



Investment Service General Terms Of Business

Effective from: 8th January 2024.

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I. GENERAL PROVISIONS

1. LAWS AND PROVISIONS RELATING TO THESE TERMS OF BUSINESS

In respect of investment services the following, major laws relating to The Hungarian State Treasury (hereinafter referred to as: Treasury):

- Legislative Decree No 11 of 1973 promulgating in the Hague Convention of 5 October 1961 on the non-authentication (over-authentication) of diplomatic or consular documents for use abroad (hereinafter referred to as the Hague Convention),
- Act XLIX of 1991 on Bankruptcy Proceedings, Liquidation Proceedings and Members' Voluntary Dissolution
- Act LXVI of 1992 on recording the citizens' personal data and address (hereinafter referred to as: Personal Identification Act)
- Act CXVII of 1995 on Personal Income Tax (hereinafter referred to as: Income Tax Act)
- Act XXXI of 1997 on the Protection of Children and the Administration of Guardianship (hereinafter: Gyv Act),
- Act C of 2000 on Accounting (hereinafter referred to as: Accounting Act)
- Act LXII of 2001 on Hungarians Living in Neighboring Countries
- Act XCIII of 2001 on the cancellation of foreign exchange restrictions and on the amendment of certain related acts
- Act CVIII of 2001 on certain issues of electronic commerce services and information society services
- Act CXX of 2001 on the Capital Market (hereinafter referred to as: Capital Market Act)
- Act CLVI of 2005 on the self-invested personal pension accounts (hereinafter: "NYESZ Act")
- Act CLXXIV of 2005 on start-up support for young people. (hereinafter: the Fetam Act),
- Act V of 2006 on public company information, company registration and winding-up proceedings (hereinafter referred to as: Company Act)

- Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (hereinafter referred to as: ISA)
- Act LXXXV of 2009 on the provision of payment services. Act (hereinafter referred to as: Pft),
- Act XXXVIII of 2010 on Probate Proceedings (hereinafter referred to as: PP Act)
- Act CXII of 2011 on Informational Self-determination and Freedom of Information (hereinafter referred to as: Info Act)
- Act CXCIV of 2011 on Public Finance (hereinafter referred to as: Public Finance Act)
- Act CXVI of 2012 on Financial Transactions Tax
- Act V of 2013 on the Civil Code (hereinafter referred to as: Civil Code)
- Act CCXXXVII of 2013 on Credit Institutions and Financial Undertakings Act (hereinafter referred to as the Hpt),
- Act XXXVII of 2013 on certain rules of international administrative cooperation on tax and other public charges. (hereinafter Act),
- Act XXV of 2023 on Complaints and Public Interest Disclosures and Rules Related to Reporting Misconduct
- Act CLXXVII on 2013 about the temporary rules and details of the Act V of 2013 on the Civil Code getting into force
- Act CL of 2016 on general administrative regulation
- Act CXXX of 2016 on Code of Civil Procedure
- Act LII of 2017 on implementation of restrictive measures imposed by the European Union and the UN Security Council relating to liquid assets and other financial interests
- Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing (AML)
- Act LXXVIII of 2017 on Attorney Activity
- Act LIV of 2018 on the protection of business secrets

- Government decree No. 149/1997. (IX.10.) on Guardianship Authorities and Child Protection and Guardianship Procedures
- Government decree No. 284/2001 (XII. 26.) on the methods of producing, transmitting dematerialized securities, the relevant security rules and on the opening and keeping of securities account, central securities account and client account (hereinafter referred to as: Government decree No. 284/2001 (XII. 26.))
- Government decree No. 285/2001. (XII.26.) on Bonds
- Government decree No. 286/2001. (XII.26.) on Treasury Bonds
- Government decree No. 22/2008 (II.7.) on the mandatory elements of the general terms of business issued by business organizations engaged in the provision of investment services, ancillary investment services and commodity exchange services (hereinafter referred to as: Gov. decree)
- Government Decree No. 82/2010. (III. 25.) on methods of calculating deposit rates and securities yields
- Government decree No. 368/2011 (XII. 31.) on the Implementation of the Act on Public Finances
- Government Decree 205/2023 (V. 31.) on the Differing Application of Act LII of 2018 on Social Contribution Tax During a State of Emergency
- MNB Decree No. 35/2017. (XII. 14.) on the Execution of Payment Transactions
- MNB Decree No. 36/2015 (IX. 24.) on the method of generating login ID and password for securities registration accounts, client accounts and the related data supply, and on the mandatory substantive elements of the regulation specifying data security requirements (hereinafter referred to as: MNB Decree)
- REGULATION (EU) No 648/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 4 July 2012 on OTC derivatives, central counterparties and trade repositories;
- REGULATION (EU) No 909/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012;

- REGULATION (EU) 2015/847 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006;
- REGULATION (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46 / EC (general data protection regulation, hereinafter referred to as - GDPR)
- COMMISSION DELEGATED REGULATION (EU) 2017/565 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

Definitions used in these Terms of Business:

Sales: such activity under which based on the sales contract the seller (Treasury, or client) is required to transfer the right to the buyer (client, or Treasury) to own the security and to transfer the security into the possession of the buyer, and the buyer is required to pay the price according to the conditions recorded in the contract.

Denomination unit: the smallest unit of security series determined by the Issuer, which embodies individually the rights and obligations included in the security.

Allocation: a procedure in case of oversubscription, and if there is over demand upon closing the auction during which the Issuer and Distributor decides based on predetermined allotment principles about the acceptance rate of individual subscriptions and auction offers.

Tap issue: a method of offering debt securities to the public where within its framework the underlying securities of the same maturity are sold within a time frame designated by the issuer.

Tax authority: National Tax and Customs Administration

TAX ID number: A 10-digit personal identification number established by the Tax authority for tax registration purposes.

Apostille: consular, foreign or diplomatic authentication of documents according to the Hague Convention (*Apostille Convention*).

Government security: any debt security issued by the Hungarian state The list of government securities that are marketable by the Treasury can be found in Appendix 2.

State Treasury Office (hereinafter referred to as: STO): organizational units called State Treasury Office and State Treasury Bureau of the Treasury listed in Appendix 1 of these Terms of Business.

Customer service offices engaged in distribution of government securities: STO and point of sales for government securities.

Permanent personal identification document: the personal identification document defined in Section 5(21) of the Personal Identification Act - except for Nytv. Section 29/E. (2) determined - with a valid date and storage element appropriate for the publicly certified electronic identification of the client as per Section 29(1) of the Personal Identification Act.

Immediate Payment System (hereinafter referred to as "IPS"): 35/2017 on the execution of payment transactions. (XII. 14.) MNB Decree for the management of immediate transfer orders.

Interbank Clearing System (hereinafter referred to as: ICS): the payment system conducting the settlement of domestic HUF transfers and debt collections, operated by GIRO Zrt.

Investment service activity and ancillary service: activity defined in Section 5(1) and (2) of ISA.

