the document, subject to the Client's express consent and unless otherwise provided by law.
- 4.7.5.3. The Client agrees to follow and interpret the documents during the business relationship, in particular the documents published on the website of the Bank ([www.unicreditbank.hu](http://www.unicreditbank.hu)).
- 4.7.5.4. If the parties agree on a language other than Hungarian for communication between them at the request of the Client, unless otherwise agreed by the parties, the Bank may send its notices in both Hungarian and the agreed foreign language. In case of discrepancies between the Hungarian and the foreign language version of the notice, the Hungarian version shall prevail.
- 4.7.5.5. The Bank shall only conclude a framework agreement with a party able to ensure that its communications are in Hungarian, otherwise they will be through a person who understands the language defined in Clause 4.7.5.1. The Bank has good reason to presume that the Client will conclude a transaction through a person who understands Hungarian or, in the absence of the former, that given other language. The Client shall not subsequently plead that the language of communication and of the transaction was unknown to the Client. The Bank reserves the right to refuse to conclude the framework agreement and/or the individual transaction if it believes that neither the Client nor the person acting on the Client's behalf understands Hungarian or the other language concerned.
- 4.7.6. Mode of communication  
Risks related to sending of transaction-related information via email
- 4.7.6.1. Under certain circumstances, the Bank is entitled to provide to its Clients certain information defined by law via email. The Bank expressly calls the Client's attention to the fact that sending notices and information by email by the Bank might incur a risk for the Client even if the system settings comply with safety recommendations set out by the manufacturer and the system is under the supervision of qualified IT professionals. All information included in the e-mail message shall be confidential and qualifies as securities secrets.
- 4.7.6.2. The following risks may arise in connection with email notices:
- (i) since an email passes through various systems before the Client receives it, in spite of any password protection, other persons may

access its content, so the data and information transmitted by that means, including any data otherwise qualifying as business secrets, bank secrets or securities secrets, might be revealed to unauthorized third persons;

- (ii) the Bank shall not be liable for the accuracy or completeness of data transmission or for any delay in or interruption of the data transmission, or for any damage arising from the unauthorized access to the electronic mailbox located at the e-mail address specified by the Client, or for any damage suffered by the Client as a result of malfunctioning of the IT system or any other computer manipulation unless the damage occurs as a consequence of the intentional conduct or serious negligence of the Bank;
- (iii) in case of any doubt, the Client shall be responsible for checking the real sender of any message received by e-mail, and the Client may request the Bank to confirm sending the message.

#### 4.7.6.3. For notices sent by email:

- (i) all legal consequences of information shall become effective upon receipt of the message at the e-mail address specified by the Client (upon delivery thereof to the recipient's correspondence server / service);
- (ii) the fact that the Bank has sent an e-mail to the Client may be evidenced by means of any data recorded on any of the Bank's IT tools certifying the sending thereof or by means of a confirmation related thereto;
- (iii) if the message cannot be sent to the e-mail address specified by the Client due to any reason out of the Bank's control, the Bank shall not have any liability for the damages arising therefrom;
- (iv) the Bank presumes that the email address specified by the Client is accessible exclusively to the Client/the Client's authorized employees, and the Client has taken all necessary measures in order to provide for such exclusivity, so by sending information to the specified email address, the Bank is able to directly reach the Client.

#### 4.7.7. Client statements

4.7.7.1. The Client's consent is required for certain procedures or actions by the Bank in relation to the investment services and supplementary services provided by the Bank based on these Business Terms. The Client may grant its consent in the contract concluded with the Bank or in

a separate statement. If the Client provides a separate statement, the Bank may allow that such statements be provided other than in writing on paper, in any of the manners listed below:

- by recorded telephone;
- through other electronic channels.

4.7.7.2. The Bank reserves the right to suspend its services to the Client in the absence of the statements designated in Clause 4.7.7.1 until the statements are issued, if, in the sole discretion of the Bank, the lack thereof significantly renders the provision of services difficult or impossible for the Bank.

4.7.7.3. The Client's statements (consent) shall cover the following:

- a) In the legal relationship with the Bank in accordance with these Business Terms with regard to the provision of investment services and supplementary services, the Client may choose communications with the Bank through means other than paper, on a durable medium,
- b) The Client may elect to consent to the Bank providing information allowed by the law to be provided on paper or on the Bank's [www.unicreditbank.hu](http://www.unicreditbank.hu) internet website. In this respect, the Client represents that this form of information is in accordance with the conduct of business existing or to be established between the Bank and the Client.
- c) Considering the nature of the services available through the channel and the relevant technical conditions, the use of the Bank's investment services and/or supplementary services in accordance with these Business Terms is subject to the Client granting consent in respect of Clause 4.7.7.3 b) to receiving information through the website.
- d) The Client consents in accordance with Clause 5.11.4. to the suitability report being sent to it following the conclusion of the transaction.
- e) Due to the nature of communications and orders given using a telecommunication device, it is also necessary to obtain the Client's consent to receive certain information which is required by law as a main rule to be given in advance (in particular the Key Information Document or KID in respect of certain products) only subsequent to the transaction provided, however, that the Client shall be entitled to request such documents prior to concluding the transaction.
- f) The Client accepts that certain documents that are not available to the Bank in Hungarian will

be provided only in the language in which they are available, unless the law requires them to be provided in Hungarian.

- g) The Client accepts the Bank's Execution Policy and, based on its provisions, it consents to the Bank executing its order outside of a trading venue.
- h) The Client may consent to the Bank holding its financial instruments during securities-financing transactions on collective accounts managed by third parties or using them on a collective account otherwise for dealing on own account or the account of another party, provided that all clients whose financial instruments are being handled together on a single collective account have consented to the use of their financial instrument under the specific circumstances.

#### 4.8. Refusal to conclude a contract

- 4.8.1. Pursuant to the provisions of Bszt. § 54, the Bank is mandated to refuse to conclude a contract with the Client or to execute a transaction for Client if to do so would involve insider trading or influencing the market,
- a) the order is unlawful or violates the regulations of the regulated market or an equivalent third country stock-exchange, central counterparty or central securities depository,
  - b) if the Client or prospective Client or his/her representative refuses to provide proof of personal identity, or has refused to reveal his/her identity, or if identification fails for any reason or
  - c) if Bank was unable to access the information required for the suitability test or if
  - d) the result of the suitability test renders it impossible to provide the service for Client with the given financial instrument

The Bank shall immediately report any refusal on its part to conclude a contract to the Supervisory Authority if it occurred as per Point a).

- 4.8.2. The Bank shall not conclude any contract banned by fair market regulations, or which is misleading, feigned or aimed at manipulating the exchange rate. Should Client dispute the argument that any of the bans have been breached, Bank shall be authorized to request a position from the Supervisory Authority, the BSE (BÉT), or any other organization considered by the Bank to be competent.

- 4.8.3. The Bank shall be entitled to refuse to conclude a contract if

The circumstances of the Client known to it may adversely affect the assessment of the Bank's business activities in the perception of other Clients,

- a) The Client wishes to stipulate an unrealistic price in the contract,
- b) There are insufficient funds available to cover the order,
- c) Fulfilling the contract would negatively affect the Bank's reputation.
- d) Any consideration of incompatibility (for more details see Incompatibility Policy) requires this.
- e) The Client fails to provide complete declarations of consent determined by the Bank as a condition precedent to providing the service.

- 4.8.4. In the event that the Bank refuses to conclude a contract pursuant to Clauses 4.8.3.a)-d), the Client shall have no right whatsoever to claim compensation for any damage to him or to his interests that may ensue as a consequence thereof.

#### 4.9. Counterparts of contracts and the recording of contracts

- 4.9.1. The Bank shall keep uniform, continuous and chronological records of all the services provided by it and all the activities and transactions performed by it in accordance with the provisions of the Regulation. Records of agency and advisory-type contracts are kept in accordance with the date on which the contracts were signed, while records of other contracts are kept according to a unique serial number placed on the contracts. The Bank will keep records in a manner that is suitable for ascertaining whether it performed the commission for the benefit of Client or for its own benefit.

- 4.9.2. Contracts signed between the Bank and its Clients are, as a general rule, prepared in duplicate, with one counterpart kept by the Client and the other retained by the Bank.

- 4.9.3. Electronic transaction slips produced by closed, suitably secure computer systems are always considered to be equivalent to original copies, even without a signature.

#### 4.10. Date, place, time and method of performance (execution) and the Execution Policy

- 4.10.1. The Bank's Execution Policy, which is an attachment to these Business Terms, contains the rules to be followed to consistently to execute Client

commissions in the manner most favourable to Client. The full text of the Bank's currently valid Execution Policy is accessible at all times in the bank branches and on its [www.unicreditbank.hu](http://www.unicreditbank.hu) website.

4.10.2. The Execution Policy provides in particular for the following areas:

- the definition of the principle of most favourable execution to be applied in the legal relationship established between the Bank and the Client,
- the processes and reasonable measures used by the Bank on the basis of which the markets and partners are identified, tracked and reviewed where and by which the Bank shall perform the principle of most favourable execution,
- markets where the execution takes place defined according to the above,
- the rules governing the Client's instructions and indications regarding the consequences of the Client's instructions.

To implement the principle of most favourable execution when executing client orders, the Bank is able to take into consideration the execution venues available to it. The Bank shall not be obliged to reach execution venues where, due to the applicable partner relations or regulations, execution or participation in the given markets is not feasible for the Bank.

4.10.3. The date of performance and of notification of performance shall be the day of conclusion of the contract, unless provided for otherwise by the law, the trading venue or clearing house regulations, these Business Terms or the contract.

4.10.4. Unless otherwise provided for by the law, the trading venue or clearing house regulations, these Business Terms or the contract, performance shall be regarded as having taken place correctly and in accordance with the contract, if:

- a) the cash or securities have been received or delivered correctly and in full at the Bank's head office;
- b) in the case of bank transfers and securities-account transfers, the Bank's relevant accounts have been debited or credited by the account-keeping institution.

4.10.5. The Bank shall not, unless otherwise provided for by the law, the trading venue or clearing house

regulations, these Business Terms or the contract, accept orders for, or carry out, partial performance.

4.10.6. If an order specified for a particular trading day or valid until a certain date is not executed during trading hours/by the end of trading hours on the last day of validity of the order, the Bank shall consider the order as expired on the condition that the release of blocking on the securities/funds providing coverage for the order shall take place at latest on the first trading day following the expiration of the order, at the beginning of trading hours (opening of the stock exchange or trading venue).

4.10.7. In the case of partially executed orders (unless the Client withdraws the order for the non-executed part), the non-executed part of the order shall be valid until the expiration of the original order, and the release of blocking on the securities/funds providing coverage for the order shall take place on the first trading day following expiration of the order, at the beginning of trading hours (opening of stock exchange or trading venue).

4.10.8. Orders for the withdrawal of a stock exchange (regulated market) order can only be submitted for non-executed orders or, in the case of partially executed orders, for the part of the order that is not affected by partial execution. If the order for the withdrawal of an order is received by the Bank after the date specified in the List of Conditions, the withdrawal shall be entered in the electronic offer system of the regulated market at the beginning of trading hours (opening of stock exchange) on the next trading day, which shall be the time (following positive confirmation) the release of blocking on the securities/funds providing coverage for the order takes place.

4.10.9. Unless otherwise provided by the client, in the case of order placed for several days, the Bank shall post the order to the trading system of the regulated market every day until it expires.

4.10.10. Orders on government securities and bonds may be withdrawn by the client only prior to the execution of the relevant transactions. In the case of an own-account trade, execution is made promptly, thus in these cases withdrawal is excluded.

4.10.11. Rules governing foreign debt securities. If expressly instructed by clients, in case of bonds rated between AAA and BB, in addition to own-account transactions with the Bank, limit-priced

purchases and sales outside a trading venue can also be executed in the primary market of the security concerned, provided that the client has granted express instructions to that effect.

In case of bonds rated lower than BB or not-rated bonds, the Bank only accepts limit-priced orders.

4.10.12. In the case of limit-priced client orders, pertaining to shares listed on the regulated market or traded in the trading venue, that are not immediately executed under general market conditions, the Bank shall proceed to execute such commission in the shortest time possible by publishing the limit-priced order immediately for the rest of the market participants in an easily accessible form unless Client expressly instructs otherwise.

#### 4.11. Direct performance

4.11.1. Performance may be effected directly from the Bank or from the Client to various third parties on the basis of the contract between Bank and Client and in accordance with the instructions contained therein.

4.11.2. Direct performance shall occur in the manner and form, and by the deadlines specified in, the contract referred to in point 4.11.1., and to the account(s) and/or address(es) specified therein.

4.11.3. The Bank shall be entitled to charge to the Client the costs of direct performance carried out on the basis of any request from the Client. The Bank shall be entitled to debit these costs from the Client's existing account maintained in the Bank. The costs of direct performance carried out by the Client on the basis of a request from the Bank shall be borne by the Client.

4.11.4. Direct performance carried out by the Bank shall be regarded as though it had occurred on behalf of the Client. Direct performance carried out by the Client shall be regarded as though it had occurred on behalf of the Bank.

4.11.5. Liability with respect to any damages caused by the Bank or by the Client to the other party or to its interests as a result of direct performance shall be established as if the parties had performed their obligations to one another based on the relevant provisions of these Business Terms.

#### 4.12. Use of a performance assistant (collaborator)

4.12.1. In the absence of an express provision to the contrary in the contract or the law, the Bank shall be entitled to use the services of a performance assistant (collaborator) for the performance of the contract at its own discretion and without the separate consent of the Client. The Bank shall be responsible for the actions of the collaborator as if the Bank were itself acting. In all other respects, the provisions of the Hungarian Civil Code (hereinafter: Ptk.) – unless otherwise stipulated by the Business Terms or the General Business Conditions or the contract itself – shall apply with regard to liability for collaborators.

4.12.2. In the event the use of a collaborator is necessary in order to protect the Client from potential harm, or the Client himself appoints this third person with whom the Bank shall co-operate in executing the commission, the Bank (except in case of a Consumer Client) shall not be directly responsible for the activities of the collaborator, if it has proceeded with reasonable care in the selection, instruction and monitoring of the collaborator as may generally be expected in the given circumstances.

4.12.3. The Bank may enlist the services of a collaborator in fulfilling brokerage orders.

#### 4.13. Using an intermediary

4.13.1. In the case of certain financial instruments, the Bank may use the services of an intermediary registered with the Supervisory Authority (i.e. non-independent agent or investment company) to accept and forward orders.

