

Summary presentation

1. Introduction

The Hungarian State Treasury (hereinafter referred to as: Distributor) is obligated to comply with the provisions of Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers and on the Regulations Governing their Activities (hereinafter referred to as: Investment Services Act), which are applicable for Section 3(4) of the Investment Services Act.

2. About the Distributor's Terms of Business

The Distributor's Terms of Business for Investment Services referring to its investment and ancillary services (hereinafter referred to as: Terms of Business) comply with the provisions of the Investment Services Act. The Terms of Business state the scope of investment and ancillary services provided by the Distributor according to the Investment Services Act; the rules of the conclusion, performance, amendment and termination of the contract; the conditions of the management of securities account and client account; the investor protection measures applied by the Distributor and confidentiality clauses.

3. Basic information about the Distributor

3.1. Essential information

Registered office: H-1054 Budapest, Hold u. 4.

Mailing address: Budapest, P.O. Box 1909

Central telephone number: +36-1-327-3600

Central fax number: 266-3869

E-mail address: via the Distributor's website www.allamkincstar.gov.hu/email

3.2. Contact forms and language: as regulated by the effective contracts between Distributor and Client, and the Terms of Business.

4. About the rules of operation and activity

4.1. Executing orders

The Distributor executes orders according to the Terms of Business solely in line with the client's firm instructions; this means the Distributor does not apply the "best execution" (on terms most favorable to the client) principle in this area.

4.2. Post-execution notifications to the client

The Distributor shall inform the client about details of executing the orders immediately after the order has been executed as part of its investment service activity, in writing or, depending on the client's prior consent, through other durable media*.

The transaction confirmation sent by the Distributor after the order executed as part of its investment service activity shall contain the following information:

- name of the Distributor
- the client's name and securities account number
- the trading day
- the time of execution of the order
- type of the order
- name and identification number (ISIN number) of the financial instrument
- whether buy or sell
- nature of the order if other than buy/sell

* *durable data medium*: a device which allows the client to store the data addressed to the client for a long term, for a time appropriate for the purpose of the data and to display the data stored in unchanged form and with unchanged content." Such are the WebKincstár, MobilKincstár, and e-mail at the Distributor.

- quantity of the financial instruments
- price of the trading unit of the financial instruments, stating trading units as well
- total cost
- total amount of the commissions, fees and other expenses charged by the Treasury to the client and, where the retail client expressly requests so, an itemized breakdown by legal title
- the client's obligations related to settlement of the transaction, including time limit for payment, account numbers and other information required for the settlement.

5. About legal provisions on client classification

- 5.1. The client classification system established by the Investment Services Act stipulates that a given client must be classified into one of the following three categories, depending on the client's market situation and investment experience.

Retail client

Professional client

Eligible counterparty

These client categories are associated with different degrees of the advising obligations and other investor protection requirements. Retail clients receive the most comprehensive information.

- 5.2. About changing the client classification

According to the applicable provisions of the Investment Services Act, the client may request any time to be reclassified from eligible counterparty to professional or retail client, or to be reclassified from professional client to retail client, either with general effect or for certain transaction types. Retail clients may be reclassified as professional clients solely if the conditions in Section 49 of the Investment Services Act are met. Application of rules governing eligible counterparties may be requested solely by businesses and institutions qualifying as professional clients which meet the provisions of Section 51(1) of the Investment Services Act.

6. About risks of various transactions

The Distributor offers the investment and ancillary services under the Investment Services Act, primarily for resident clients in connection with debt securities issued by the Hungarian State, as listed in the Notice from time to time.

The Distributor has no knowledge of risk factors related to government securities.

7. Pending agent employed by the distributor

Name: **Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt.**

Registered address: 1123 Budapest, Alkotás u. 55-61

Prime number at Central Bank of Hungary: 12217595

Type of distributor: agent by Investment Services Act (**acquiring intermediary**)

Name: **Fundamenta-Lakáskassza Pénzügyi Közvetítő Kft.**

Registered address: 1123 Budapest, Alkotás u. 55-61

Prime number at Central Bank of Hungary: 12402502

Type of distributor: agent by Investment Services Act (**acquiring intermediary**)

Name: **Magyar Posta Zrt.**

Registered address: 1138 Budapest, Dunavirág u. 2-6.

Prime number at Central Bank of Hungary: 10901232

Type of distributor: agent by Investment Services Act (**entitled to enter into a contract**)

8. Incompatibility policy of distributor

The Distributor ensures that the principles and frameworks, promoting the identification and management of conflicts, are defined in order to comply fully with the requirements of the applicable law. Conflicts of interest arise, where is a conflict of interest between the interests of certain persons associated with the Distributor or the Distributor and the obligations of the Distributing Customer; or if it is incompatible with the interests of two or more customers to whom the Distributor has an obligation.

Taking into consideration the interests of all customers of the Distributor, it defines remuneration policies and practices in accordance with appropriate internal procedures to ensure, that customers are treated equitably and that their interests are not harmed by the Distributor's short-, medium- and long-term remuneration practices.

Some cases of conflict of interest and the detailed rules for handling them, are contained in the Distributor's Incompatibility Policy, which is part of its Terms of Business in Appendix No. 5.

9. Incurring costs

The Distributor is entitled to charge a commission or fee for the client's investment service activities and other services. Costs incurred in the performance of the service beyond the standard rate, in particular postage, legal costs, negotiation and mission expenses, administrative costs and fees, shall be borne by the customer.

The Distributor publishes the commissions / fees / other costs and the amount of fees charged by it in the relevant Announcement (Appendix 2. to the Terms of Business) and provides it to the customer under its regular obligation to provide information.

The Treasury receives commission, fees and other costs related to the service activity defined in the Terms of Business, published in Announcement, by charging the customer account.

10. Distributor's commissions arising from government securities distribution

The Distributor is solely contributing in the distribution of government debt securities issued by the Hungarian State, by context of investment services and ancillary services activities according to Investment Services Act. The distributor's commission for this activity of the Distributor is entitled only from the Government Debt Management Agency Ltd.

Detailed information on distributor fees for individual government securities is provided in the Terms of Business in 2/a. Appendix.

11. Guide of data protection

The scope and the range of the data managed by the Distributor, as well as the Investment Services Data Management and Data Security Information are contained in the Terms of Business and its Appendix No. 9.

The name and connection of the data protection officer of the Treasury:

Name: Dr. Dobai Bálint

Connection: Postal address: 1909 Budapest

E-mail address: adatvedelem@allamkinostar.gov.hu

12. About exceptions arising from the special legal status of the Distributor

With consideration of the Distributor's special legal status, the Distributor applies the provisions of the Investment Services Act solely to its activity carried out under Section 76(2)(c) of Act CXCV of 2011 on Public Finance (hereinafter referred to as: Public Finance Act), with the exceptions laid down therein. The Distributor is obligated to apply the provisions of the Investment Services Act with the exceptions laid down in Section 3(4) of this Act; in particular, it shall advise the client about the following particularities:

- 12.1. The Distributor is entitled to provide investment and ancillary services not under a license from the Supervisory Authority of the Central Bank of Hungary (hereinafter referred to as: CBH or Supervisory Authority), but under Section of Public Finance Act, within the scope defined therein.
- 12.2. The Distributor does not fall within the licensing, supervisory, and action competence of the Central Bank of Hungary.
- 12.3. The Distributor is not subject to the provisions of the Investment Services Act on capital and personal conditions.
- 12.4. The Distributor applies other risk management rules than those of the Investment Services Act.

Effective from: 8th January 2024.

Hungarian State Treasury