Investment firm: the firm which provides investment service activities, or performs investment activities based on its authorization granted under ISA, to third parties, in return for consideration, within the framework of its regular economic activity, also meaning the credit institution providing investment service, but not including those determined under Section 3 of ISA. With regard to the Government Debt Management Agency Private Company Limited by Shares, as well Hungarian State Treasury the provisions for investment firms shall be applied with the exception of Section 8, Section 13, Section 17(3)–(5), Section 20/A-20/B, Section 22, Section 24-24/G, Section 26/A, Sections 27–31, Sections 37–39, Sections 97–107, Sections 110/A-110/Q, Section 121, Section 123(8)–(9), Section 123/A, Section 124–141, Section 155–175 of the Investment Services Act.

Investor: the person who risks, and makes his or other's money or other property partly or fully dependent on the effects of capital market based on the contract signed with the Treasury or other investor.

Domestic child: VII. For the purposes of Chapter, a Hungarian citizen residing in the territory of Hungary shall be deemed to be a domestic child until the age of 18.

Domestic parent: VII. For the purposes of Chapter, a domestic parent is a child's parent entitled to family allowances or another legal representative entitled to family allowances, or a child protection guardian providing legal representation for a foster child.

Legal Capacity: a person's capacity to make valid declarations with legal effect by his own will, and acquire rights and undertake obligations by his own acts. Any person whose capacity to do so is not limited by the CC or a final and binding decision of court placing him under conservatorship affecting legal capacity has legal capacity.

Incapacitated:

- the minor, who is below 14 years of age,
- the minor who passed the age of 14, who is classified otherwise to limited capacity based on its age, but was placed under conservatorship by final judgement of the court,
- the adult, who is placed under conservatorship fully limiting capacity by a final judgement of the court,
- the adult, who is placed under conservatorship fully limiting capacity by a final judgement of the court,
- the person who – even without being placed under conservatorship – due to its incapable status, is completely missing the necessary ability to discern for handling its affairs.

Person full of age with partially limited legal capacity: Person placed under conservatorship with such effect by court following 15 March 2014. That adult is placed under conservatorship partly limiting the capacity by the court, which – due to its mental disorder – permanently or periodically reduced largely its necessary ability to discern for handling its affairs, and due to this – taking into consideration its individual circumstances, as well family and social relationships – placing under conservatorship is reasonable.

Dematerialized security: an electronic instrument identifiably containing all material information of the securities, which are recorded, transmitted and registered electronically as defined in the Capital Market Act and in specific other legislation, where the name of the owner, and the data providing the unequivocal identification is included in the security account.

Dematerialized security owner: the client – unless proven otherwise – on whose account the security is registered.

Resident and non-resident: the person defined in Section 5(1) 30-31 of the Capital Market Act, that is:

Resident

a) the natural person who has, or is entitled to have a valid official certificate to prove personal identity issued by the competent Hungarian authority,

b) a company or organization established in Hungary, including the independent enterprises of foreign nationals in Hungary (private entrepreneurs and self-employed individuals),

c) the owner, executive officer, supervisory board member and employee of the company or organization specified in paragraph b), acting in their official capacity, in respect of their legal transactions and other actions performed in the name and behalf of the company or organization if, pursuant thereto, the company or organization acquire a right or incurs an obligation, shall qualify as a resident even if otherwise construed as a non – resident,

d) the Hungarian branch of a foreign – registered company, not including free zone companies,

e) representative offices in foreign countries;

Non-resident

a) a natural person who does not have a valid personal identification document issued by the competent Hungarian authority and is not entitled to hold one,

b) a company and organization, regardless of its legal form, if established abroad, and the branches of resident companies and organizations operating abroad,

c) the representative office of a non – resident in Hungary,

d) free zone companies,

e) the Hungarian branch of a foreign registered company, if the branch has been established or is operating in a free zone.

Individual contract: a contract signed for a one-off transaction based on the framework contract between the client and the Treasury.

Way of electronic means: electronic contact address recorded in the contract – e-mail, which can be applied both for sending and receiving official mailings from and to the Treasury.

Electronic channel: WebKincstár, MobilKincstár and TeleKincstár.

Terms of use for securities distribution through electronic channels (hereinafter referred to as: Terms of Use): Document containing the terms and conditions of using WebKincstár, and MobilKincstár as well as TeleKincstárservice for securities distribution.

Electronic identity card (hereinafter referred to as: e-card): a permanent identity card containing a storage unit, a storage element (chip). The storage element contains all personal data and document information electronically, which is visually displayed on the permanent identity card. The storage element may - in addition to these data - include the fingerprint of the citizen, the data required for the creation of the electronic signature and the signatory's certificate, the social security and tax identification number, the electronic identifier of the identity card and a maximum of two emergency phone numbers.

Eligible counterparty: the client defined in Section 51(1) a)-d) of the ISA.

Clearing house: specialized institution engaged in the provision of services related to the settlement and execution of transactions entered for financial instruments on the stock exchange, OTC or on organized markets specified by a separate law.

Point of sales: any branch of the STO and any customer service offices engaged in distribution of government securities in any district or municipality in which the Treasury conducts government security vending activities.

Security: a unilateral statement of rights which embodies the right contained therein as a paper document or otherwise established, recorded, registered and transmitted as a

paper document (dematerialized security) by exercising that right only in the possession of the security.

Security issue date: if issue is by subscription, it is the start date of interest-bearing; for continuous issue, it is the date of sale, while in other cases, it is either the sale date or the date specified by the Issuer.

Securities code: the ISIN (International Securities Identification Number) number for identification of the securities series.

Securities depository account: an account held for the client to record securities received for custody from the client.

Safekeeping of securities: the Treasury's receipt of the securities for custody, their recording and release according to the owner's instructions.

Custody of securities: the Treasury's safekeeping of securities, interest, dividend, yield, repayment collection and provision of other related services.

Securities registration account: a main account managed by the Treasury for the client, which includes the securities account, the securities depository account, and the client account as sub-accounts.

Securities registration account number: a registration number of 8 numeric digits which is the number of the securities account contract, or, in the case of authorized signatories, the unique ID number issued by the Treasury to such party.

Current account number for the securities account: the 3x8 digit unique GIRO account number of the securities account which may be indicated as an account number when the cover for the HUF-based securities investments is provided by bank transfer.

Securities series: total quantity of identically produced securities issued at a given time representing the same rights, or total quantity of securities issued at different times representing the same rights at a later time.

Securities account: record of the dematerialized securities and related rights held for the owner of securities.

Securities secret: All data and information available to the Treasury about the clients, relating to their identity, data, assets, business investments, finances, ownership, and

business relations, and their contracts with the Treasury, and to the balance and activity on their accounts.

Supervisory COMMISSION DELEGATED REGULATION (EU) 2017/565 Magyar Nemzeti Bank / Central Bank of Hungary (hereinafter referred to as: MNB) acting in its role as supervisory authority of the system of financial intermediaries .

Issue: the procedure aimed at creating ownership of the securities for the first time.