4.13.2. The Business Terms include an attachment listing the agents under Bszt. used by the Bank, if any.

#### 4.14. Amendment of contracts

4.14.1. The amendment of contracts may be initiated by either party.

4.14.2. As a general rule, contracts may only be amended on the basis of mutual agreement between the contracting parties.

4.14.3. When amending a contract, the rules valid for concluding new contracts shall be applied.

- 4.14.4. Amendments made unilaterally by the Bank to the disadvantage of the Client
- a) In case of Consumer Clients, the Bank reserves the right to amend interest, fee, costs or other contractual conditions set forth in this Business Terms unilaterally, in case the conditions and circumstances determined in the List of reasons attached as Annex No 1 of the present Business Terms ("List of reasons") occur, in line with those conditions. The Bank decides on the unilateral amendment on basis of an examination and detailed analysis of the effects of the conditions and circumstances defined in the List of reasons.
  - b) In case of non-Consumer Clients, the Bank reserves the right to amend interest, fee, costs or other contractual conditions set forth in this Business Terms unilaterally, in response to any changes in money and capital market conditions, in statutory regulations and the provisions of the authorities, or in the Bank's business policy.
- 4.14.5. Such supplements and amendments as described in Point 4.14.4. shall also apply, from the moment they come into force, to contracts already concluded. The Client acknowledges that in the case of Point 4.14.4.a), the conditions set forth in the List of reasons, in the case of Point 4.14.4.b) the changes in money and capital market conditions, in statutory regulations and the provisions of the authorities, or in the Bank's business policy are considered as a substantial cause in the light of the provisions of the Civil Code on the unilateral amendment of a contract.
- 4.14.6. The Bank shall publish a notice concerning changes to the Business Terms, List of Conditions – that are disadvantageous for the Client - at least 15 days before such changes are due to take effect.
- 4.14.7. If the Client does not accept the modification of any of its contracts concluded with the Bank, or of any business regulations or of this Business Terms, both the Client and the Bank shall be entitled to terminate the relevant contract with a fifteen-day notice, in case of the Bank from gaining knowledge and in case of the Client from the date of publication of the announcement set forth in Clause 4.14.6. above, unless the Business Terms or the contract stipulate a different notice period or exclude the right to terminate. If the Client makes no use of its termination right within the above period of time, the modification shall be deemed to have been accepted by the Client.
- The Bank draws the attention of the Client and suggests to continuously monitor the amendments and effective wording of the Business Terms and the contract.
- 4.14.8. The Bank reserves the right to amend interest, fees, costs or other contractual conditions set forth in this Business Terms unilaterally, to the advantage of the Client.
- 4.15. Termination of contracts**
- 4.15.1. Unless the Parties agree otherwise in the contract, or unless the nature of the contract logically implies otherwise, the contract concluded between the Bank and the Client shall terminate as follows:
- a) upon contractual performance;
  - b) if concluded for a definite period of time, upon expiry;
  - c) upon cancellation due to late performance or lapse of interest;
  - d) by termination based on mutual agreement;
  - e) through ordinary or extraordinary notice of termination;
  - f) in the event that the order is rendered null and void due to a change in the law, a case of force majeure (Act of God), or other, similar circumstance;
  - g) in the event the venue named in the Execution Policy as the execution market has suspended or terminated trading in the securities specified in the contract;
  - h) in the event that the Supervisory Authority has suspended, limited, or partially or fully revoked the Bank's licence related to the activity in question.
- 4.15.2. Unless otherwise provided for in the individual contract or in these Business Terms, in the case of termination by notice, the notice period shall be 15 days. The terminating party must make a declaration in writing and forward it to the other contracting party in accordance with the provisions of the Bank's General Business Conditions.
- 4.15.3. Termination with immediate effect is possible if bankruptcy, liquidation or winding up proceedings are initiated against one of the parties, as well as if one of the parties commits a gross breach of contract. In case the Client does not fulfil its obligations upon the request of the Bank, then this shall be regarded as an example of gross breach of contract.

The Bank shall also be entitled to terminate the contract with immediate effect for other material reasons, in particular, if the:

- a) the financial position and/or business circumstances of the Client have significantly deteriorated,
- b) the Client has not immediately fulfilled a demand related to the provision or supplementing of collateral,
- c) has fallen into arrears with his payment obligations originating from the contract on two successive occasions,
- d) displays conduct intended to mislead or deceive; provides incorrect or misleading data and/or makes a declaration, or misleads the Bank by communicating untrue facts, concealing information, or by other means.

In the event that one of the parties does not exercise its right of termination, this shall not mean that it has waived its right of termination.

4.15.4. With the termination of business relations, the balance of the accounts and sub-accounts managed on behalf of the Client shall immediately become due. The Client is obliged, over and beyond this, to exempt the Bank from all its commitments undertaken on his behalf or pursuant to an order given by him, to honour the commitments undertaken and, if this is not possible, to provide appropriate collateral for the commitments.

4.15.5. In the absence of an instruction from the Client to the contrary, the Bank shall deem that the Client has left the securities safeguarded and registered by the Bank with it for safekeeping, and shall charge a fee for the safekeeping of the securities.

#### 4.16. Taxation

4.16.1. When the Bank completes a payment for a Client as the result of a transaction under the Business Terms, the Bank shall meet its payment obligation in accordance with currently valid tax laws. If the conditions set forth in the law are met, the Bank shall deduct all taxes, duties and advance payments on taxes, (for the purposes of this section: 'Taxation'), as well as other official charges payable by the Client, and shall pay them to the tax authority.

4.16.2. Based on statutory provisions or the express request of the Client, the Bank shall prepare a certificate, with the contents required by prevailing statutory

provisions, on the Taxes owed according to Bank's calculations and which it has therefore deducted, and shall forward it to the Client by the deadline specified therein and in accordance with any other instructions.

4.16.3. The Bank shall perform its data service to the tax authority in accordance with currently valid law.

4.16.4. The Bank shall maintain records, the contents of which shall meet currently valid law, to assist it in performing its data service requirement to the tax authority.

4.16.5. Performance by the Bank of its taxation-related tasks does not exempt Client from fulfilling his/her/its tax obligations as set forth in the law.

4.16.6. The Bank does not provide tax counselling activity and it is the responsibility of Client to learn the tax rules applicable to him/her/it.

4.16.7. Information from the Bank on taxation shall not be considered complete. Client's tax obligations with respect to ventures under the effects of the Business Terms only can be determined on the basis of Client's individual circumstances, and are not to be considered permanent.

#### 4.17. Fees, costs, settlement

4.17.1. The Client shall pay a fee and shall reimburse costs in return for the Bank's services in accordance with the latest List of Conditions published by the Bank and with the individual agreement. Any costs incurred during performance of the service, especially postage costs, bank costs, costs of any authority-related procedures and/or any special fees, costs and duty to which individual transactions or the portfolio in custody may be subject, shall be borne by the Client. The Bank shall display its latest List of Conditions – which is an attachment to these Business Terms – in its official premises and on its website. The Client acknowledges that fees set forth in the latest List of Conditions or in the individual contract are always regarded as the consideration for the fulfilment of the Bank's main obligation under the given contract.

4.17.2. The Bank shall be entitled to correct any credits or debits made in error without an instruction to this effect from the Client. The Bank shall notify the Client of this, together the reason for it, when sending the next account statement.

**4.18. Confidentiality, the provision of data to third parties**

4.18.1. Securities secrets are all such data on the Client as are available to the Bank that relate to the Client's person, particulars, financial position, business and investment activity, management or ownership relations, and/or to any of his contracts concluded with the Bank or to the balance of and turnover on his accounts held at the Bank.

4.18.2. The Bank may only give securities secrets to third parties – at which point it also must notify the Client – if

- a) the Client or his lawful representative requests this, or gives authorisation for this, with a precise indication of the range of securities secrets related to him that may be disclosed, in a notarized deed or a private document bearing full probative force,
- b) the Bank sells any outstanding receivables or the enforcement of any overdue claims on the Client requires it,
- c) the Bszt. provides for exemption with respect to the obligation to keep securities secrets.

4.18.3. Pursuant to point 4.18.2.c), the Bszt. provides for exemption with respect to the obligation to keep securities secrets vis-à-vis the following organisations or individuals in the event that they request it from the Bank in writing:

- a) The Supervisory Authority, the Investor Protection Fund, the National Deposit Insurance Fund, the State Audit Office and the Economic Competition Office, when acting on their authority;
- b) The regulated market, operator of multilateral trading facility, the central counterparty, the central securities depository, the Government oversight agency exercising its supervisory competence specified in Subsection (1) of Section 63 of Áht, and internal monitoring bodies authorized by the Government and the European Anti-Fraud Office (OLAF) when monitoring the protection of the Community's financial interests, when the above are acting within the scope of their duties conferred by law;
- c) Public notaries acting in matters of inheritance, as well as the guardianship office proceeding within its sphere of authority;
- d) Asset-supervisors, receivers, financial trustees, foreclosure agents, and liquidators acting in the context of bankruptcy proceedings, liquidation proceedings, debt-settlement proceedings

of local governments, judicial foreclosure proceedings and/or cases of foreclosure;

- e) The criminal investigation authorities acting in the framework of ongoing criminal proceedings and seeking to supplement information on persons reported to them, as well as criminal prosecutors proceeding within their sphere of authority;
- f) The courts, in the framework of criminal or civil cases, as well as bankruptcy and liquidation proceedings, or debt-settlement proceedings of local governments;
- g) In particular cases specified in a separate act, under certain conditions when an organisation has been authorised to use secret-service instruments and to gather secret information;
- h) Based on the occasional approval of the director in chief, the international security services acting within their sphere of competence;
- i) The tax or customs authorities, with respect to their investigations into whether tax, customs or social security obligations have been fulfilled, and in cases where they are carrying out a procedure aimed at executing an executable deed establishing such overdue liability;
- j) the Commissioner for Fundamental Rights when performing official duties;
- k) the National Authority for Data Protection and Freedom of Information when performing its duties; and
- l) the principal creditor involved in debt consolidation procedures of natural persons, the Family Bankruptcy Protection Service, the administrator of family assets and the courts, where such bodies have so requested the Bank in writing.

4.18.4. The obligation of confidentiality with respect to securities secrets under Bszt. shall also not apply:

- a) If the state tax authority requests information for itself, from the Bank or does so in the interest of fulfilling a written request from a foreign tax authority pursuant to an international agreement, provided that the request contains a confidentiality clause signed by the foreign authority.
- b) In accordance with a cooperation agreement with a foreign supervisory authority, when the Hungarian Supervisory Authority requests or submits data in a specific manner, if the cooperation agreement or the request from the foreign supervisory authority contains an undersigned confidentiality clause.



- c) If a Hungarian law enforcement body acting in accordance with an international treaty, is endeavouring to meet a written request from a foreign law enforcement body, and submits a written request for data to the Bank, if the request contains the confidentiality clause as signed by the foreign law enforcement body.
- d) When the foreign investor-protection system of the Investor-Protection Fund and its foreign supervisory authority requests the information, if it guarantees that when the data is handled and/or used, it will enjoy the same protections as under Hungarian regulations.
- e) If data is provided by the Bank under the Tax Law – Art. § 52, Section (8).
- f) When the national financial intelligence unit makes a written request for information from the Bank acting within its powers conferred under the Act on the Prevention and Combating of Money Laundering and Terrorist Financing or in order to fulfill the written requests made by a foreign financial intelligence unit.
- g) In respect of disclosures made by the Bank to the tax authority in compliance with the obligation prescribed in Sections 43/B-43/C of Act XXXVII of 2013 on International Administrative Cooperation in Matters of Taxation and Other Compulsory Payments in accordance with Act XIX of 2014 on the Promulgation of the Agreement between the Government of Hungary and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA, and on the Amendment of Certain Related Acts.

4.18.5. The written request in 4.18.4 must indicate

- a) exactly which Client, group of Clients or account(s) the organisation or authority specified in point 4.18.4 is requesting information on, that involves breaching the confidentiality of the securities and
- b) the nature of the requested data and the purpose of the data request, unless the authority is the Supervisory Authority, when acting within its own sphere of competence, and performing an on-site inspection.

The person entitled to make the data request pursuant to point 4.18.3. and/or 4.18.4. may use the data provided to it exclusively for the purpose indicated at the time the data request is made.

4.18.6. The obligation of confidentiality with respect to securities secrets shall also not apply in the event that the Bank complies with the obligation

of notification prescribed in the Act on the implementation of restrictive measures imposed by the European Union relating to liquid assets and other financial interests.

- 4.18.7. The Supervisory Authority shall also be entitled to access securities secrets during the course of data provision required of the Bank in a statute of law or central bank decree.
- 4.18.8. The Bank shall, in response to a written request from the criminal investigation authorities, the national security services and the public prosecutor's office, immediately provide the requested data on any transaction arranged by it and on any account managed by it, if information comes to light suggesting that the transaction or the account is in some way related to illegal drug abuse, an act of terrorism, explosives or abuse of explosives, firearms or abuse of firearms, money laundering, organised crime or crime committed by a syndicate, insider trading or influencing the market.
- 4.18.9. The Bank may not in such cases refuse to provide data by reference to its obligation to maintain confidentiality.
- 4.18.10. The Bank shall not inform the Client of any requests for release of his confidential data in the cases under points 4.18.3. e), g), and h) and point 4.18.8.
- 4.18.11. The obligation to maintain confidentiality shall apply without time limitation to the Bank, its management, all its employees, and to anyone who accesses securities secrets.

#### 4.19. Liability for damages

- 4.19.1. With respect to damages arising in the course of the legal relationship between the Bank and the Client, the general provisions of the Ptk. on damage compensation shall be applicable.
- 4.19.2. The Bank shall not be liable for any damages that may occur to the Client or to his interests if such damage was caused by an Act of God (force majeure), by a measure taken by the state or an authority (in particular, the Supervisory Authority), or by the trading venue, the central counterparty, the clearing house or the central securities depository, or by a measure taken by one of the Bank's account-keeping banks or (except in case of a Consumer Client) its custodian, over which measure the Bank had no influence.