Distributor: the Treasury, as the party collaborating in the issue of the securities.

Conservator: the person assigned by the court of guardians to the person placed under conservatorship affecting legal capacity by court, or assigned by the notary public to enforce the claims in the estate.

Ward: the individual aged 18 placed under conservatorship by court order i.e. an individual of full age who is incapacitated, partially incapacitated, or having partially limited capacity.

Conservatorship: a procedure ensuring the protection of the ward's rights, during which the concerned person's actions are under supervision on account of the person's reduced or complete lack of ability to discern caused by the person's mental disorder, and, unless otherwise provided by the law, solely the conservator may make any legal representations which refer to the ward.

Guardian: caretaker, tutor of a child under guardianship pursuant to the Guardianship Authority's decision, manager of the child's assets and the child's legal representative. A minor not under parental custody shall be under guardianship.

Attested translation: a translation legalized by the Hungarian Office for Translation and Attestation or by the competent diplomatic missions.

Debt securities: any security under which the Issuer (debtor) acknowledges that a certain amount of money has been made available to it and commits itself to pay or execute the amount of money (loan), and, in the case of interest-bearing securities, its interest or other return calculated in a specific manner (hereinafter together referred to as: interest), and other services undertaken by it, to the holder of the security (creditor) at the time and in the manner specified.

Relative: A person defined in Section 8:1(1) 1 and 2 of the CC, such as a close relative, a partner, a spouse of a straight-line relative, a straight relative of a spouse and a sibling, and the spouse of a sister.

InterGIRO2 System (hereinafter referred to as: IG2): the system conducting HUF transactions during the day.

Temporary personal identification document: the personal identification document issued in accordance with Section 5(22) of the Personal Identification Act with a set valid date.

Certificate of residency: a certificate issued by the state which is in the closest relationship with the natural person in terms of taxation.

Institutional investor: institutions which manage assets collected from investors for a predetermined purpose as a collective portfolio, with the purpose of return/risk optimization according to the investment strategy established on the basis of purpose of use. The category of institutional investors, according to the legal regulation of Section 5(1)60 of the Capital Market Act, includes: credit institutions, financial undertakings, investment firms, collective investment schemes, investment funds, insurance companies, voluntary mutual insurance funds, private pension funds, employers as pension providers, health insurance entity and the pension insurance entity in charge of managing the Pension Insurance Fund, and any non-resident deemed as such as of it's own right.

ISIN (International Securities Identification Number): the whole or combination of alphanumeric digits serving the identification of securities in which the same rights are embodied or stock exchange products, issued by the central depository.

Subscription: unconditional and irrevocable statement of an investor intending to acquire the securities in the course of a securities issue, whereby the investor accepts the offering and undertakes an obligation to execute consideration for it.

Password: serves for client authentication when using an electronic channel. A series of characters granting one-time access, entered electronically by the client's own hand or received on paper from the Treasury in a form which can be known only by the client, in the course of requesting electronic services.

Framework contract: an agreement for provision of investment services and ancillary services under these Terms of Business, to be made between the Treasury and the client, which generally regulates the legal relationship between the Treasury as a provider of

investment and ancillary services and the client; under the framework contract, the client and the Treasury may enter into several contracts for one-time transactions.

Issuer: the Hungarian State, which undertakes to perform in its own name the obligation embodied in the security.

Treasury Start Securities Account Manager:

- a) A credit institution specified in the Credit Institutions Act and an investment service provider specified in the Credit Institutions Act, which has entered into a contract with the Treasury to undertake the management of a Start Securities Account, and the Treasury;
- b) PIT TV. and Fétámtv. XCVII of 2012 on the amendment of in accordance with the law, in the case of an account opened after October 1, 2012, the Treasury.

Minor: the natural person who is below 18 years of age. A minor becomes a person of full age by marriage.

Person of full age with partially limited capacity: a person placed under conservatorship with such effect by court prior to 15 March 2014.

Close relative: the CC 8: 1st According to § 1, the spouse, the relative in the straight line, the adopted child, the stepchild and the raised child, the adoptive parent, the step-father and the foster parent and the brother.

Notary public: an official who issues official documents (notarized deeds) of legal transactions and facts of legal significance, retains documents, receives cash, valuables and securities with the authorization of the parties in order to hand them over to the recipient and assists the parties in connection with the procedures within his authority in exercising their rights and performing their obligations by providing information. The notary public also conducts probate proceedings and other non-litigation proceedings within his authority.

Public document: a paper-based or electronic document issued by court, a notary public, or another authority (including diplomatic missions of Hungary), or an administrative body, within their own function, in the prescribed form, adequately to legal directions. Official documents fully attest the actions or decision incorporated within them, as well as the truthfulness of data and facts attested to by the document, the fact that the representation incorporated in the document has been made, as well as its time and form.

Central depository: the term defined in Article 2 (1) (1) of Regulation (EU) No 909/2014, in Hungary KELER Zrt.

Central counterparty: a legal person acting instead the clients affected by contracts concluded on one or more financial markets and as such, acts as a buyer in relation to all sellers, and acts as a seller in relation to all buyers.

Agent: The Bszt. (B) a tied agent or investment firm within the meaning of Article 111, or any other intermediary they have used for the purpose of brokering investment services and ancillary services. (However, the latter may not transfer his mandate for mediation, nor may he use another mediator). Depending on its different contractual rights, an intermediary may be either

- a) an authorized intermediary or
- b) an acquiring intermediary.

The list of Mediators used by the Treasury is contained in Appendix 8.

Foreign child: VII. For the purposes of this chapter, a person living outside Hungary is considered a foreign child, who

- a) until the day of reaching the age of 18 of a Hungarian citizen registered by the registry office designated to register in Hungary
- b) a person of non-Hungarian citizenship up to the age of 18 who holds a "Hungarian identity card" issued on the basis of Act LXII of 2001 on Hungarians Living in Neighboring States, provided that the acquisition of Hungarian citizenship by deprivation of citizenship of the neighboring state of residence is prohibited under the law of the neighboring state's residence act.

Foreign parent: VII. For the purposes of this Chapter, a parent or other legal representative of a foreign child shall be deemed to be a foreign parent.

Retail client: the client not qualifying as a professional client.

Secondary ID: The ID assigned to the bank account in the AFR (email address, mobile phone number, or tax number / tax ID). With the knowledge of the ID, a transfer can be initiated without entering a bank account number.

Management without mandate: acting on behalf of another in a matter without being entitled to do so by mandate or otherwise.

Execution of instruction for a client: performance of an activity for conclusion of an agreement for buying or selling financial instruments for the benefit of the client.

MobilKincstár Service: the information and government securities trading system operated through a mobile phone application.

Public Offering: an offer for selling securities, made public to investors who are not predefined individually, which provides sufficient information about the terms of the offer and the security to enable the investor to make a decision about buying the security.

Public issue: an issue of securities which is not private.

Government securities produced by printing: a securities that has been produced in accordance with the relevant Government Decree on the securities rules for the production, handling and physical destruction of certain securities.