- 4.19.3. The Bank shall not be liable for damages in cases specified in the law, if KELER or another clearing house is held liable as provided for in the rules of KELER or the relevant other clearing house, or for damages caused in the event of serious – and, despite notices, unrectified – breach of contract on the part of the Client, or by the non-performance or inadequate performance of the contract.
- 4.19.4. The limitation or exclusion of liability by the Bank shall not apply in cases where the regulations, especially the Civil Code or Bszt., rule out the limitation or exclusion of liability.
- 4.20. Sureties**
- 4.20.1. In case of a non-Consumer Client, any asset or right that comes into the possession of the Bank that is registered on the Consolidated Securities Account, bank account or client account of the Client, or to which the Client is otherwise entitled, shall serve as surety for any claim that the Bank has vis-à-vis the Client, under the agreement concluded between the Bank and the Client, unless the Parties agree separately with respect to any asset that it may only be used for specific purposes. These Business Terms do not affect collaterals (security deposits) established in favour of the Bank before 15 March 2014.
- 4.20.2. At any time prior to or following performance of the contracts, the Bank shall be entitled to require the Client to provide it with appropriate surety, or to demand that he increase the value or quantity of the sureties already pledged by the Client in order to ensure satisfaction of its claim, or by the extent required to ensure payment of the entire contractual cash amount or collateral.
- 4.20.3. The Bank shall be entitled to postpone performance of the contracts until the Bank has achieved satisfaction of its claims vis-à-vis the Client. The Client shall bear the costs and expenses related to production, maintenance and utilisation of the assets pledged as surety.
- 4.20.4. The Client shall see to the maintenance and (where the Bank deems it necessary) the insuring of the assets pledged as surety. The Client shall immediately notify the Bank in writing of any change that occurs in the value or the saleability of the sureties.
- 4.20.5. The Bank releases, either individually or together, the assets pledged as surety that are not necessary for guaranteeing its claims in accordance with relevant legal regulations.
- 4.20.6. Any breach by the Client of his obligations under this section shall qualify as a gross breach of contract.
- 4.21. Investor protection regulations, the Investor Protection Fund**
- 4.21.1. The Bank shall manage the financial instruments to which the Client is entitled separately from its own financial instruments and from those of other Clients. Financial instruments due to the Client may not be used for settling debts towards the Bank's creditors.
- 4.21.2. If the headquarters of the foreign subsidiary managing the deposit and used by the Bank does not, under the law of the given country, allow management of the financial instruments belonging to Client, and to which Client holds an entitlement, in a manner that separates them from its own assets, the Bank shall inform Client of this and of any possible risk this entails.
- 4.21.3. The Bank may not lend, or use, even temporarily, either in its own interests or in those of any of its other Clients, the Client's any financial instruments that are at its disposal and that belong to the Client, or the money that is held on the client account, unless agreed otherwise. The Bank shall ensure that the Client can at any time dispose over its above financial instruments and/or cash assets.
- 4.21.4. The Bank is a member of the Investor Protection Fund (hereinafter: Fund), and thus, all investment service contracts to be concluded between the Bank and Clients not listed in Tpt. § 215 are to be regarded as insured pursuant to the regulations of Tpt. The Fund shall provide protection for the Client in a total value of up to EUR 100,000 per Client and per Fund member on the aggregate, provided that the Client presents an application for the establishment of damage compensation within one year from the first day of the claim enforcement communicated in accordance with the regulations of Tpt., or, if the Client has been unable, for acceptable reasons, to present his application by the deadline, then within thirty days following the elimination of the obstacle to doing so. The extent of the damage compensation paid by the Fund is 100% for losses of up to HUF

1,000,000, and for losses over this threshold, it is HUF 1,000,000 and 90% of the part above HUF 1,000,000.

#### 4.22. Conflict of Interest Policy, incentives

- 4.22.1. The Bank's Conflict of Interest Policy includes rules on avoiding, disclosing, and managing conflicts of interest detrimental to the Client
- 4.22.2. The Bank offers a variety of financial and investment services to an extensive circle of Clients and partners. Differences in the goals of this variety of entities may be the reason conflicts of interest are sometimes unavoidable

Conflicts of interest can occur when providing investment and supplementary services:

- between Bank (including top management, employees, persons working under bank authorization and other people directly or indirectly connected to the Bank through monitoring) and Clients, and
- between two or more Clients or partners.

The Bank shall take all reasonable measures to identify and where possible, avoid incompatibility when providing investment services.

Conflict of interest may occur when the following circumstances arise:

- When the Bank may hold an interest in sales, particularly regarding the bank group's own products, while offering investment counselling
- When third parties offer possible incentives connected to investment services offered to Bank Clients (such as sales commissions or commissions on retaining stock)
- When incompatibility occurs because of profits connected to other Bank activity, particularly its activity in its own account and when distributing securities issued by the bank group.
- When there may be connections between the Bank's issuance of securities (such as a creditor connection, an account management connection or a cooperation agreement)
- When preparing analyses on monetary instruments
- When the Bank has knowledge that may qualify as insider trading information
- When there is a personal relationship between employees and top management
- When staff receives performance-based remuneration

The Bank has introduced numerous organizational and administrative rules to prevent situations of conflict of interest from occurring and to manage them when they do occur:

- It has established a compliance function, one task of which is to manage situations of conflict of interest
- It has regulated the flow of information to keep confidential information (banking and securities information) on a need-to-know level within the Bank
- It has regulated personal business between top Bank officials, employees and other involved persons
- It has regulated conditions under which gifts may be accepted
- It has evolved a remuneration system that calculates with conflict of interest issues

If conflict of interest is impossible to avoid, the Bank's Conflict of Interest Policy requires that the incompatibility be resolved to the benefit of Client interests.

If the organizational and management means employed by the Bank are insufficiently reliable to ensure that risks to Client interests are prevented, the Bank shall disclose the general nature of the incompatibility and/or the sources to the Client before agreeing to perform a business activity for said Client.

- 4.22.3. In response to a written request from Client, Bank shall provide further detailed information on its Conflict of Interest Policy.
- 4.22.4. The Client understands that the Bank may accept incentives from third parties (for example from fund managers of the investment funds distributed by the Bank) in connection with the investment services and supplementary services it provides to the Client, and that the Bank may provide such incentives to third parties (typically sales commissions, incentives to retain stocks, cost contribution, other pecuniary or non-pecuniary subsidies). The Bank shall inform the Client of such incentives pursuant to the applicable regulations. The Bank may inform the Client of smaller, non-pecuniary benefits by way of a summary communication. The Bank may receive fees from the fund managers after the investment funds distributed by the Bank, which fees are paid from the management fee charged on the funds, and might amount up to 100% of the management fee.

The provision / acceptance of the incentive may only happen in order to raise the quality of the services provided to Clients and shall not detrimentally influence the Bank's obligation to act in line with the Client's interest. Pursuant to its internal rules, the Bank shall keep record of the benefits that qualify as incentives and in the case of which the rules regarding incentives shall be applied. The Bank shall use such sums to improve the quality of its services.

**4.23. Revocation, suspension and restriction of the Bank's license**

4.23.1. The Bank shall be obliged to immediately notify the Clients in writing if the Bank's operating license is partially or fully suspended by the Supervisory Authority with respect to any activities, if any restrictions are imposed on the license, or if the license is partially or fully revoked.

4.23.2. If, as a consequence of any event defined in point 4.23.1., the winding up or liquidation of the Bank is initiated, and the Client does not exercise his right of termination pursuant to point 4.15.3., the Client's consent shall not be required for the transfer elsewhere of the Client's securities portfolio and other claims. If, however, the transfer of the Client's securities portfolios and other claims does not take place due to the winding up or liquidation of the Bank, the Bank shall be obliged, prior to the going into effect of the contract instructing the transfer, to notify the Client about its desire to effect the transfer. The Client shall be entitled to specify an investment service provider other than that determined by the Bank, whose services he wishes to use in the future. The Bank shall do all in its power to ensure that the Client's interests are not harmed in the course of the portfolio transfer. The costs of and the fees charged for the portfolio transfer shall be borne by the Bank.

**4.24. The electronic processing of transaction data**

The Bank reserves the right to, and the Client, by accepting these Business Terms, agrees that the Bank may, manage transaction data and the related assistance functions by way of electronic processing, in such a place as the Bank considers optimal for this purpose, while always ensuring that it fulfils its obligations undertaken with respect to the Client and that it observes the relevant statutory regulations.

**4.25. Legal remedy, jurisdiction, legal disputes and the settlement of complaints**

4.25.1. Unless expressly stipulated otherwise, with respect to the legal relationship entered into between the Bank and Client, the Hungarian law, these Business Terms, the Bank's latest effective General Business Conditions, the prevailing regulations of the actual trading venue, and the prevailing regulations of the actual clearing house shall apply. In case of differences between these Business Terms and the Bank's General Business Conditions, the provisions of these Business Terms shall prevail.

4.25.2. If, in relation to a contract concluded pursuant to these Business Terms, any legal, financial settlement-related or other dispute should arise between the Client and the Bank, the Parties shall endeavour to settle the dispute through negotiation, without resorting to courts.

4.25.3. If the negotiations referred to in point 4.25.2. have produced no result within 30 days, then

- a) in case of a non-Consumer Client, contracting parties shall submit the dispute to the exclusive jurisdiction of the Permanent Arbitration Court operating as attached to the Hungarian Chamber of Commerce and Industry (Commercial Arbitration Court) with the application of the Hungarian language in the course of the proceedings, the number of arbitrators shall be three and the parties shall appoint only arbitrator(s) with money and capital market expertise from the arbitration-recommendation list;
- b) In the case of a Consumer Client, the contracting parties shall submit the dispute to the competence of Budapest District Court II. and III.

4.25.4. The rules of procedure applicable to Client Complaints are included in the Bank's General Business Conditions. The Bank's Rules of Complaint Management is an attachment to these Business Terms.

**5. Special conditions on specific contract types**

**5.1. Accepting, forwarding and performing orders for the benefit of a Client (brokerage)**

**5.1.1. Content of brokerage activity**

- 5.1.1.1. In the framework of brokerage activities, the Bank shall provide services to Clients who have a valid Account Contract or Master Agreement at the time of providing the service. In the case of particular types of transactions, the Bank may require the Client to conclude other agreements or make statements as a condition of providing such services.
- 5.1.1.2. During the course of brokerage activity, the Bank, based on the Client's order, concludes a contract calling for the purchase and sale of a financial instrument under the conditions specified in the order, in its own name and in favour of (or to the debit of) the Client. In case of an agency mandate to buy, the Bank transfers the ownership title to the Client immediately upon acquiring it, not affecting any settlement rules of the agreement or these Business Terms; in case of settlement failure, this provision shall not be applicable with retrospective effect.
- 5.1.1.3. In the framework of brokerage activities, transactions may be concluded for financial instruments, therefore the brokerage contract may concern financial instruments.
- 5.1.1.4. If a Client order is executed at the trading venue, the Client shall provide all data that the Bank needs to provide to the trading venue with respect to the particular order. If such data are unavailable to the Bank, the Bank shall call upon the Client to provide these data. Depending on the procedure applied at the particular trading venue, the Bank may postpone submitting the offer to the trading venue until the receipt of such data. The Client shall be responsible for providing the data by the due date. Data required for BSE transactions are included in the General Terms and Conditions of the BSE.
- 5.1.1.5. If the Business Terms or the agreement of Parties specifies a brokerage transaction or brokerage contract, it shall be interpreted as instructions given to the Bank to execute an order for the benefit of the Client or to accept and forward an order to make use of investment services. In this respect, indicating the Bank as the broker shall be interpreted as the provider of the mentioned services.
- 5.1.1.6. As a broker, the Bank may conclude own-account-transactions with the Client (enter into brokerage contracts), i.e. perform the order from its own account, if the market value of the given financial instrument may be ascertained on the basis of public information, and the stipulations of the Execution Policy are performed. Public information shall mean publicly available data and market rates available on individual web pages.
- 5.1.1.7. The Bank shall only undertake to perform the obligations to be borne by the contractual partner under the underlying contract to be concluded on the basis of the brokerage contract, if the Bank concludes a separate agreement in this respect with the Client, or if the Bank is obliged by statutory regulations. Otherwise, the Bank shall not be liable to perform such obligations.
- 5.1.1.8. The Bank is entitled to fees, even if the underlying agreement to be concluded on the basis of the brokerage contract was not entered into due to reasons under the Client's control, including in particular if the order was withdrawn or modified. If the brokerage contract is not performed and the Bank does not charge any fees, the Bank may demand the reimbursement of its necessary and justified costs incurred in order to perform the contract.
- 5.1.1.9. In the case of a brokerage contract related to the purchase of an instrument, the date of execution is identical with the date of taking possession of the instrument, which is identical with the credit of the instrument on the account of the Client (including also the other account stipulated by the Client), and, at the same time, the Parties shall settle accounts with each other. With respect to the Parties, the settling of accounts shall include if the countervalue is debited on the account of the Client in the case of a purchase transaction.
- 5.1.1.10. Moreover, taking into account the special rules of performance and settlement related to these transactions and the regulations to be applied on a compulsory basis to the separate handling of financial instruments constituting the property of the Client, which also means the special provisions of the Bszt., the Parties agree that in the case of a brokerage contract related to a purchase, in the course of performance, the Bank shall not obtain ownership of the instruments to be purchased and, through the settlement, they shall be acquired directly by the Client in accordance with the contents of Point 5.1.1.1.

- 5.1.1.11. The Bank shall only accept orders from Clients that possess a Client account and/or bank account as well as a Consolidated Securities Account. The Bank shall conduct brokerage activity vis-à-vis its institutional Clients and other acceptable partners based on the framework agreement concluded with them.
- 5.1.1.12. In the framework of the Bank's brokerage activity, it may accept orders for the following financial instruments, depending on the provisions of the contract with the Client:
- Sale of financial instruments introduced at the trading venue / traded there (opening and closing a position)
  - Sale of financial instruments outside the trading venue (opening and closing a position)
  - Sale of financial instruments not mentioned in points a)-b) (opening and closing a position)
- 5.1.1.13. The Bank shall not accept orders for a market outside Hungary and regulated according to the Bszt., for other trading venues and for a recognised market outside the member states of the EEA unless the technical and settlement conditions of the performance of the order are met.
- 5.1.2. General rules**
- 5.1.2.1. At the time of the execution of contracts related to BSE-listed financial instruments, besides the provisions of these Business Terms, the regulations of the BSE and of KELER shall also always be applicable. In the case of an order made at a foreign trading venue, the provisions related to the operation of the given market shall apply at all times.
- 5.1.2.2. The Bank shall not be held liable if the price movements on the market and/or stock-exchange trading volumes do not allow for the Client's orders to be executed. Any risk associated with an order shall be borne by the Client. The Bank shall, at all times, accept orders that cannot be forwarded at the given moment towards the given market, forwarding such orders without delay, depending on the opportunities on the market.
- 5.1.2.3. If the Client grossly violates the provisions of the contract and/or of the Business Terms, and does not rectify such transgression despite a request to do so, thus, especially, if the Bank accepts an order before the Client deposits the requisite cash funds or securities, and the Client does not fulfil his obligation to do so prior to or on the due date, the Client shall bear full indemnification liability towards the Bank.
- 5.1.2.4. With respect to trading at the trading venue, the Bank shall take stock-exchange orders for same-day execution prior to the closing time for stock-exchange trading in the given financial instrument, up until the time – specified in the latest List of Conditions – at which the technical possibility still exists for same-day execution to be attempted. As regards orders that arrive after this point, the Bank is obliged to attempt to execute them on the following stock-exchange trading day.
- 5.1.2.5. When accepting a purchase commission on its own account or as agent, the total cost amount declared to the Client includes the costs to the Bank when performing the transaction, charged in accordance with its List of Conditions, and all commissions. In other words, the costs and commissions will be deducted from the funds provided by Client when commissioning Bank to perform the transaction.
- 5.1.2.6. When performing a sale or return from its own accounts or on commission, once the commission has been transacted, Bank costs and commissions, as set in the Bank's List of Conditions, as well as taxes deductible by law will be deducted from the money due to Client. In other words, these costs, commissions and taxes will be deducted from the funds due to Client on performance of the transaction.
- 5.1.2.7. Client is required to provide Bank with the documentation certifying the cost price of the monetary instruments for which the transaction has been ordered at the time Client orders Bank to perform the sale/redemption transaction. If Client fails to do so, Bank shall determine cost price on the basis of available data. Client shall hereby note that the cost price set by the Bank may not be altered after the fact.
- 5.1.2.8. With respect to the Bank's contracts and brokerage agreements, the deadlines specified in the latest List of Conditions regarding the various contracts and to the brokerage agreements shall be valid. With regard to the manner in which deadlines are to be calculated, the provisions set by the Bank shall apply.

- 5.1.2.9. The Bank shall accept orders for the stock-exchange purchase/sale of financial instruments at the trading venue, and for the OTC purchase/sale of shares, securities embodying a loan relationship, and of government securities at a limit price or based on a specific agreement at the market price.
- 5.1.2.10. The Bank accepts market-price orders exclusively on the basis of individual appraisal, and only from those of its Clients who, based on their knowledge of the money and capital markets and on their experience, possess adequate market intelligence in respect of the given investment. The Bank may also refuse to accept market-price orders, without giving any reason for doing so. The validity period of the order may be for the same day only, or for a period not exceeding 360 days, including the date of the order, or until revoked. Orders that are to stand until revoked shall be treated by the Bank as valid for 360 days. In case a validly accepted order cannot be executed until its expiry due to a circumstance not included in BSE's relevant regulation, then the Bank shall revoke the order and notify the Client on this in a letter or in a way determined under a specific agreement.
- 5.1.2.11. With respect to investment units issued by Amundi Befektetési Alapkezelő Zrt. and by other domestic or foreign fund managers, the Bank shall, based on a contract concluded with the issuer, undertake the distribution of investment units of open and closed-ended funds in accordance with the fund manager's regulations related to the respective funds and with the List of Conditions.
- 5.1.2.12. If the Client intends to purchase an investment unit distributed by the Bank in such a way that involves the Client remitting the charge to the given investment fund's current account, or to his own client account or bank account held at the Bank, the Bank shall only perform the purchase if the Client has given an order to this effect to the Bank.

#### Recording of orders

- 5.1.2.13. The Bank records the Client's orders in its IT system electronically (in the form of an "electronic deal ticket"), and furnishes the orders with individual serial numbers in accordance with the order in which they are given. In the course of the recording of orders electronically, the Bank keeps records from which the identity of the Client, the contents and conditions of the order, the time and mode

of its arrival and fulfilment (or termination), as well as the coverage for the transaction, and/or the provision of the guarantee deposit, may be established and also subsequently checked. The Bank shall keep all electronically recorded orders for a period specified in the legal regulations, in accordance with the general provisions on record-keeping. The Bank may not accept orders for purchase /sale of government securities through electronic banking services.

- 5.1.2.14. The Bank shall notify the Client in writing, by mail or on a permanent data medium specified in a specific agreement, at the latest on the day immediately following the fulfilment of the order, specifying the information set out in the legal regulations.

#### Preconditions for the fulfilment of orders

- 5.1.2.15. The Client shall deposit the securities or funds constituting the subject of the commission/ brokerage contract at the Bank on the day of the order, or make them available to the Bank, without restrictions, in some other manner. If the securities or the funds are at another bank or other organisation licensed to distribute securities, the Client shall be obliged to transfer the securities and/or funds in the deposit to the place specified by the Bank prior to giving Bank the commission.
- 5.1.2.16. With respect to prompt-purchase brokerage contracts, in the case of a limit-price order, the coverage shall consist of the total purchase price calculated at the limit price, plus the brokerage fee. In the case of market-price share purchase orders to be executed on the trading venue and other trading platforms outside the EU, the Bank may require that the Client should provide coverage for the purchase at a value increased by the maximum value of the price-fluctuation band as determined in the effective stock-exchange regulations, and that the Client should pay the brokerage fee at the same time. In the case of brokerage transactions for OTC share purchases, the coverage is determined on an individual basis, taking into account the price movements for the securities concerned.
- 5.1.2.17. The Bank may waive the obligation to make available the money serving as coverage for the order if the Client has an adequate credit limit against which the Bank may execute the order.

5.1.2.18. The Bank may – at its sole discretion – decide to exempt the Client from putting the money or securities serving as collateral for the commission at its disposal at the time the commission is ordered if a commission ordered earlier by the Client and already met but not yet accounted is sufficient to provide the collateral for the newly ordered commission as payment falls due. This provision shall not apply in the case of orders submitted through the Internet banking system of the Bank.

5.1.2.19. The Bank shall keep as a blocked deposit the securities provided as coverage for the order and kept on the Consolidated Securities Account and the funds kept on the Client account or bank account, likewise serving as coverage for the order, and may not use these assets for any purpose other than the order, nor give them to someone else for use, unless the parties agree otherwise.

5.1.2.20. The Client may not release the securities or money held in deposit during the validity period of the order, and the Bank will not execute other orders given by the Client regarding these securities or money.

#### **Fulfilment of the order**

5.1.2.21. In the event that the Client gives an order for the sale of a financial instrument, with respect to the settlement of the sale the Bank shall apply a method of record-keeping that corresponds to the order of arrival of the given investment instrument (FIFO) – which means that, in the event of a sale, it shall regard as sold those securities that were chronologically first credited to the securities account affected by the sale – and this method may not be departed from even in the event of a separate request from the Client to do so.

5.1.2.22. Bank shall perform the transactions commissioned by Client in accordance with the Execution Policy set forth under Point 4.10 of these Business Terms

5.1.2.23. In the interests of the fulfilment of an order, if the securities or funds required for the transaction are at the Bank, the Bank shall proceed immediately in the Client's interest, while if securities or funds for the transaction need to be transported or deposited, – excepting the cases set forth under 5.1.2.17 and 5.1.2.18 – it shall do so as soon as they have arrived.

5.1.2.24. In lieu of any specific agreement to the contrary between Bank and Client, the financial accounting of all transactions performed on commission shall be in the currency of the transaction.

5.1.2.25. If the Client has given several orders to the Bank in succession, and the coverage for the order is not available at the time the order is given, the Bank shall fulfil purchase orders following the arrival of the applicable funding on the Bank's account, in the chronological order in which the orders arrived, and shall fulfil sale orders following the depositing of the securities constituting the object of the order.

5.1.2.26. Taking into account the prevailing stock-exchange regulations of the given trading venue and the OTC platform outside the EU, the Bank shall also be entitled, with the Client's consent, to pay the overall amount indicated in the brokerage order in instalments. The brokerage fee shall be settled in the course of the partial performances of the order.

5.1.2.27. Any order with respect to the remaining part of a part-fulfilled expired or revoked order shall qualify as a new order, and therefore the Bank shall be entitled to charge the minimum fee again.

#### **Supplementary provisions related to transactions at a trading venue:**

5.1.2.28. Cancelling a transaction

Depending on the provisions of the legal regulations and the conditions of the given trading venue, the cancellation of already concluded transactions may take place at the given market if the conditions specified are met. In this case, the Bank shall, after learning about the initiation of the cancellation procedure, proceed in accordance with the notification of the trading venue, and it shall notify the Client about the fact of initiation of the cancellation.

In the case of the cancellation of a transaction, the Client shall take the necessary measures in order to ensure that the original status is restored. Failing that, the Bank shall be entitled to proceed in the framework of forced procurement or to apply rules related to financial debt. The costs related to these measures shall be borne by the Client.



The Client acknowledges that, in connection with the cancellation, the Bank shall exclude its responsibility for the consequences occurring for the Client as a result of cancellation.

The rules of the relevant trading venue shall be applicable for cancellation (e.g. in the case of BSE: the General Terms and Conditions of BSE).

**5.1.2.29. Modification of the bidding margin**

If the given trading venue modifies the bidding margins applicable with respect to the individual financial instruments and such modification affects the order of the Client provided and not yet fulfilled, the Bank shall delete the affected order if it was not carried out in the system of the given trading venue, as an offer recorded in the offer book of the trading venue, and in this case the rules of cancellation shall be applicable for the order of the Client.

The Client acknowledges that, in connection with the bidding margin, the Bank shall exclude its responsibility for the consequences arising for the Client stemming as a result of this, with the proviso that the exclusion or restriction of the Bank's responsibility for breach of contract and/or damages shall not mean the exclusion of responsibility for breach of contract and/or damages caused intentionally.

The rules of the relevant trading venue shall be applicable for the modification of the bidding margin (e.g. in the case of BSE: the General Terms and Conditions of BSE).

**5.1.3. Brokerage orders for government securities auctions**

In the case of brokerage orders for the purchase of government securities in the framework of auctions, the Bank's calculation of yields, as well as the related determination of the net and gross purchase price, shall be identical with the effective yield calculation used by ÁKK. The effective yield calculation used by ÁKK can be found on ÁKK's website ([www.akk.hu](http://www.akk.hu)). Upon the Client's request, the Bank shall be obliged to perform the yield calculation pursuant to Government Decree 82/2010 as well, and to inform the Client of the result.

**5.1.4. Standardised forward transactions and separate conditions for accepting orders for such transactions**

**5.1.4.1.** Orders for standardised stock exchange forward (hereinafter: futures) transactions will be accepted by the Bank only from Clients who possess valid contracts to this effect. When the Bank receives an order, it is entitled to decide whether to accept the order or not, to apply the conditions of its internal rating and limit system, and finally to refuse to accept the order.

**5.1.4.2.** With respect to changes in the market, the Bank is entitled to modify its coverage limit system unilaterally. If the Client fails to comply with the modified limit requirements upon the Bank's request, the Bank shall be entitled, but not obliged, to perform a forced liquidation of the position.

**5.1.4.3.** The conditions for accepting an order for a standardised futures transaction are as follows:

- a) the Client provides the Bank with all the information and data required for Client rating;
- b) investors who for tax purposes belong to the jurisdiction of a country with which Hungary has concluded a bilateral agreement on the prevention of dual taxation may take advantage of the benefits specified in the agreement if the Client sends the required documents to the Bank in time, prior to issuing the commission. Upon the Client's request, the Bank shall provide information on the required documents;
- c) the Retail Client shall sign the risk disclosure statement
- d) the Client shall provide to the Bank the coverage determined by the Bank.

**5.1.4.4.** Another condition for concluding a standardised futures transaction is that the Client should possess a fax machine. The Bank is not liable for losses arising from a malfunction of the fax machine.

**5.1.4.5.** The Bank determines the size of the deposit ("initial margin") in accordance with the KELER regulations. The Bank shall be entitled to request further security in addition to the above if changes in the prices of the given trading venue or other market changes so warrant. If the security specified in the contract is not supplemented, the Bank shall be entitled to terminate the contract and the transaction with immediate effect.

**5.1.4.6.** The Bank shall accept as an initial margin cash, as well as BSE-listed government securities blocked by KELER. The initial margin shall be deemed to have been performed on the day on which the cash and/

or securities provided as an initial margin, have been credited on the bank account or securities account of the Bank designated for this purpose, or have been blocked on the Client's bank account or Consolidated Securities Account.

- 5.1.4.7. The Client is obliged to continuously secure the coverage, determined by the Bank, of the futures transaction that constitutes the subject of the order, in the form of a deposit, until the open position is closed, that is, to supplement the above initial margin provided to the Bank as required.
- 5.1.4.8. These transactions shall be settled in accordance with the KELER regulations. The Bank shall continuously settle with the Client following the purchase and prior to closing the position, and shall provide a closing statement after the position is closed.
- 5.1.4.9. Continuous settlement means the settlement of the difference between the deal price and the settlement price published by the BSE. The Bank calculates the price difference daily on the basis of the settlement price published by the BSE. If the price difference is negative, the Bank is entitled to debit the Client's client account or bank account with the negative price difference.
- 5.1.4.10. If the client account or bank account does not provide coverage for the negative price difference, the Client is obliged to settle the deficit in one banking day following the receipt of the Bank's notice. The Bank's notice sent by fax is to be deemed to have been received by the Client on the date indicated on the automatic fax transmission confirmation sheet, unless and until proven otherwise. If the Client fails to pay the difference by the specified deadline, the Bank is entitled to terminate the contract with immediate effect and to liquidate all open positions immediately. The losses and costs arising from the forced liquidation are to be borne by the Client.
- 5.1.4.11. For the term of the futures transaction the Bank shall have security deposit, up to the full amount of the Client's obligations (including default interests, costs of the enforcement of the Client's obligations and the security deposit and, furthermore, any necessary expenses incurring in respect of the object of the security deposit), with respect to all the securities and cash funds on the Client's securities account and bank account managed by

the Bank. If the Client's deposit does not cover the maintenance or closing of the position, and the Client fails to supplement the deposit by the specified deadline, the Bank shall be entitled to satisfy its claim under this security deposit directly from all securities and cash funds on the Client's securities account and bank account managed by the Bank by sending a unilateral declaration addressed to the Client (if, under the Civil Code, it has a market price at which such securities are traded on a stock exchange, or has any other price which is publicly available on the market, or incorporates pecuniary rights and their value can be determined at the time of the enforcement of the security deposit in accordance with the terms of such securities, independently from the parties) and from cash funds. By the direct satisfaction of its claims, the Bank acquires ownership over the securities up to the amount of its secured obligations. After the satisfaction under the security deposit, the Bank settles its claims with the Client, notifies the Client of it in writing and provides the Client with the collateral exceeding the value of its secured obligations.