Self-invested personal pension account (hereinafter referred to as: SIPPA): a securities account, securities depository account, or cash account, which serves for encouraging pension savings to facilitate self-provision, as defined in Act CLVI of 2005 on the pre-retirement savings accounts and Section 3(76) of Act CXVII of 2005 on Personal Income Tax.

Hungarian Office for Translation and Attestation (hereinafter referred to as: OFFI): an organization performing certified specialized Hungarian translation of non-Hungarian documents. The Treasury only accepts translations made or certified by OFFI from its clients. The client must ensure the authentic translation of the documents into Hungarian by OFFI (both in the case of a citizen of a Member State of the European Union and a citizen of a third country) and hand them over to the Treasury upon opening an account.

Cash account: see client account.

Financial instrument: a concept defined in Section 6 of the Investment Services Act, regarding the distribution of government securities the government security itself.

PUSH message: the option for sending a confirmation messages required for the login to the WebKincstár web-based securities distribution system and the approval of transactions; by using PUSH messages the clients can enter with the immediate notification received on their mobile phone, or can approve the transactions initiated.

Authorized signatory: the account holder, the person entitled under law or power of attorney to act in representation of the account holder, or another person authorized by the account holder to give instructions about the securities account.

Proprietary trading: selling and buying or exchanging financial instruments, to be charged to one's own assets.

Serial securities: unless otherwise stipulated by the law, a security which embodies rights and obligations arising from the underlying legal relationship, while divided into several identical and equivalent parts (face value).

Regulated market: stock exchange and any other market of a European Union Member State which meets the requirements set out in Section 5(114) of the Capital Market Act.

Professional client: a client who qualifies as such pursuant to Section 48 of the ISA. The Treasury may reclassify the retail client to professional client – upon the client's explicit request – if it is able to meet at least two of the criteria prescribed by Section 49(1) of the ISA.

Account Managing Treasury Office: the STO, point of sales for government securities where the client signed its securities registration account contract with the Treasury. In the case of point of sales for government securities, the account manager is the resident State Treasury Office which manages the point of sales for government securities.

Personal identification document: the official certificate defined in Section 29(1) of the Personal Identification Act that is a publicly authentic proof of identity and the data specified in the Personal Identification Act.

Official certificate to prove personal identity: personal identification document, permanent personal identification document, temporary personal identification document, valid passport and driving license in card format, if they have not become invalid due to the expiry of validity or for any other reason.

Parental custody: the minor is either under parental custody or guardianship. The parent's supervisory rights include the choice of the child's name, taking care of and raising the child, determining the child's place of residence, managing the child's property, the right and obligation to act as the child's legal representative and the right of assigning or barring a guardian. The rights and obligations of the parents are identical in exercising parental custody.

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. In the course of contact with the Treasury, WebKincstár, MobilKincstár, and e-mail qualify as durable media.

Long-term Investment Account (hereinafter referred to as: long-term investment account): a securities registration account opened for managing long-term investments under a long-term investment contract according to Section 67/B of the Personal Income Tax Act that may be a bank deposit or a securities account. The Treasury opens and holds securities type long-term investment accounts.

TeleKincstár service: the Treasury's information and government securities trading system operated through phone lines, with participation of clerks.

Private document providing full evidence: pursuant to Section 196(1) of the Civil Procedure Act, a private document shall provide full evidence, until the contrary is proven, that the issuer made or accepted the representation included therein or accepted it as binding upon himself, assuming that one of the following conditions is met:

- a) the issuer wrote and signed the document with his own hand;
- b) two witnesses signed the document in witness of the fact that the issuer signed the document not written by him in their presence or acknowledged his signature in their presence as being his own signature – the document must also state the witnesses' domicile (address); In order to be certified, both witnesses must manually and legibly affix their name and home address along with their signature, in the absence of their place of residence.
- c) the issuer's signature or initials on the document are certified by court or a notary public;
- d) the person authorized to represent the legal person shall sign the document in accordance with the rules applicable to it;
- e) a barrister (solicitor) properly countersigning a document drafted by him attests that the issuer signed the document not prepared by him with his own hand, or acknowledged his signature in the barrister's (solicitor's) presence as being his own signature, or

f) in the framework of a service specified in a statute or a government decree, or a certified trust service used in a closed system, where the service provider assigns the document through the identity of the exhibitor to the exhibitor and assigns the order to the person, together with or legally justifying the data, with the clearly legible data of the exhibitor's signature; as well as the provider of the certificate of assignment to a clear person is included in an inseparable clause linked to an electronic document and, together with the document, provides at least an advanced electronic stamp with an certified time-marker.

The Treasury, unless otherwise specified, does not accept the Client's written and signed authorization in itself.

Legal representative: the parent, guardian, or guardian ad-hoc in the case of minors under 18 years, unless married with the Guardianship Authority's prior permission; the conservator or conservator ad-hoc in the case of wards.

Client (account holder): the natural person, legal entity or unincorporated business association (hereinafter the latter two together: organization) who/which enters into a valid securities account contract with the Treasury and to whom/which the Treasury offers investment services .

Client classification: classification of clients as specified in Sections 47 to 51 of the Investment Services Act, and Article II. 2.2.2 of these Terms of Business, and notification to the client about this fact, in line with the law.

Client account (formerly cash account): an account with limited utility for recording the client's funds, used exclusively for transactions related to services engaged in the course of ancillary services or investment services provided by the Treasury.

Business secret: pursuant to Section LIV of 2018 on the Protection of Business Secrets (1) of the Act, which is not readily accessible to persons engaged in economic activity, whether in their entirety or not as a whole or in the course of the economic activity concerned, thus having a value, information, other data and information about them, in order to keep it secret, the holder of the secret is in a position to behave normally in a given situation.

Business hours: the time open for official business as stated in Appendix 1 to these Terms of Business and announced on the website of the Treasury. (www.allamkincstar.gov.hu).

Terms of Business: These Terms of Business for Investment Services.

Executive officer:

- a) the executive officer – including the manager as defined in the Capital Market Act – and the supervisory board member;
- b) in the case of branches, the person appointed by the foreign-registered company to run the branch, and their deputy;
- c) any other person so designated by the articles of incorporation or any internal regulation governing the operation.

WebKincstár service: the Treasury's information and government securities trading system operated through the internet.

Sequestration: suspension of the right to dispose over a thing, valuable right, receivable, or financial instrument appointed under a contract by court.

Private issue: issue under Section 14(1) and (2) of the Capital Market Act.

Blocked securities account: the account manager shall transfer to a blocked sub-account all the securities which are encumbered with third-party rights by virtue of law, court order, administrative measure or contract, or if so instructed by the account holder.

2. GENERAL PROVISIONS REGARDING THE TERMS OF BUSINESS

These Terms of Business contain the general terms for the investment service activities defined in Section 5(1)a)-c) of the Investment Services Act and ancillary services defined in Section 5(2)a) of the Investment Services Act, performed in accordance with the authorization granted pursuant to Section 76(2)c) of the Public Finance Act, with consideration of the applicability of the Government Decree 22/2008/. (II.7.) and the specific legal status of the Treasury, in line with the provisions applicable to the activity performed by it.