- 5.1.4.12. The Bank may accept an order only if the order allows for partial performance. The performance of the order may be tied to a deadline or may be valid until revoked. The order, or any instructional statement made by the Client that is accepted by the Bank, shall clearly indicate whether it is referring to the opening or closing of a position. If this cannot be clearly ascertained, the Bank shall interpret the order as an order to open a position and will determine the deposit ("margin") conditions accordingly. If the Client issues an order to close a position, the Bank shall settle this on the basis of the FIFO principle, to which no exceptions can be made even in the event of a separate request to this effect from the Client.
- 5.1.4.13. The execution of the order may be restricted to the various trading sessions. Orders for the opening and closing trading sessions may only be limit-priced. The order is valid only in the session in which it was issued. As all orders are cancelled when a session is closed, the Client must indicate requests for any departure from this custom.
- 5.1.4.14. The following additional provisions apply to commodity-based derivatives:

- 5.1.4.14.1. When providing the order, the Client shall monitor the position limits specified in the legal regulations and make the necessary reports and data provisions appropriately.
- 5.1.4.14.2. If, on receiving the authority's decision about the exemption, the Client fails to notify the Bank of its exemption from the application of position limits according to Article 8 of the authorisation of Commission (EU) Regulation 2017/591, the Bank shall consider the Client as if the position limits shall be applicable for it. The Client shall make a copy of the document about the authority's decision related to the exemption from the position limit available to the Bank.
- 5.1.4.14.3. Moreover, the Client shall notify the Bank when providing the order whether the transaction is construed as a position that decreases the risks directly related to the trading activity, in accordance with Article 7 of the authorisation of Commission (EU) Regulation 2017/591. The Client shall provide such information irrespective of whether or not it requested the exemption described in the previous point.
- 5.1.4.14.4. If the Client fails to provide the Bank with information according to these Business Terms related to exemption from the position limit and/or the Client does not make a statement about whether the position is construed as a position decreasing the risks directly related to the trading activity, the Bank shall not handle and report its transactions as hedging transactions.
- 5.1.4.14.5. Since the performance of reporting and data provision obligations related to commodity-based derivatives is the obligation and responsibility of the Client specified in legal regulations, the Bank shall not be responsible for the consequences stemming from failure of these.
- 5.1.4.14.6. If the Bank learns that the Client's position exceeded the specified limit, it shall notify the Client accordingly, and the Bank shall be entitled to take the measures necessary for closing the position at the call by the competent authority or the given trading venue.
- 5.1.5. **Special rules on brokerage orders from the Bank's institutional investors**
- 5.1.5.1. Among the Bank's Clients the following qualify as institutional investors: credit institutions, financial ventures, investment firms, investment funds, investment fund managers, venture capital funds, venture capital fund managers, insurance firms, voluntary mutual insurance funds, private pension funds, body responsible for health insurance, pension insurance body responsible for managing the Pension Insurance Fund, and all non-residents who can be regarded as such on the basis of their own laws.
- 5.1.5.2. If the institutional investor qualifies as an acceptable partner under the Bszt. definition, it will be exempted from the stipulations of the Execution Policy when meeting its transaction orders.
- 5.1.5.3. The Bank undertakes, based on the order of the institutional investor (or Client), to conclude stock-exchange purchase and sale transactions on the BSE in its own name, on behalf of the Client. In executing the order, the Bank shall proceed in the best of its knowledge, taking into consideration the size of the order and its other conditions.
- 5.1.5.4. The Bank shall accept orders from its institutional investors through electronic communication channels (e.g. Bloomberg, fax) or by phone, and shall record and store such phone conversations and all relevant electronic communication. Disputes shall be resolved by consulting these recorded telephone communications.
- 5.1.5.5. The Bank shall accept orders from its institutional investors through registered and authorised dealers (persons). Institutional investors must notify the Bank in writing of the dealers (persons) who are authorised to act on behalf of and for the benefit of the Client.
- 5.1.5.6. The Bank does not accept responsibility for losses arising from an institutional investor's failure to notify the Bank of changes with respect to authorised persons.
- 5.1.5.7. The Bank immediately records the order accepted from its Clients in the Bank's electronic system, and includes all the significant mandatory components of the order. The mandatory components are as follows: the Client's name, the date and method of the order's commencement and performance (termination), the subject and direction of the order, price type, serial numbers in increasing order,

possibility of partial execution, order fee, availability of coverage and/or margin.

- 5.1.5.8. The Bank is entitled to accept orders from its institutional investor Clients outside the business hours, with the condition that the Bank must immediately record the electronic deal note.
- 5.1.5.9. The Client shall have the right to exclude partial execution. It shall not be construed as the Bank's own-account transaction if the Bank gives account of the partial executions of the Client's orders concluded with the Client at the trading venue only after the entire order is executed.
- 5.1.5.10. On the day that the order is executed, the Bank is obliged to notify the Client in writing (or by fax) of the execution of the transaction. If partial execution has been excluded, the Bank may settle only after the entire transaction is completed.
- 5.1.5.11. The Bank is entitled to a contract fee for executing the order, which fee is based on a mutual business decision between the two partners (the Bank and the institutional investor) and is not determined according to the List of Conditions.
- 5.1.5.12. In addition to the contract fee, the Bank is entitled to charge all costs to the Client that arise from an inappropriate or faulty order or performance by the institutional investor.
- 5.1.5.13. The Bank prepares a rating on all institutional investors. The Bank shall accept orders from such Clients up to a limit that corresponds to the Client rating, without requesting advance cash or securities coverage for the transaction.

## 5.2. Trading from its own accounts

### 5.2.1. General rules

- 5.2.1.1. In the framework of trading from its own accounts, the Bank concludes contracts related to the purchase or sale, as well as the swap, of government bonds, securities specified in the law, or other financial instruments exclusively in writing.
- 5.2.1.2. Contracts concluded in the framework of trading activity against its own accounts qualify in all cases as OTC transactions.

- 5.2.1.3. The Bank determines the scope of the financial instruments that constitute the subject of the trading activity from its own accounts on the basis of its own decision, pursuant to effective statutory regulations and supervisory permits.
- 5.2.1.4. The contracts concluded in the framework of trading activity shall contain at least the following:
- direction of the transaction (purchase or sale),
  - precise name and ISIN code (if available) of the financial instruments that constitute the subject of the contract,
  - precise quantity of the financial instruments that constitute the subject of the contract,
  - purchase and/or sale price,
  - date and method of execution,
  - in the case of securities that embody a loan relationship, and that are denominated in HUF and are issued in Hungary, the APR (in Hungarian: "EHM"), with an indication of the „EHM” or the „yield”.
- 5.2.1.5. The contract concluded in the framework of own account transactions will go into effect on the date that it is signed by both parties to the agreement, and will lose effect on the date on which the assets and liabilities under the contract are fully settled.
- 5.2.1.6. In all other respects, the provisions of the commission-agent's operating regulations regarding the Client's obligations, to settlement and to gross breaches of contract shall apply to own-account transactions; for commodity-based derivatives, the provisions under Point 5.1.4.14 shall also apply.

### 5.2.2. Regulations regarding trading activity conducted with Clients

- 5.2.2.1. Financial instruments and currency and foreign exchange may be the subject of the contracts as defined by Bszt:
- 5.2.2.2. Contract types:
- immediate purchase and sale,
  - forward purchase and sale,
  - option transaction.
- 5.2.2.3. The Bank shall be entitled to publish purchase and sale prices with respect to publicly issued financial instruments that are not traded at the trading venue and to government securities. The public announcement indicates the lowest and highest

quantity of the offer and its term of validity. If the Bank does not indicate a date, the offer is valid until revoked or amended. The following qualify as a public announcement; announcements displayed at the Bank's headquarters and at its branches; on ÁKK's website, on Reuters or Bloomberg, as offers published via electronic communications channels, and all offers published in the print or electronic media. It shall not qualify as a public communication or a public offer if the Bank directly offers financial instruments for purchase to a one particular Client.

5.2.2.4. The Bank undertakes an obligation to sell or purchase only those securities or other financial instruments that are listed at the effective daily market rate and are listed at either sale or purchase price.

5.2.2.5. When the transaction is of greater value, in excess of HUF 25 million, the Bank may agree with the Client to apply a price that differs from the daily list of prices.

5.2.2.6. If the Bank does not publish an offer price, it may only publish the price, value and date of the transactions that have been already concluded by the Bank.

5.2.2.7. With respect to the Bank's transactions against its own accounts to be conducted with Clients, the relevant section of the commission-agent's operating regulations shall apply to the conclusion and confirmation of transactions.

5.2.2.8. The Bank's Client is obliged to provide the coverage in keeping with the stipulations on the commission-agent's operations; however the Bank does not charge a commission or fee for transactions involving its own accounts.

5.2.2.9. In the framework of the purchase/sale contract, the party acting as the seller of securities guarantees that the securities being sold are free from litigation, encumbrances, claims and deficiencies of any kind.

### 5.3. Securities-account and client account management

#### 5.3.1. General provisions for the conclusion of account contracts

5.3.1.1. Where it becomes necessary in connection with the management of the securities, following the signing of the relevant contract and in accordance with the provisions of the Business Terms and subject to payment by the Client of the fees and charges published in the List of Conditions or determined pursuant to an individual agreement, the Bank shall open for the Client a consolidated securities account (hereinafter: Consolidated Securities Account) and a client account and/or a bank account linked to it (legal relationship with the Client for account holding, hereinafter: Account Contract). A further precondition for the opening of a Consolidated Securities Account is that the documents specified in the statutory be presented.

5.3.1.2. Unless agreed otherwise by the parties, an Account Contract may be concluded with the Bank in its official premises, on banking days, by completing the account contract form issued by the Bank, and through its signing by both parties.

5.3.1.3. An account number shall be used to identify the Consolidated Securities Account and/or bank account or client account (hereinafter together: Account). The Account and the account number are mutually assigned to one another; each particular Account may have just one number, and an account number may belong to just one Account. The account number shall be assigned to the Account at the time the given contract is concluded.

5.3.1.4. If the Client fails to disclose his account number in the course of any legal transaction with the Bank, on any of his contracts, orders or other communication or liaison, it is the Client who shall be responsible for any damage that might occur as a result.

5.3.1.5. With the exception of institutional investors and acceptable partners, the Bank may enter into a business relationship with its Clients only after an Account Contract has been concluded. In the case of institutional investors and acceptable partners, the Bank may conclude legal transactions as soon as the individual contract has been registered.

5.3.1.6. If a Client who is in possession of a valid Account Contract has lost or had stolen his documents (e.g. personal ID card) suitable for identification, the Client may request a "blocking" of the Account. In the case of a blocked-status Account, during the time of the blocking, the Bank may not accept

or fulfil any orders from anyone in respect of the Account. The blocked status shall last until the Client gives a written instruction for it to be lifted.

5.3.1.7. A primary condition for the conclusion of an Account Contract is that the identification data specified in point 4.1.4. be provided, which the Bank shall then record.

5.3.1.8. A further condition for the conclusion of an Account Contract is that the tax number or tax reference code be given.

5.3.1.9. If a treaty preventing double taxation exists between the country of tax residence of a foreign private person and Hungary, the Bank determines the tax residence of the foreign private person with respect to the tax settlement of Hungarian investments of the foreign private person according to the following rules: The Bank determines the tax residence of a foreign private individual in accordance with the due diligence rules ("CRS due diligence") set out in Points II-IV and VII of Annex 1 to Act XXXVII of 2013 on International Administrative Cooperation in Matters of Taxation and Other Compulsory Payments (hereinafter referred to as "IACA"). If the Bank finds upon the CRS due diligence that the foreign private individual maintains residence in two or more Member States, in another State or in any territory having competent jurisdiction, the foreign residence may only be verified by a tax residence certificate issued by the foreign tax authority. In this case it is necessary that the foreign private person provides the Bank in each tax year prior to the payment the document made out in English issued by the relevant foreign tax authority, the Hungarian translation thereof, or a copy of either of these documents. The residence certificate shall be produced each tax year, even if it has not changed since the last verification was filed.

A foreign private individual shall file a statement - translated into Hungarian - prior to the date of payment in which he declares whether he is recognized as the beneficial owner regarding such payment, if this condition has any effect on his tax liability according to the applicable treaty on double taxation.

5.3.1.10. When the Account Contract is concluded it is recorded under the name of the Client. Pursuant to Hungarian law, no number, numerical cluster, catchword or other reference suitable for hiding the identity of the Client may be used in the contracts. This does not, however, preclude the Bank from managing the Accounts by

utilising account numbers chosen by the Bank and that are suitable for identifying the accountholders.

5.3.1.11. The person entitled to dispose over the Account shall be the Client or the person authorised in this respect by the Client. The Bank shall not be obliged to accept the authorisation as valid if it has not been presented to it on the form issued by the Bank for this purpose – which means filling out and signing a specimen signature card.

5.3.1.12. Entitlement to disposition over a Consolidated securities account automatically extends to entitlement to disposition over the client account. If the movement of money under the Consolidated securities account is transacted in the Client's bank account, the Client must also be designated as the entity entitled to disposition over the bank account.

5.3.1.13. In keeping with his/her entitlement to disposition over the Consolidated securities account and the connected Client account or bank account – for the period of entitlement – the entity with the entitlement may instruct the Bank to perform all actions related to the securities accounted in the Consolidated securities account (including in particular securities transfers, commissions, orders to buy or sell) and may order any transaction against the Client account or the bank account (such as giving a commission to purchase or sell) as well as order any other financial transaction (such as transfers, cash withdrawals) in conformity with the account contract that is permitted by valid law. If the Client deceases, the right of disposal of the person having an authorization or a right of disposal over the Account shall cease (on the day the fact of death is trustworthy established). After the Bank obtains knowledge about the Client's death by any means, it shall be entitled to suspend the right of disposal of the authorized person(s) or of the person(s) having a right of disposal over the Account at its own discretion until obtaining trustworthy evidence on the fact of death.

### 5.3.2. Notification of Clients

5.3.2.1. The Bank shall send a notice on debits and credits on the Consolidated Securities Account for each account movement in an account statement and – unless otherwise agreed – following performance of any brokerage transaction or transaction against its own accounts. The notice shall include in particular the name of the security, its ISIN code

(if any); in the case of securities embodying a loan relationship, the total nominal value; in the case of other securities, the number of securities per denomination, the countervalue of settlement, as well as the value date of the deal/settlement.

- 5.3.2.2. The Bank shall send an account statement on the Consolidated Securities Account to the Client monthly via post, unless agreed otherwise. The Bank and the Client consider the closing value of the account statement sent by the Bank as a balance. Account information outside the account statement is not considered a document notifying balance.
- 5.3.2.3. At the request of the Client, the Bank shall agree, in return for the separate fee specified in its latest List of Conditions, or in a separate agreement concluded with the Client, to send the notice in more than one copy, and to provide the Client with more substantial information than is required of it under the law.
- 5.3.2.4. If a transaction account statement sent to the Client is returned on two successive occasions to the Bank, with the comment “unknown addressee”, the Bank shall not send any further transaction account statements to the address concerned, but shall make them available to Client at any branch office of the Bank.
- 5.3.2.5. If the Client makes no comment and raises no objection regarding the contents of the transaction account statement within 8 banking days of receipt, the transaction account statement shall be deemed to have been accepted by the Client.
- 5.3.2.6. The Bank shall issue to the Client a user ID, and every month a new password, allowing the Client access to the appropriate link on the website of the Supervisory Authority to check the balance of his Consolidated Securities Account and client account on the last day of the previous month. The user ID shall be delivered once, the actual password shall be delivered by sending it with the monthly account statement referred to in point 5.3.2.2.

### 5.3.3. Client account management

- 5.3.3.1. The Bank shall manage a bank account and/or a client account for the Client in relation to the management of the Consolidated Securities Account.
- 5.3.3.2. The client account is an account with restricted access, used only for transactions connected to investment services and ancillary services. If the Client does not

use the client account properly – i.e. not only for transactions connected to investment services and/or ancillary services provided by the Bank –, it shall be regarded as breach of the present Business Terms and of the client account contract, and the Bank is entitled to refuse the completion of the commission and – on basis of a follow-up control – to pass on to the Client the financial transaction duty paid by the Bank.

- 5.3.3.3. Unless stipulated otherwise by the law or a government decree, in relation to the client account, only simple transfer or cash payment may be used among the various payment methods; the following payment methods may not be used: direct debit orders and standing transfer orders. No bank card shall be available for a client account. The amounts from the use of investment services or ancillary services or from the proceeds, sale of financial instruments may be transferred from the client account to a payment account or a client account.
- 5.3.3.4. The Bank shall deposit the client account portfolios owned by Clients in a separate custody account, separate from its own funds, and thus the Bank shall not pay interest on the balance thereof.

### 5.3.4. Consolidated Securities Account

- 5.3.4.1. The Consolidated Securities Account serves the recording of securities claims and debts arising in the framework of investment services and ancillary services between the Client and the Bank, and the securities turnover related to this, and/or the securities placed in deposit in favour of the holder of the account, at the Bank as custodian. Within the Consolidated Securities Account, the Bank, pursuant to the provisions of the Tpt. and of these Business Terms, keeps a record of the dematerialised securities owned by the Client, and does so in such a manner that the dematerialised nature of the securities may be adequately established from the records. The Bank undertakes to keep record on the Consolidated Securities Account only of those securities, which can be managed within the Bank’s internal systems. In case specific securities cannot be managed within the Bank’s systems, the Bank undertakes to keep record of such securities on the Consolidated Securities Account only based on a specific agreement with the Client. In the absence of such specific agreement, the Bank is entitled to reject the credit and record keeping of such securities on the Consolidated Securities Account.

- 5.3.4.2. The Bank is entitled, without requiring the separate, case-by-case consent of the Client, to keep the free balances existing on the Consolidated Securities Account at any Sub-custodian, on any of its accounts or vaults managed there, and to rearrange these securities among the various account and vaults as it sees fit.
- 5.3.4.3. The Bank shall notify the keeper of the share book with regard to credits and debits on the Consolidated Securities Account according to legal regulations and further, if the keeper of the share book and/or the owner of the securities has requested it.
- 5.3.4.4. The securities owner may give an instruction to the effect that his data not be entered into the share book, although in this case he may not exercise his shareholder rights.
- 5.3.4.5. The Bank keeps records on the Consolidated Securities Account or the sub-accounts thereof on futures products too. The futures sub-account serves to record the securities claims and debts related to the Client's transactions performed on the regulated stock-exchange futures market, and the securities turnover associated with this.
- 5.3.4.6. The account statement certifies the ownership of the securities to third persons as of the time it is issued.
- 5.3.4.7. The Bank transfers all such securities as are burdened by a right due to a third party pursuant to a statute of law, a court or authority ruling, or a contract, or with respect to which the Client has so ordered, to a blocked securities sub-account (hereinafter: "Sub-account"). At the time the account is blocked, the Bank will note the legal reason for blocking the account as well as the person in whose favour this has been registered. The Bank will indicate the security deposit and/or lien, which burden securities kept on the Sub-account, on all account statements, in case the collateral is in favour of the Bank or in case – regarding collateral in favour of another person – the Client requests this.
- 5.3.4.8. The certificate issued on the Sub-account shall be sent by the Bank to the Client and to the person in whose favour the entitlement has been registered, as well as to the relevant court, foreclosure agent or other authority. The same procedure shall also be followed in the event that the registered entitlement is deleted (repealed).
- 5.3.4.9. Neither the Client nor his representative shall be entitled to dispose over the blocked securities, unless the instruction is directed at lifting the blocking and the Client or his representative has a right to this pursuant to a statute of law or a contract.
- 5.3.4.10. The securities may only be released from the Sub-account, and/or re-burdened, if the circumstance that gave rise to the blocking no longer applies, and if the person entitled with respect to the blocking has declared as such. In such case, the Bank shall immediately transfer the securities back to the securities account. Without any obligation of notification on the Bank's part, the blocking automatically terminates upon the expiration of the securities.
- 5.3.4.11. Should the Client be entitled to alienate the securities during the period in which they are blocked, the Bank shall see to it that, while indicating the circumstance behind the blocking, the securities are credited to the blocked securities sub-account linked to the securities account managed on behalf of the new accountholder.
- 5.3.4.12. If the person in whose favour the blocking has been made certifies that he has acquired the ownership right to the securities, the Bank shall immediately see to it that the securities are transferred to the securities account indicated by the new owner of the securities.
- 5.3.4.13. In the order requesting the blocking, the Client is entitled to indicate a beneficiary. The beneficiary may be someone who is exclusively entitled, or someone who is jointly entitled. As someone who is exclusively entitled, the beneficiary may dispose over the securities alone, without limitation. In the case of a joint beneficiary, the holder of the Consolidated securities account and the beneficiary may only dispose over the securities together, by way of mutual declarations.
- 5.3.4.14. For blockings effected pursuant to the law, during the course of performance of the individual contracts, and in accordance with the provisions of such contracts or of the Business Terms (e.g. setting aside of coverage for a transaction, blocking of initial margin for a forward/futures deal, blocking of security deposit, etc.) there is no need to obtain the consent of the Client, or for separate, written or verbal, instructions. With respect to blockings made pursuant to the Business Terms or during the course of implementation of



contracts, the Bank shall be considered exclusive beneficiary of such blocking, unless expressly provided for otherwise in the contract.

5.3.4.15. Based on a statutory provision, and on a contract or the express instruction of the Client, blocking may, in addition to the Bank's system, also be implemented in KELER's system. With respect to such blockings – besides the provisions of these Business Terms – KELER regulations shall be applied (and in the event of a contradiction between these Business Terms and the KELER regulations referred to, the provisions of the latter shall be regarded as applicable). Client is obliged to reimburse Bank for any possible costs stemming from commissioning this move. In the case of such blockings – based on the express request of the Client – the Bank shall also provide the Client with an original copy of the blocking statement issued by KELER. With respect to an order requesting a blocking that is to be implemented pursuant to the written instruction of the Client, the regulations that apply to disposal over the Consolidated Securities Account shall be applicable.

5.3.4.16. The blocking may be for a definite or indefinite period of time. The blocking may be lifted by way of a written declaration given to the Bank, or the release may be made contingent upon the occurrence of a pre-defined event. In the latter case, the order on the blocking must contain a precise specification of the event, and an explanation as to how the Bank will be notified of, or otherwise learn of, its occurrence.

5.3.4.17. Disposal over the securities released from blocking shall be possible for the first time on the day of release of the blocking.

5.3.4.18. In the event that the securities need to be placed into a security deposit in order for the deal to be concluded, the securities shall be delivered to the Bank, or the Bank shall block the securities as security deposit.

5.3.4.19. Pursuant to the Account Contract, the Bank shall provide safekeeping for a safety deposit or in the case of a sub-deposit, shall ensure the safekeeping of the financial instruments entrusted to it on behalf of the Client, whether given to it by the Client or by a third party.

5.3.4.20. Unless the Client instructs otherwise, the Bank shall place securities suitable in this regard into

a sub-account at KELER, or at a Sub-custodian, or at another foreign central securities depository from which sub-account the securities may only be physically transported in accordance with the regulations of KELER, the Sub-custodian, or the central securities depository. (The relevant KELER regulations may be freely accessed during business hours at the Bank's head office and at its securities distribution outlets and may also be accessed at the [www.keler.hu](http://www.keler.hu), [www.kelerkszf.hu](http://www.kelerkszf.hu) website). The Bank reserves the right to hold either some or all of the securities for the Client in its own vault.

5.3.4.21. The Client understands that – unless agreed otherwise – on the securities account and the securities sub-accounts kept at the Sub-custodians used by the Bank, securities are stored on a collective principle. This means that the Client shall have the right to claim back only securities that correspond with type, series, and nominal value of those originally placed. His claim shall not extend to the denomination or actual serial number at the time the securities were placed in deposit. The registration of the securities takes place based on base-denomination and number of securities. The Bank shall be entitled to dispose over the sub-account based on a correctly presented order from the Client.

### 5.3.5. Debiting of account-management fees

5.3.5.1. 5.3.5.1. The Bank shall collect the fees and commissions – as published in the List of Conditions or based on individual conditions extended to the Client – due to it in relation to investment-service activities by way of debiting the Client's client account or bank account.

5.3.5.2. The Bank shall have statutory lien over the Client's securities held on the Consolidated Securities Account, up to the amount of the fees and commissions determined in the List of Conditions, and of the amount of any other claims of the Bank against the Client arising from or in relation to the management of the Consolidated Securities Account. On the basis of the statutory lien, the Bank shall be entitled to satisfy its claim directly from the securities held on the Consolidated Securities Account by sending a unilateral declaration addressed to the Client, provided that such securities (i) have a price on which such securities are traded on a stock exchange or (ii) have any other price which is publicly available on the market or (iii)

incorporate pecuniary rights and their value can be determined at the time of the enforcement of the statutory lien in accordance with the terms of such securities, independently from the parties. By the direct satisfaction of its claims, the Bank acquires ownership over the securities up to the amount of its secured obligations. After the satisfaction under the statutory lien, the Bank settles its claims with the Client, notifies the Client of it in writing and provides the Client with the collateral exceeding the value of its secured obligations.

5.3.5.3. Except for Consumer Clients, the Bank shall have security deposit over the Client's securities held on the Consolidated Securities Account, up to the amount of the fees and commissions determined in the List of Conditions, and of the amount of any other claims of the Bank against the Client. The Bank may exercise its security deposit if it is unable to satisfy its claim from the Client's client account or bank account. In this case, the Bank shall send the Client a notice in which it shall call upon the Client to pay its obligation and shall simultaneously be entitled to block the securities held in the securities account up to the value of its claim. If the Client does not fulfil his obligations within the specified deadline, the Bank shall be entitled to satisfy its claim directly by sending a unilateral declaration addressed to the Client and proceeds in accordance with clause 5.3.5.2. above.

5.3.5.4. In the event that the Bank still has remaining claim against the Client after the settlement following the direct satisfaction as set forth in clauses 5.3.5.2. and 5.3.5.3. above, or direct satisfaction is not possible, then the Client shall be issued a payment demand.

5.3.5.5. In case of Consumer Clients, the security deposit in favour of the Bank shall be established in individual agreements.

### 5.3.6. Termination of the Account Contract

5.3.6.1. The Account Contract shall terminate based on a written notice of termination from the Client, once the Account balances are restored following receipt of the notice. Termination of the securities account on the part of the Client shall, unless the account is emptied, only be valid if the Client simultaneously indicates another account manager to the Bank.

5.3.6.2. The Bank shall be entitled to terminate the Account Contract in writing, at 30 days notice (which may

also affect the securities account) if it ceases its activities or if the Client does not fulfil its payment obligations related to account management despite a repeated request to do so. At the same time as it gives notice of termination, the Bank shall call upon the Client to indicate the new account manager and to do so within the notice period. The termination of the securities account involves the simultaneous termination of the Account Contract.

5.3.6.3. In addition to the case stipulated in Point 5.3.6.2, the Bank may terminate the Account Contract in writing in the following cases:

- a) With a thirty-days notice, if:
  - (i) the Client has – following repeated notices by the Bank – an outstanding debt to the Bank for a period of more than 30 days, or
  - (ii) despite the notice by the Bank, the Client does not use the client account in accordance with Point 5.3.3.2,
- b) With immediate effect, if:
  - (i) the balance on the Client's account shows no movement for a continuous period of twelve months and has a zero balance, or
  - (ii) the Client is prejudicing the reputation and/or security of the Bank, or the co-operation with him may not be carried on smoothly, including any case in which the Client fails to fulfil his obligation to provide data necessary for performing a Client rating.

5.3.6.4. The Account Contract shall terminate in the event that the Bank is dissolved without a legal successor, as well as in other cases defined in the individual contracts.

Upon death of the Client, the Account Contract shall be terminated after the identification of the heirs duly proving their rights by an original deed (with an original, final notarial deed of the grant of probate with full effect, a court decision or a certificate of inheritance, or, in the case of foreign persons, the equivalent documents according to the jurisdiction of their respective countries, in an authenticated form) by paying/delivering them the securities portfolio placed with the account. The Bank shall only deliver the assets, placed with the Bank, of the testator Client holding an Account to the heir(s) if the above-mentioned documents are submitted.

5.3.6.5. In the event of termination of the Account Contract, the Client shall be obliged to settle all the Bank's claims towards him that arise up until the day of termination, and to do so by the day of termination.

5.3.6.6. The emptying of the Account shall not result in the termination of the Account Contract.

**5.4. Undertaking of subscription guarantees (underwriting) and connected services**

5.4.1. The Bank shall undertake subscription guarantees on the basis of an individual contract. In the case of the undertaking of a subscription guarantee, the Bank shall subscribe (underwrite) securities issued with its co-operation, in a quantity and at a price previously determined, in the interest of avoiding a failure of subscription or sale in respect of the given securities offering.

5.4.2. It is the issuer's task to provide the Bank with the information on the securities offering that is necessary for arranging the subscription. It shall be regarded as a serious breach of contract on the part of the issuer if the issuer does not pay the fees and costs to which the Bank is due.