When signing contracts which fall within the scope of the Terms of Business, both parties acknowledge and accept the provisions of the Terms of Business as being binding upon themselves. Provisions laid down in the Terms of Business are binding upon both the Treasury and the client without special provisos, but exception may be made to them with mutual accord, within the limits of the Hungarian law in force.

Matters not regulated in the contract made between the Treasury and its client shall be governed by the Terms of Business and schedules thereto, the Special Contract

Conditions for trading certain securities, while matters not regulated therein shall be governed by the applicable Hungarian laws in force from time to time.

The Parties shall expressly exclude the application of international private law conflict of law rules in respect of the law governing their legal relationship.

Under its service provided to its clients, the Treasury may enter into a framework contract or an individual contract.

For the purposes of the Terms of Business, the concept of buying and selling shall be interpreted as buying or selling by the Treasury.

2.1. PERSONAL SCOPE

Subjects falling within the scope of the Terms of Business shall include the Treasury, its clients and collaborators used legally in the course of executing the transactions. The business relationships between the Parties shall be based on mutual trust.

2.2. SCOPE OF OPERATION

The scope of operation of the Terms of Business shall extend to the performance of the investment service under Section 5(1)a)-c) and g) of the Investment Services Act and services ancillary to the investment service under Section 5(2)a) and b) of the Investment Services Act and acting as intermediary within this scope, provided by the Treasury to its clients under the authorization granted by Section 76(2)c) of the Public Finance Act, for debt securities issued by the state; to this activity and service, the Treasury shall apply the provisions of the Investment Services Act with the exceptions provided therein.

2.3. FORCE OF THE TERMS OF BUSINESS IN TIME

The Terms of Business shall enter into force on the 15th day following approval by the president of the Treasury and Disclosure according to Article I.2.4 of the Terms of Business, for an indefinite term.

Contracts made between the Treasury and its clients shall be governed by the provisions of the Terms of Business which were in force at the time of signing the contract, unless the client accepts application of the provisions of the amended Terms of Business. It shall be deemed as acceptance of the provisions of the amended Terms of Business if the client does not validly terminate the contract within 15 days (that day included) from the date of disclosure as described above.

If a provision of the amended Terms of Business differs from a contractual clause diverging from provisions of the Terms of Business which had been specially applied before between the Parties, such a provision shall become part of the contract solely if the other party has expressly accepted it after the Treasury's information advising about this fact.

2.4. DISCLOSURE OF THE TERMS OF BUSINESS

The Treasury shall disclose the Terms of Business – in the case of amendments, in a consolidated form restated with amendments – for information purposes 15 calendar days prior to the effective date, in the following manner: it shall post them in publicly open spaces of all customer service offices engaged in distribution of government securities and it shall make them continuously and easily accessible for clients on its website as below, allowing the clients to store them and retrieve them, and Treasury officers shall also advise the clients about them verbally.

The Treasury's Terms of Business are available on the Treasury's website at www.allamkinstar.gov.hu.

2.5. RULES FOR AMENDING THE TERMS OF BUSINESS

The Treasury expressly reserves the right and by accepting the provisions of the Terms of Business, the client acknowledges the Treasury's right to supplement the provisions of the Terms of Business when new investment and/or ancillary services are launched, and to unilaterally amend any provision of the Terms of Business, including all schedules thereto, in line with changes to the domestic and foreign money and capital markets, laws, official requirements, policies mandatory for the Treasury, in particular those of the policies of KELER Központi Értéktár Zrt. (hereinafter referred to as: KELER Zrt) or, when recognizing changes in money market practices or course of business, adapted to such changes. The Treasury notifies the Client about the modification of the Terms of Business, at latest on the 15th days following the entry into force in accordance with the publication rules specified in I. 2.4. of the Terms of Business. Where the client does not raise objections, does not protest against the change until the entry into force of the modification, it shall be taken as accepted. Where the client does not accept the modified Terms of Business, it is entitled to immediately terminate all of its contracts in force.

Where the modification of the Terms of Business, or its provisions is made necessary by the amendments in legislation or by a regulation that is compulsorily applicable by the Treasury, or by regulatory provisions, this (may) alter the contractual relationship between the Treasury and the client without any special act of the parties.

The Treasury explicitly draws the attention of the clients that the publication date of the Notice about the fees applied by the Treasury as an Appendix of the Terms of Business may precede the planned entry into force with less than 15 days, if the Notice is expanded with conditions which are relevant to such services that have not been provided by the Treasury before the modification, or they are affecting the scope of non-distributed financial instruments, and if the proposed modification does not result in adverse change for the client in respect of the charged fees.

2.6. APPENDICES OF THE TERMS OF BUSINESS

1. Contact Information and Opening Hours of the customer service offices engaged in distribution of government securities
2. Announcement of the fees applied
- 2/a. Distribution's commission risen from government securities
3. Pre-printed forms of the contracts
- 3/a. Special Terms and Conditions for government securities issued in EUR
- 3/b. Terms and Conditions for Electronic Channels
- 3/c. Guide for Payment via bank transfer and credit card.
4. Execution policy and venue of execution
5. Conflict of interest policy
6. Regulations related to complaints and public announcements
- 6/a. Complaint reporting form
7. Summary information
8. Outsourcing activities, employed agents
- 8/a. Post offices of Magyar Posta Zrt. involved in the distribution of dematerialized and printed Government Securities
- 8/b. Post offices involved in the distribution of printed government securities

9. Data Management and Data Security Bulletin of Investment Services
10. Documents necessary for account management for organizations

2.7. TEMPORARY PROVISIONS OF THE TERMS OF BUSINESS

The scope of Terms of Business covers all services, for which the transactions were concluded within the framework of the previously established contract, after the entry into force of Terms of Business, and for those transactions that were pending when the Terms of Business entered into force.

In the contracts concluded prior to entry into force of the Terms of Business, instead of the Security Terms of Business the Terms of Business for Investment Services, and for the cash account, the client account shall be meant. The client is entitled to terminate all of its contracts signed prior to the entry into force of the Terms of Business according to Item I.2.5. of Terms of Business, in such way, that the written termination statement shall be received by the Treasury at the latest on e day prior to the entry into force. The termination date is the date on which the relevant written statement is endorsed by Treasury.

3. THE LEGAL STATUS, THE ENTITLEMENT FOR THE EXECUTION OF ACTIVITIES, ACTIVITIES OF THE TREASURY

3.1. TREASURY LEGAL STATUS

The Treasury is a central budgetary institution under the control of the Minister responsible for Public Finance.

Taking into account the special legal status of the Treasury, according to Section 76(2)c) of the Public Finance Act the regarding the debt securities issued by the government the Treasury is only required to apply the instructions of the ISA given there with the below exceptions:

“Section 3(4): With the exception of Section 8, Section 12, 13, 16. Section 17(3)–(5), Section 20/A-20/B, Section 21. 22, Section 24-24/G, Section 26/A, Sections 27–31, Section 37-39, Sections 62-63, Sections 97–107, Sections 110/A-110/Q, Section 121, Section 123(7)-(9), Section 123/A, Section 124–141, Section 155–175, of the Investment Services Act, the provisions regarding investment enterprises shall apply

b) to investment service activities and ancillary services regarding debt securities issued by the state conducted by the Treasury.”

The Treasury shall apply the ISA with the restrictions of Section 3(4) of ISA mentioned above, and shall advise the client especially about the following particularities:

The Treasury is not entitled to provide investment and ancillary services based on the MNB permit, only pursuant to Section 76(2)c) of the PFA, exclusively within the scope defined therein.

The Treasury does not fall within the licensing and action competence of the MNB.

The Treasury is not subject to the provisions of the Investment Services Act on capital and personal conditions.

The Treasury is not required to apply the risk management rules of the Investment Services Act.

The Treasury is not required to apply the rules on complaint handling of the Investment Services Act, for the handling of the complaints it acts according to the regulation laid down in the appendix of Terms of Business.

Taking into consideration the special legal status of the Treasury, and the provided investment services and ancillary services and the narrow scope of financial instruments distributed by the Treasury, only the governing appendices 22/2008. (II.7.) are attached to the Terms of Business from Section 6(1) of the Government decree.

3.2. AUTHORITY TO CONDUCT ACTIVITY

Pursuant to 76(2)c) of the PFA, the Treasury is, in regards to debt securities issued by the state, entitled to provide the investment service activities defined in Section 5(1)a)-c) and g) of the ISA, and to provide the ancillary investment service activity defined in Section 5(2)a) and b) of the same, and to act as an intermediary, provided that for its activities and services the ISA shall be applied with the differences as set out in Section 3(4).

3.3. BREAKDOWN OF ACTIVITIES

Based on the contract signed by the Government Debt Management Agency Private Company Limited by Shares (hereinafter referred to as: ÁKK Zrt.) the Treasury takes role in the issue and distribution of government securities defined in item 3.5. of the current chapter, and in performing tasks of the paying agent and the main paying agent,

and the redemption tasks and safe keeping of certain printed government securities in the distribution by the Hungarian Post. The service activity of the Treasury is exclusively limited to the scope fixed in the referred legislation and accepted in the agreement signed with ÁKK Zrt.

The Treasury also carries out its investment and ancillary services through agents. The rules governing the provision of services by agents are set out in Section VII of the Terms of Business. List of agents, as provided in Section 8 of the Terms of Business of the Treasury at <http://www.allamkincstar.gov.hu/> and available at the government securities distribution customer service offices and agents offices.

3.3.1. The Treasury may provide the activities below subject to the Terms of Business:

Investment service activities:

- Receiving and transmitting client orders as set out in Section 5(1)a) of the ISA;
- Execution of orders on behalf of clients as set out in Section 5(1)b) of the ISA;
- Proprietary trading as set out in Section(1)c) of the ISA;
- Placement of financial instruments without any commitment for the purchase of instruments (financial instruments) as set out in Section 5(1)g) of the ISA;

Ancillary service activities:

- Safekeeping and administration of financial instruments for the account of clients, and the relating client account management as set out in Section 5(2)a) of the ISA;
- Safe custody services, and the relevant securities account management, in case of printed securities the administration of them and the client account management as set out in Section 5(2) b) of the ISA, with the exception of the management of a top-level (central) securities account as referred to in section A of Section 2 of the Annex to Regulation (EU) No 909/2014.

The activities specified hereinabove are carried out by the Treasury in accordance with the law applicable at the time.

3.3.2. The Treasury provides the following services and ancillary services within the framework of its activities:

Proprietary trading as set out in Section 5(1)c) of the ISA:

- buying and selling government securities;

Placement of financial instruments without any commitment for the purchase of assets as set out in Section 5(1)g) of the ISA:

- conducting the marketing of government securities acting as the place of the marketing activity;

Safekeeping and administration of financial instruments for the account of clients, and the relating client account management as set out in Section 5(2)a) of the ISA:

- securities account and client account management;

Safe custody services, and the relevant securities account management, in case of printed securities the administration of them and the client account management as set out in Section 5(2)b) of the ISA;

- securities depository account and client account management.

The Treasury within its scope of activities covered by the Terms of Business manages HUF and Euro-dominated assets, make the settlements with its clients in HUF and Euro.

3.4. SCOPE OF FINANCIAL INSTRUMENTS RELATING TO INVESTMENT SERVICE

The Treasury provides its investment service activities and ancillary services exclusively for the scope of state issued, debt securities from the transferable securities indicated in Section 6(a) of the ISA.

The activity of the Treasury, based on the PFA, covers those debt securities, which are shown in the prevailing effective Announcement.

3.5. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Within the scope the transferable securities the financial instruments affected by the currently provided investment services of the Treasury are the state issued debt securities, which are considered low risk financial assets.

3.6. MODIFICATION OF THE ACTIVITY, RULES FOR TRANSFERRING PORTFOLIO

The Treasury draws the attention of the client that the modification, limitation and withdrawal of the mandate for investment services and ancillary services can only take place through legislative changes. In this regard, the Terms of Business – beside the

scope of extraordinary notification, and the actions of the clearing house or the ÁKK Zrt. affecting the instructions of the client – does not contain the rules for commitment and risk taking according to Section 1(3)c) of the Gov. decree 22/2008. (II.7.) for the case of restriction and suspension of activity by the Supervisory Authority.

In case the legislative authorization for the investment service activity of the Treasury is modified (in particular the repeal of the authorization for the ancillary services according to Section 5(2)a)-b) of ISA) beside the immediate notification of the clients its registered investment portfolio shall be transferred based on the statutory stock transfer rules relevant to its activity.

In this case, the Treasury is required to inform its client about the method of execution of those orders that have not been executed yet, as well as on the possibility of cancellation of the contract.

The Treasury transfers the securities that have been deposited at the Treasury to the recipient for custody, and also transfers the portfolio of outstanding contracts. The Treasury takes care of transferring its securities account portfolio, and of transferring the client account receivables as well.

The Treasury is entitled to terminate the agreement that was contracted between the parties for a previously set future value date and was received by the Treasury in case the ÁKK Zrt., after it was received by the Treasury, suspended or terminated its issue, or distribution right for the given government security. The Treasury is required to inform the affected client about the fact and reason of the cancellation in writing within 1 working days.

The Treasury is entitled to suspend both the issuance and the proprietary trading activity for a fixed or indefinite period of time, as well as to determine the lower and upper value limit of the individual transactions. The suspension does not affect the execution of the valid contracts. The Treasury informs the clients about the fact of suspension according to the relevant publication rules of the Terms of Business 15 days prevailing the start of suspension.