5.4.3. In the case of underwriting, the combined amount (value) of the subscription guarantees, including the subscription guarantees assumed by other investment service providers participating in the offering, must reach the minimum issue amount announced in the offer prospectus.

5.4.4. The Bank shall offer individual services related to the subscription guarantee in conformity with a written agreement.

5.4.5. In the case of that service, the Bank shall provide the service in accordance with the conflict of interest obligations according to Articles 38 to 43 of the Regulation.

**5.5. The Placement of financial instruments without the obligation to purchase the financial instruments**

The Bank shall provide the service related to the issuance and distribution of financial instruments on the basis of an individual contract. Under the contract, the Bank undertakes the partial or full performance of the activities associated with the provisions contained in the second part of the Tpt. and to do so in accordance with the rules set out in the Tpt. in respect of these activities. The provisions of this section shall also be applied to contracts concluded for the performance of the tasks of a principal place of disbursement (defined as such in the law) in relation to any given securities series.

In the case of that service, the Bank shall provide the service in accordance with the conflict of interest obligations according to Articles 38 to 43 of the Regulation.

**5.6. Securities safekeeping and securities custody**

**5.6.1. Special rules on the custody and safekeeping of physically printed securities**

5.6.1.1. The Bank shall accept securities either as an individual or as a collective deposit. In the case of an individual deposit, the securities making up the deposit are defined individually, according to serial number, and upon termination of the deposit the Bank shall hand back to the Client the exact same securities as it received from him. In the case of a collective deposit, the securities making up the deposit are defined according to series and quantity (number of shares per given basic denomination), and upon termination of the deposit, the Bank shall hand back to the Client securities of the same series and of the same quantity as it received.

5.6.1.2. Registered securities without a declaration on transfer, or with a declaration on transfer containing the name of the beneficiary, may constitute the subject of an individual deposit only. The Bank, in the absence of an express instruction to the contrary from the Client, shall be entitled to take into a collective deposit bearer securities, as well as registered securities furnished with a declaration on transfer that does not contain the name of any beneficiary (i.e. a blank endorsement).

5.6.1.3. The Bank shall handle the securities placed into an individual deposit separately. The Bank shall record and handle the securities placed into a collective deposit according to series, separated from its own assets. The Bank is entitled to deposit securities purchased for collective deposit for safekeeping with KELER, as a manager of subordinate deposits.

5.6.1.4. The Bank undertakes the safekeeping of bearer securities without examining the related ownership rights. In the case of registered securities, if the depositor is not the owner of the securities, the Bank shall request a certification of his right to be in possession of the securities. Failure to provide this certification shall be regarded a gross breach of contract on the part of the Client.

5.6.1.5. The Bank shall only accept valid, genuine, complete and integral (undamaged) securities. The Bank

shall check the validity of the security based on prohibition lists available to it.

them credited to the Bank's securities account, the regulations of the given Sub-custodian shall apply.

5.6.1.6. The Bank shall, as a principal rule, accept registered securities only if furnished with a blank endorsement. Securities provided with an endorsement on a separate sheet shall only be accepted if this sheet is stapled to the security.

5.6.1.13. The Bank may refuse, either with respect to one occasion or on a permanent basis, to accept securities that are denominated in a currency other than forint.

5.6.1.7. If the security also contains coupons (e.g. dividend coupons, interest coupons, etc.), then the handover/ acceptance of the security shall only take place if the complete set of the as-yet undue coupons are available and all of them are attached to the security.

5.6.1.14. The Bank shall be held harmless with respect to any damage that occurs to the Client's interests which arose in relation to the fact that a handover of securities, intended for direct implementation at one of the Bank's Sub-custodians, was rejected by the Bank's Sub-custodian in accordance with its own rules.

5.6.1.8. The Bank shall, as a principal rule, only accept those securities that it can forward to its Sub-custodians, KELER, or other central securities depository without any limitations. The Bank may refuse to accept any securities that do not meet this condition.

5.6.1.15. All deposited securities shall constitute the property of the depositor, and thus may be withdrawn from the deposit as desired. However, securities with respect to which the Client has a valid and ongoing order (e.g. a sale or transfer order), securities with respect to which, following execution of the order, settlement has not yet occurred, as well as securities serving as collateral may not be withdrawn from the deposit.

In the course of handover, the provisions of the Bank's regulations on the prevention of money laundering shall always be applied. The manner in which the value of the handed over securities is determined is described in the List of Conditions.

5.6.1.16. Only the Account holder, its proxy or the authorised person with disposal rights over the Account, duly registered in the manner required at the Bank, shall be entitled to accept physical securities released from the Consolidated Securities Account.

5.6.1.9. Upon handover of the securities, the Bank shall be entitled to charge the Client for its costs. The Client shall be entitled to pay the costs in cash at the Bank's cash desk at the time of handover, or the Bank may debit the amount from the Client's bank account or client account.

5.6.1.17. The date of debiting of the Consolidated Securities Account shall always be the day on which the securities are handed over for the Client. The Bank shall debit the Consolidated Securities Account indicated in the order with the securities handed over.

5.6.1.10. Any natural or legal person and any unincorporated entity, whether or not the holder of the account, shall be entitled to hand over the physical securities (prepared in the form of a certificate) to the Bank and to place them on the Consolidated Securities Account (securities custody account), provided that the holder of the securities account has sent a prior instruction to the Bank to accept the securities.

5.6.1.18. In the case of a collective deposit, the Bank shall, as a principal rule, release the physical securities (prepared in the form of a certificate) for the Client with a blank endorsement. The denominations of the released package of securities shall always be determined by the Bank, which, when doing so, shall consider the Client's request, but shall not be obliged to comply with such request.

5.6.1.11. In the absence of an express provision to the contrary in a legal statute or a contract between the Bank and the Client, the Client shall warrant that the securities handed over are free of litigation, encumbrances and claims, and that they are physically complete.

5.6.1.19. The handover may only be performed if adequate coverage is available on the account to be debited at the time of release. In the event of dispute, the Bank's records shall be accepted as correct and accurate, until such time as evidence to the contrary is presented. The burden of proof in such cases shall be with the Client.

5.6.1.12. With respect to the handover of securities at one of the Bank's Sub-custodians for the purpose of having

5.6.1.20. The Bank shall be entitled to refuse to physically release the securities, either in part or in full, if its Sub-custodians do not have the given securities in the appropriate denominations and/or quantities. The Bank shall not be held liable for any damage to the Client or to Client's sphere of interests attributable to the non-fulfilment, of the order for physical release of the securities for this reason, , assuming that the Subordinate holder of the deposit is not considered responsible under applicable law.

5.6.1.21. The fact that securities have been handed over shall always be recorded in a certificate of handover and receipt, and this certificate shall contain the name of the securities, their ISIN code (if any), their denominations, the number of securities and their serial numbers, and their total nominal value, as well as:

- a) in the case of acceptance by the Bank, the name of the beneficiary, the number of the securities account to be credited, and the name and address of the person handing over the securities, if different from the beneficiary;
- b) in the case of release by the Bank, the number of the attached interest or dividend coupons and the name of the person taking over the securities.

The certificate of handover and receipt shall be prepared in at least two copies, one of which shall be for the Client, the other for the Bank.

5.6.1.22. The Bank shall take up a protocol on the personal data of the person handing over forged or suspicious securities and on the circumstances of the handover and, within its own sphere of authority, it shall initiate proceedings with the competent authorities.

5.6.1.23. The person handing over the securities, or the person on whose behalf he is acting, shall not be entitled to receive payment for any securities that prove to be fake or to have been forged, and shall not be entitled to file any damage compensation claim against the Bank in relation thereto.

5.6.1.24. With respect to an attempt to hand over forged or suspicious securities with any of the Bank's Sub-custodians, the regulations of the given institution shall apply.

5.6.1.25. The Bank shall be held harmless in cases where the requirement that securities handed over be

free of litigation, encumbrance and claims, and that they be physically complete, is not fully met, and/or where these securities are under the effect of a blocking or destruction order, but where the Bank did not know of these facts and, based on the assumption that it proceeded with a reasonable level of care, could not have known of them. If there is any doubt in relation to the knowledge of the Bank in such cases, the burden of proof shall be with the Client. Should the Client, notwithstanding the examinations described in this section, acquire non-genuine securities, the Bank shall be held harmless for any damage suffered by the Client as a result.

5.6.1.26. The Bank shall undertake the safekeeping of securities pursuant to the Account Contract, and in return for the fees specified in the List of Conditions. Unless provided for otherwise in another individual contract between the Bank and the Client, in the case of safekeeping, the Bank shall not carry out any deposit-management (custody) services related to the assertion of rights and the fulfilment of obligations based on the securities. Accordingly, the Bank shall not redeem coupons, it shall not represent the Client in respect of his legal membership, ownership or creditor position, and shall not be obliged to provide any information or take any measures in relation to the loss of value embodied in the given securities or with respect to their legal situation.

5.6.1.27. In the event that securities held at the Bank for safekeeping are destroyed or damaged, it shall pay the costs of the physical re-printing of the securities.

## 5.6.2. Custody

5.6.2.1. 5.6.2.1. After concluding a custody contract, the Bank shall, if necessary or upon the request of Client – in the latter case it shall charge the fee set forth in the List of Conditions –, open a securities sub-account for the Client under the Bank's securities account kept with KELER, with another securities settlement system or with the Bank's Sub-custodians.

5.6.2.2. The Client may give his orders to the Bank in writing, by fax, or via an electronic channel (Spectra, SWIFT, BusinessNet Securities) in keeping with the General Business Conditions and the relevant provisions of these Business Terms.

- 5.6.2.3. The Bank shall accept incoming transfers via KELER or its Sub-custodian contacts, or via its securities nostro contacts. The Bank may execute the transfers through its Sub-custodians as well as through its foreign securities nostro contacts.
- 5.6.2.4. Unidentifiable and/or erroneous transfers shall be returned by the Bank, within five banking days, to the Consolidated securities account from which the transfer arrived.
- 5.6.2.5. The Bank credits the incoming transfers to the consolidated securities account at the value date with which the institution receiving the transfer credited the Bank's Consolidated bank account kept with the institution, except in the case when the Consolidated securities account has not yet been opened as of the crediting date. In this latter case, the credit date shall be the date on which the securities account is opened.
- 5.6.2.6. As a general rule, the partial fulfilment of transactions due to lack of adequate coverage is not possible. The Bank shall not be liable for any damage incurred by the Client or its interests that originates from orders that cannot be fulfilled due to lack of adequate coverage.
- 5.6.2.7. The Bank shall, based on the account statements issued by KELER (i.e. the electronic confirmations that arrive through KELER's KID system) for each account movement (debit, expiry, credit) and on notices received from its Sub-custodians, shall inform the Client in the manner of managing the deposit as defined in the contract (in a letter, fax, SWIFT message or by electronic means) on each movement that occurs on the Consolidated securities sub-account.
- 5.6.2.8. The debiting or crediting of the Consolidated securities account may, depending on the Client's instruction, occur without payment or against payment.
- 5.6.2.9. The Bank shall take measures to collect the dividend, interest and other yields on the deposited securities owned by the Client and shall arrange for these sums to be credited to the Client's account.
- 5.6.2.10. In order to ensure that the Client may participate in the shareholders' meetings of the respective joint-stock company, or based on a special instruction given by the Client for some other reason, the Bank shall see to it that the Client (shareholder) is registered in the share book of the given company, and that the shares are blocked. Upon the Client's request, the Bank shall issue a certificate of ownership regarding dematerialised securities and a certificate of deposit with respect to printed shares. The Bank shall advise the company without delay of the certificate of ownership and/or deposit issued to facilitate the exercise of rights at the shareholders' meeting. The Client and his authorised representative (proxy) may not exercise their right of disposal over the securities until such time as the certificate of ownership and/or deposit is withdrawn, in lieu of any provisions made by the issuer.
- 5.6.2.11. The Bank may manage and use the Client's securities portfolio exclusively pursuant to the terms of the custody contract concluded with the Client.
- 5.7. Investment lending**
- 5.7.1. In the course of its investment lending activity, the Bank, in order to ensure the soundness and transparency of its loan placements, and in the interests of identifying, managing, monitoring and reducing the related risks, shall proceed in accordance with the provisions of its General Business Conditions for Private Customers and for Corporate Customers. Pursuant to the General Business Conditions for Private Customers and for Corporate Customers, the Bank shall grant a loan only in the event of a positive credit appraisal. The Bank shall only grant an investment loan to persons whose risk-bearing capacity it deems adequate, and who possess a free limit for this purpose at the Bank. The amount of the loan may not be higher than the approved limit.
- 5.7.2. The risk associated with an investment loan is that in the event of unfavourable capital-market price movements, besides the financial instrument serving as collateral for the loan, the Client will have to provide additional collateral for the Bank.
- 5.7.3. The securities purchased with the loan shall serve as a collateral deposit for the Bank, without the need to conclude any additional contract to this effect in case of non-Consumer Clients.
- 5.7.4. An investment loan may not be extended
- a) for the purchase of shares issued by the Bank,
  - b) for the purchase of shares issued by a joint-stock company wholly owned by the Bank, or

- c) to companies in which the Bank has a stake of ten percent or more.

5.7.5. The Bank is obliged, throughout the term of the loan, to require that the collateral deposit be continuously augmented in line with any fall in the market price of the financial instrument involved in the transaction. If the Client does not fulfil his obligation to augment the collateral deposit – in the event that it falls below the level stipulated in the contract – within at most seven banking days, the Bank shall be entitled to terminate the contract with immediate effect.

#### 5.8. Deferred financial performance

5.8.1. Pursuant to its own internal regulations, the Bank may grant the possibility of deferred financial performance to Clients who have an appropriate rating (risk-bearing capacity) and a free limit at the Bank.

5.8.2. Deferred financial performance may only be granted for such transactions of the Client where the Bank is acting under a permit to conduct activity specified in Bszt. § 5, Section (1), Subsection b), and if, at the time of the offering of securities, the Bank is acting as the authorised representative of the subscriber of the securities, or if the Bank is participating in the arrangement of a securities issue. In the case of deferred financial performance granted for subscription, the Bank shall perform the Client's payment obligation at the time it falls due, to the separated custody account.

5.8.3. The period of deferred financial performance may be at most fifteen days from the due date of the Client's payment obligations.

5.8.4. During the period of deferred financial performance, the full quantity of the purchased securities shall serve as collateral for the Bank. In the case of deferred financial performance granted for the purchase of other financial instruments, the Bank shall be entitled to stipulate further sureties.