4. OBLIGATIONS OF THE PARTIES, RIGHTS AND OBLIGATIONS OF THE TREASURY, EXCLUSION OF THE TREASURY'S LIABILITY

4.1. OBLIGATIONS OF THE PARTIES (CLIENT AND TREASURY)

The Parties are obligated to notify each other promptly in writing about changes in the material circumstances and facts related to the contracts made between them, and the

Parties are obligated to cooperate in the performance of the contract. Damages arising from neglect of obligations shall be borne by the negligent party.

The Parties warrant to each other that the securities delivered and made available by them are marketable and complete i.e. they contain all coupons which haven't expired yet and principal strips, and are free and clear of all liens, claims and encumbrances. The Treasury shall deem this warranty to be expressly made by the client unless the client advises the Treasury of the contrary when signing the contract.

The Customer shall not assign or place any order or transaction, shall not cause a situation that would result in uncovered and unenforceable settlement obligations due to the government securities account.

4.2. RIGHTS AND OBLIGATIONS OF THE TREASURY

The Treasury shall act with the reasonable care in the course of performing the contracts and other duties, and shall be obligated to comply with provisions of the laws and mandatory policies and regulations applicable to it.

In connection with securities registered on the client's securities account which is seized by court order and funds managed on the client account, the Treasury shall act in line with the provisions of laws and regulations as effective from time to time.

The Treasury is entitled to correct any amount or security credited or charged incorrectly in case of its own mistake i.e. to charge the incorrectly credited amount or security to the client's account or to credit the incorrectly charged amount, prior to the execution of any other transaction when recognizing such a mistake, without instruction from the client. If the cover on the account is insufficient for charging the incorrectly credited amount or security, the Treasury shall state a negative balance corresponding to the amount of debt. The Treasury is obligated to inform the client latest on the next business day in writing (by post or electronically), stating the cause, about its correction or attempted correction. In case of insufficient cover, simultaneously with this notice the Treasury calls the attention of the client to settle its debt to the Treasury, within the time limit stated in the advising communication, during which time the Treasury will block the securities required for collateral or free cash on the account. During this term, the Treasury undertakes an obligation to engage into negotiations at the client's request. If in spite of the above the client fails to settle its debt, the Treasury may charge default interest at the rate specified by the Civil Code,

starting from expiry of the time limit for payment until the date of payment, and shall take any action necessary to enforce the claim.

In the case of exceeding the sales limit related to the given security by the client, the Treasury is entitled to forcibly sell government securities exceeding the sales limit at the prevailing selling price at the time of purchase of the relevant securities.

The Treasury is entitled to use agent according to ISA Article 111 §. (2).

4.3. THE TREASURY'S LIABILITY

Except for the cases specified by laws and the client's substantial breach of contract which is not remedied in spite of a notice, the Treasury cannot limit and exclude liability for performance of the contracts.

The Treasury bears full responsibility towards third parties for compliance with the agent and any other agent lawfully exercised by it according to ISA, as well as for any damage caused by the activity of intermediating investment services or ancillary services.

4.3.1. Exclusion of liability in case of occurrence of certain external events

The Treasury excludes its liability for damages arising from insurmountable causes (force majeure, sabotage, strike), outside of its scope of business, events in its operation hindering client activity which are outside of its control (for example: power failure, insurmountable failure in the operation of IT systems, breakdown in phone lines and internet connection, pipe breaks, bomb alarms) or for damages arising from instructions of national authorities or courts (Ministry of Financial Economy, Central Bank of Hungary, National Tax and Customs Administration) or foreign authorities or courts, or from errors of domestic or foreign stock exchanges, clearing, money, and securities trading systems. Furthermore, in case of suspension or termination by ÁKK Zrt. of the right to trade certain government securities, the Treasury shall not be liable for executing the client's transactions referring to the value date following the date of suspension or termination or for damages arising from non-execution.

The Treasury shall not be liable for damages or disadvantages arising from actions related to the operation of other investment service providers which obstruct performance of the Parties' contract.

The Treasury does not accept liability for losses incurred by the client because of errors made by credit institutions or investment service providers collaborating in the client's payments (bank transfer), including any currency losses caused by the delay.

4.3.2. Exclusion of liability in the case of data transfer and communication errors

The Treasury is not liable for damages arising from errors of data transmission networks, phone centre systems, mobile phone service providers not falling within its sphere of interest or negligence of third-party service providers, or for damages arising from use of phones, data transmission networks, and computers used by the client. The Treasury does not accept liability for damages arising from use of information acquired in the course of unauthorized wiretapping, crosstalk, incorrect or faulty data transmission of the phone or data transmission lines.

The Treasury shall not be liable for damages resulting from mistakes, misunderstanding, or error occurring in the phone or internet connection, except if the damage is the result of a provable negligence in the Treasury's activity. The Treasury excludes liability to compensation for damages incurred by the client as a result of possible falseness of orders placed by phone, internet, or the mobile phone application, or arising from technical problems in transmission.

The Treasury reserves the right to carry out maintenance in connection with the TeleKincstár, WebKincstár, and MobilKincstár services. During maintenance, the TeleKincstár, WebKincstár, and MobilKincstár services are unavailable or are available with limited service to the clients. The Treasury shall notify the clients in advance about maintenance, through the TeleKincstár, WebKincstár, and MobilKincstár interfaces.

The Treasury shall not be liable for damages arising from unauthorized use of the user name and password provided to the client for information query and instruction initiated by phone, on the internet, or through the mobile phone application with client authentication.

The Treasury shall not be liable for damages incurred by the client which were incurred because the mobile phone number indicated by the client for use of the WebKincstár service cannot receive SMS notifications or PUSH messages for reasons occurring within the client's sphere of interest or attributable to the client.

The Treasury shall not be liable for any damage caused to the Customer by the fact that, for the purpose of using the WebKincstár, the biometric data of another person has been stored in the biometric identification data recorded on the Customer's telephone.

4.3.3. Exclusion of liability for damages arising from documents submitted by the client

The Treasury shall examine with due diligence the personal identification documents, documents attesting to the representation rights and power of attorney provided to it. The Treasury does not accept liability for their truthfulness or for not recognizing their false or forged nature while examining them with due diligence. The Treasury shall examine the truthfulness of documents presented to it and of the tax identification number and personal data communicated, or names and data included in the powers of attorney with due diligence; any liability in excess of this shall be borne by the client.

The Client acknowledges that the entire damage caused by the pseudo representation shall be borne solely by the Client, and the Treasury shall exclude any liability for such damage, as permitted by the law.

The client shall be responsible for reporting changes in its personal identification. The Treasury shall not be liable for damages incurred by the client because of failure to report such changes.

In case of the client's death, the Treasury does not accept liability for any interest losses or contractual actions of the proxy holding a general power of attorney which affect the securities registration account, during the time passed until issuance of the final grant of probate (or another equivalent official document, in particular a certificate of inheritance, court order) or presentation of the death certificate.

4.3.4. Exclusion of liability in other cases

The STO shall make cash payments to clients with securities accounts held at the Treasury on account of repurchase of government securities or due payments, with consideration of the prior notification obligation for collection of cash reaching the threshold specified in the Notice.