5.8.5. The non-fulfilment by the Client of his obligations related to deferred payment shall be deemed a gross breach of contract.

#### 5.9. Counselling and services related to the structure of capital, business strategies and related issues, as well as to mergers and acquisitions

5.9.1. The Bank, based on an individual contract concluded with the Client, shall be entitled to provide advice and services to the Client in the following areas:

- a) Advice and services in relation to corporate mergers, break-ups, and changes in ownership structure, both in respect of the Client's company and in respect of other companies designated by the Client,
- b) Advice in relation to, and assistance in the arrangement of, acquisitions of joint-stock companies.
- c) Counselling on capital structures, business strategies, and related issues

5.9.2. In respect of the services defined in point 5.9.1., the Client shall be obliged to prepare and/or provide information, data, statements and other compilations requested by the Bank, and/or to ensure that the Bank can obtain this information from the company that is the subject of the transaction.

5.9.3. The Client shall be responsible for ensuring payment of the agreed fee – which can be a one-off fee, a periodically payable fee, or an index-linked or success fee – to the Bank. Failure with respect to this obligation shall be deemed a gross breach of contract on the part of the Client.

5.9.4. Based on a contract concluded with a public bidder, the Bank undertakes the arrangement of public bids, pursuant to the conditions stipulated in the given contract.

5.9.5. The bidder and the Bank, as the distributor, shall accept responsibility in writing for the veracity of the contents of the report on the bidder's business operations. The declaration of the parties accepting responsibility shall contain a statement to the effect that the report on the business operations contains data and assertions that are true, and has not omitted any fact or information that is material in terms of judging the bidder and the purchase offer. Liability for the indemnification of any damages caused as a consequence of misleading contents or the omission of information shall be borne jointly and severally by the bidder and the Bank, as distributor.

5.9.6. The bidder shall compensate the Bank for all such damages, losses or costs that the Bank suffers as a consequence of the fact that the bidder did not supply appropriate data and information for the report on its business operations, and/or omitted information that was material in terms of the purchase offer.

- 5.9.7. The Bank shall be held harmless vis-à-vis the Clients accepting the offer in respect of late, or inadequate, financial performance on the part of the bidder.
- 5.9.8. The Bank, as the distributor and arranger of the acquisition of participation via a public purchase offer, shall:
- submit the purchase offer to the Supervisory Authority together with the bidder;
  - indicate in the purchase offer the places and mode of acceptance of the offer (proxy, collaborator);
  - formulate the conditions related to the arrangement of the purchase offer (cash and securities settlement with the Clients and the bidder);
  - only accept offers for the purchase of shares from those Clients – with the exception of institutional investors – who have a client- or bank account and a Consolidated Securities Account at the Bank, and where the given shares are on the Client's Consolidated Securities Account and/or securities custody account kept at the Bank;
  - only accept an offer of those shares that meet the conditions set out in the purchase offer; thus, for example, it shall accept physical (printed) shares only in the case of a blank endorsement; and
  - a condition for the acceptance to participate in the acquisition is that the Client sign the acceptance declaration.
- 5.9.9. In the case of that service, the Bank shall provide the service in accordance with the conflict of interest obligations according to Articles 38 to 43 of the Regulation.
- 5.10. Investment research and financial analysis**
- 5.10.1. Acting in its discretion, the Bank shall conduct investment analysis and financial analysis (hereinafter together: 'investment research') or draw up a marketing bulletin according to Section (2) of Article 36 of the authorisation of Commission (EU) Regulation 2017/565 (hereinafter: 'marketing bulletin'), publishing it or making it available to the Client by other means. The following shall not qualify as investment research: investment consulting; preliminary or subsequent information of the Client by the Bank provided according to legal regulations; and the making available of a marketing bulletin, which shall not prevent the Bank from referring to investment research disclosed by it in the course of providing such information. Where investment research is conducted, that fact shall be specified by the Bank.
- 5.10.2. The Bank may, in its discretion, determine which financial instruments, transactions, markets and issuers shall be the target for its investment research and marketing bulletin. Unless stipulated otherwise in the provisions of an individual contract, the Client shall not be entitled to demand from the Bank the preparation of investment research and/or marketing bulletin related to any financial instrument, transaction, market or issuer.
- 5.10.3. The Bank shall not be responsible for the consequences of the decisions made by the Client on the basis of investment research, financial analysis and marketing bulletin provided by the Bank (including in particular the profitability of the transaction, the failure of the expected market conditions and developments to occur, or the occurrence of unforeseen circumstances), and/or for eventual damages or lost profit the Client may incur as a result.
- 5.11. Investment advisory**
- 5.11.1. The Bank may provide investment advisory to those Clients who have a Consolidated Securities Account contract or framework agreement with the Bank. The following shall apply to investment advisory provided by the Bank:
- 5.11.1.1. in the case of natural person clients, it shall remain valid for 30 (thirty) calendar days, provided that it is not withdrawn by the Bank, and provided that there are no changes in the circumstances of the Client or with respect to the product
  - 5.11.1.2. in the case of other clients, it shall be valid for 5 (five) calendar days, provided that it is not withdrawn by the Bank.
- The previous investment advisory shall become invalid with the new investment advice issued during the period of validity of the investment advisory. The investment advisory provided in connection with derivative transactions by phone shall refer to the given transaction and shall be valid for the duration of the phone call.
- 5.11.2. The Bank shall provide investment advisory solely on a non-independent basis. The investment advisory provided by the Bank shall qualify as investment advisory provided on a non-independent basis as the Bank provides the availability of financial instruments selectively, i.e. it does not



provide all financial instruments, in the framework of services provided on the basis of these Business Terms. Moreover, it shall not provide regular evaluation in the framework of investment advisory, irrespective of whether the investment advisory takes place under a framework agreement. The Bank may offer financial instruments issued or offered by itself or by organisations in the Bank's corporate group or other organisations with whom the Bank has a distribution agreement. In that case, the Bank shall inform the client about the relationship between the Bank and the issuer. Since it provides investment advisory on a non-independent basis, the Bank may accept and withhold a fee, commission or other financial or non-financial remuneration which is provided by a third party in connection with the service provided to the Client, provided that it complies with the contents of Section (5) of Article 41 of the Bszt.

- 5.11.3. Prior to providing the service related to the investment advisory, the Bank shall perform the suitability test under Point 4.2.1. For financial instruments considered as non-suitable for the Client, the Bank shall refuse the conclusion and performance of a contract related to the investment advisory and it shall not offer such financial instruments to the Client.

In the framework of the investment advisory contract and on the basis of the investment advisory provided by the Bank, the decision related to the specific investment and risk undertaking shall be made by the Client. The Bank's sole responsibility shall include whether the advice provided by the Bank was appropriate and proper on the basis of the information provided by the Client in the suitability test and other written statements. In the framework of the investment advisory, the Bank shall act with reasonable care under the market circumstances, and shall not be responsible for the consequences of the Client's risk undertaking and/or investment decision.

The Bank shall not undertake an obligation of updating the investment advice provided on the basis of the contract.

- 5.11.4. Suitability report:

- In the case of providing investment advisory to a Client with retail client rating, the Bank shall

prepare a suitability report for the Client. The suitability report shall include the information specified in the Bszt. and the Regulation, including in particular the specific investment advisory and the manner in which it satisfies the preferences, objectives and other characteristic demands of the retail client with retail client rating.

- The Bank shall hand over the suitability report to the Client with retail client rating irrespective of whether or not the Client with retail client rating concludes a contract with the Bank on the basis of the investment advisory, and whether he provides an order to the Bank. If the suitability report was handed over to the Client with retail client rating, and the Client provides an order to the Bank or concludes a contract with the Bank on the basis of the investment advisory, it shall qualify as the Client having acknowledged the information in the suitability report.
- If the Client with retail client rating concludes a contract with the Bank or provides an order to the Bank on the basis of the investment advisory, the Bank shall hand over the suitability report to the Client with retail client rating before the implementation of the transaction, except as follows:
  - in the case of investment advisory provided in the framework of a telecommunication device, the telecommunication device applied does not always enable the Bank to hand over the suitability report to the Client with retail client rating before the conclusion of the contract or the provision of the order on the basis of the investment advisory. Therefore, the Bank shall provide investment advisory by a telecommunication device solely if it has obtained preliminary approval by the Client with retail client rating that the suitability report shall be handed over by the Client with retail client rating on a permanent data medium directly after the transaction, being aware that the Client shall not be obliged to otherwise provide an order/offer before getting acquainted with this report. The Client may provide this approval to the Bank generally, until further notice. If the Client intends to provide an offer/order via a telecommunication device, the provision of the offer/order shall also represent the confirmation of this approval with respect to the given Individual Transaction. The Client with retail client rating shall provide his approval with the following information and being aware of the following:

- a) the Client agrees that he shall receive the suitability report after the conclusion of the contract and the provision of the order with the Bank without unjustified delay, and
  - b) based on his choice, he is entitled to postpone the conclusion of the contract and/or the provision of the order with the Bank in order to receive the suitability report before the conclusion of the contract and/or the provision of the order.
- The Bank may also provide the suitability report provided after the transaction together with the confirmation.

## 5.12. Securities lending

- 5.12.1. The Bank may lend securities owned by it and the Client may participate as a commission-agent in the lending of the securities placed in custody at the Bank, or kept for the Client on the securities account, or Bank may conclude a securities-lending agreement with Client for its securities in its own accounts.
- 5.12.2. Securities may constitute the subject of a lending deal only if the right of disposal over the securities is not limited. Non-negotiable securities, securities negotiable to only a limited extent, or securities burdened with a pre-emption, purchase, surety and/or lien right may not be the subject of a securities lending deal. Printed, registered securities may only be the subject of a lending deal if supplied with a blank endorsement.
- 5.12.3. The Bank may only lend securities from its own account to Clients that have an appropriate rating (risk-bearing capacity) and a free limit at the Bank.
- 5.12.4. The ownership right of the lent securities shall be transferred to the borrower.
- 5.12.5. A securities lending contract may be concluded only for a definite period of time.
- 5.12.6. If the borrower of the securities is unable to return the securities upon maturity determined in the lending contract, in the case of indemnity, the minimum amount of financial compensation payable to the lender shall be based on the market price of the securities as of the day on which they were lent or on the day due, whichever is the higher.
- 5.12.7. In order for the securities placed in deposit by the Client or registered for the Client on a securities account to be lent by the Bank, it is necessary that a securities lending framework contract or a securities lending contract be concluded with the owner of the securities. The securities lending framework contract or securities lending contract may not be a part of another contract made between the owner of the securities and the Bank.
- 5.12.8. The securities lending framework contract or the securities lending contract must contain the following:
- a) The name, ISIN code and series of the securities that may be lent or that have been lent;
  - b) The quantity of the securities that may be lent or that have been lent;
  - c) In the case of a framework contract, the period of time during which the securities may be lent;
  - d) Any limitation with respect to the term (duration) of the securities lending, and/or the term (duration) of the securities lending;
  - e) The lending fee, and/or the fee due to the Bank;
  - f) Reference to the fact that during the term (duration) of the lending, the rights embodied in the securities and all associated rights may not be exercised by the lender;
  - g) and in the case of a stock, the borrower and lender must decide among themselves on which of them will exercise voting rights.
- 5.12.9. In the case of a securities lending framework contract, the Bank shall notify the owner of the securities of the fact that the shares have been lent, while indicating the quantity of shares lent and the duration for which they have been lent. If the Bank breaches the limits stipulated by the owner (lender) of the securities, it shall be fully liable for any damages caused by the breach.
- 5.12.10. The Bank co-operates as a commission-agent in the lending of the securities placed in deposit by the Client, and thus the legal relationship between the Bank and its Client shall be governed by the rules of the Ptk. on commission contracts. With respect to securities lending, matters not regulated in this section shall be subject to the rules of the Ptk. on money lending.
- 5.12.11. The Client acknowledges that, in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and

amending Regulation (EU) 648/2012, the Bank shall also have data provision obligation vis-à-vis the competent authority about the transaction qualifying as a securities financing transaction.

## 6. Effect of these Business Terms

The amended and codified version of these Business Terms shall enter into force on 27 September 2018 and shall be valid for an indefinite period of time. The provisions of these Business Terms shall also apply to matters in progress.

Budapest, 27 September 2018

UniCredit Bank Hungary Zrt.

## ANNEX NO. 1

**Reasons of the modification made by the Bank unilaterally to disadvantage of the Consumer Clients in case of agreements concerning investment services and ancillary services**

**a) Modification of the legal and regulatory circumstance**

- modification of any laws or other regulations obligatory for the Bank related to the Bank's activity, operational conditions or
- modification of the capital requirements
- regulations, recommendations issued by the Hungarian National Bank
- modification of the creditor's common charge payment obligation (e.g. tax)
- modification of the regulations regarding the mandatory reserve

**b) Modification of the market conditions and macro-economical environment**

- change of market-rates of the capital and money market
- change of the availability of financial funding sources
- increase in the yield of mid-/ long term (1y+) government bonds
- change of the National Bank's base rate, National Bank's repo interest-rate and National Bank's deposit interest-rate
- change of the yield environment of the interbank market
- change of the Bank's funding costs
- increase in the yield of the securities publicly issued by the Bank
- increase in the mortgage bond's yield issued by the UniCredit Jelzálogbank Zrt., or increase in the costs related to its issuance
- change of the country-risk spreads
- change of the liquidity-costs
- change in the official rate of consumer inflation published by the KSH (statistical office)

- relative shift in FXSWAP and other yield curves
- change in the official rate of unemployment
- change in personal costs

**c) changes to the conditions governing the Bank's operation and activities**

- alteration in the business policy of the Bank according to market conditions
- changes of the Bank's general operational costs
- changes of the additional risk interest
- changes of the risks or risk factors of a given customer segment or product group
- changes of the material expenditures of the services
- the development of the information technology
- additional costs and expenditures initiated in order to improve service quality
- modification of data protection services
- modification of the regulations of the Hungarian Act No. CXXXVI. of 2007 on the Prevention and Combating of Money Laundering and Terrorist Financing
- raise of the charges devolved by the Bank's partners concerning their services provided on contractual basis
- raise of the fees and charges linked to products and services provided by the Bank's Partners
- changes of the expenditures of the services incurred by contracts concluded by and between the Bank and third parties according to market conditions
- changes of the risks of the services implied in the contracts of the Bank
- changes of the legal transactions and devolved fees effected by third parties concerning their services provided on contractual basis
- changes in business conditions of post or telecommunication service providers
- changes in business conditions of service providers employed in marketing/promotional activities related to the Bank's products and services

A bank mindenhez,  
ami számít.



**UniCredit Bank**