The cash withdrawal request applies to the value date (working day) specified at the time of filing, as well as to the client concerned, together with all securities account accounts. When accepting the application, the Treasury shall not examine the value date balance of the securities registration account (s) or the payment provisions specified in the "Securities Registration Account Agreement (s)."

If the notification obligation is neglected, the Treasury shall not be obligated to execute the cash payment on account of repurchase or due payment in excess of the Notice threshold on the relevant day.

The Treasury shall not be liable for damages arising from the client's loss or unauthorized people's use of the calling number issued upon arrival in the client area, as part of the securities trading.

If the client's instructions, investment assignments to the Treasury issued during the term of the contract are not clear in the Treasury's judgement, the Treasury shall advise the client about this fact if possible. The client shall be responsible for the consequences of instructions, investment assignments maintained in spite of this warning. The Treasury does not accept liability for damages occurring because of the client's incorrect instructions, investment assignments or for damages arising from accounting activities on the securities account triggered by them. If the instruction, investment assignments can not be accepted based on the account holder's order, the Treasury may refuse to execute the instruction or investment assignments, and the Treasury is not liable for any damages resulting from the resulting customer

The Treasury shall not be liable for any damages arising from the client's incorrect or defective specification of the beneficiary's data (e.g. the 3*8 digit unique GIRO account number, securities registration account number, client name) stated on the transfer order initiated towards the Treasury.

The Treasury is not responsible for establishing any financial transaction duty payment obligation arising from the erroneous identification of the data on the creditor indicated by the client in the transfer order initiated from the Treasury (for example: the name of the beneficiary of the 3 * 8-digit unique GIRO account number).

The Treasury shall be exempt from any liability if the damage or disadvantage was caused by culpable conduct of the client, the client's conduct inconsistent with the Terms of Business or Terms of Use , while the Treasury cooperated as reasonably expected in eliminating the damage or disadvantage.

The Treasury does not undertake any obligation to notify the clients specially about due interest payments and/or principal repayments. It shall send SMS or PUSH notifications to users of the service, according to the client's statement. The Treasury shall not be liable for any damages arising because the client neglected to issue instructions regarding its funds and government securities portfolios or was late in issuing them.

The SMS notification regarding the credit of funds from the due payment, as well as the credit of government securities, is sent after the value date following the Treasury's working day preceding the due date. The information service provided by the Treasury to the client about the credit has an informative nature and does not constitute a comprehensive notification. Before initiating any purchase or transfer orders based on

this information, the actual credit or balance verification is the responsibility of the customer.

The Treasury is not liable for any potential damage arising from transactions initiated by the customer without due diligence based on the notification.

The Treasury disclaims responsibility for any delay or incorrect performance in the transmission and receipt of messages that did not arise within the Treasury's scope of interest.

The Treasury specifically advises its clients that the exchange rates published in customer service rooms open for clients or accessible through electronic channels are for information purposes only and the Treasury reserves the right to modify the exchange rate. For transactions already committed at the time of the exchange rate modification, the Treasury shall always apply the exchange rate valid at the time when the relevant transaction was concluded. The exchange rate published by the Treasury shall be valid until revoked.

The Treasury shall communicate exchange rate changes immediately on its website at www.allamkincstar.gov.hu, electronic channels and shall post them in the customer service rooms of the customer service offices engaged in distribution of government securities, open for clients.

The Treasury specifically advises its clients that presentation on the price table does not mean that the Treasury holds a sellable portfolio of the relevant securities.

The Client is obliged to review the information and the risk of the transaction for each of the financial instruments that are the subject of each order, as well as information on the fees, commissions and costs involved in concluding the transactions before concluding each transaction. The Treasury shall exclude any liability for loss or damage resulting from failure to comply with this obligation.

The Treasury may not be liable for any losses resulting from price change, or interest loss, as well the retrospective tax payment obligation if the Treasury was seized due to coercive measure of official decision.

5. RULES OF CONFIDENTIALITY

5.1. *SECURITIES SECRET RELATED TREASURY OBLIGATIONS*

It is the obligation of the Treasury to handle all data and information as securities secret that is available to the Treasury about the clients, relating to their identity,

data, assets, business investments, finances, ownership, and business relations, and their contracts with the Treasury, and to the balance and activity on their accounts.

The Treasury may only disclose the client relevant securities secrets it is aware of to third parties – upon notifying the client affected – if

- a) requested or given authority by the client to whom it pertains, or his legitimate representative in an authentic instrument accepted by the Treasury or in a private document providing full evidence expressly indicating the particular data, which are considered securities secrets, to be disclosed,
- b) if the relevant ISA – noted in item I.5.2. of the Terms of Business – provisions provide an exemption from the requirement of confidentiality concerning securities secrets, or
- c) deemed necessary in light of the interests of the Treasury for selling its receivables due from the client or for the enforcement of its outstanding receivables.

Facts, information, solutions or data within the scope of the securities secret, beside the scope defined in the ISA cannot be handed out to third parties, and cannot be used outside the scope of tasks without the authorization of the Treasury, and the client.

The executive officers and employees of the Treasury, as well as any other person affected shall keep confidential any securities and business secrets made known to them in any way without any limitation in time also after the termination of the business relationships, and contractual relationship.

5.2. LEGISLATIVE WAIVERS OF KEEPING SECURITIES SECRETS CONFIDENTIAL

5.2.1. Based on Section 120 of the ISA the following shall not constitute a breach of confidentiality concerning securities secrets:

- a) the disclosure of data compilations from which the clients' personal or business data cannot be determined,
- b) the disclosure of data pertaining to the name of the account holder,
- c) the statutory disclosure of data by a reference data provider to the KHR, and the disclosure of data in compliance with the regulations of this system to a reference data provider from the system;

d) the disclosure of data to an auditor authorized by an investment firm or commodity dealer, a legal or other expert as well as to an insurance institution providing insurance coverage for the above-specified bodies to the degree necessary for the purposes of the insurance contract;

e) the disclosure of data by an investment firm or commodity dealer to a non-resident investment firm or non-resident commodity dealer if:

ea) the client has expressly consented in writing,

eb) the non-resident investment firm or non-resident commodity dealer is able to satisfy the conditions of data management required the directly applicable European Union legislation regarding each data item,

ec) the country where the registered office of the non-resident investment firm or non-resident commodity dealer is located has legal regulations on data protection which satisfies the requirements the directly applicable European Union legal regulations,

f) the disclosure of data upon the written consent of the management body with management powers of an investment firm or commodity dealer to a shareholder with a qualifying interest in the investment firm or commodity dealer, or to a person or body bidding to acquire a qualifying interest in the investment firm or commodity dealer, to a company set to take over the existing accounts under an agreement for the transfer of accounts, as well as to auditors and legal or other experts authorized by such an owner,

g) upon request of court, presenting the specimen signature of the persons authorized to dispose of the account of a party in a lawsuit,

h) data disclosed by the CBH in compliance with the requirement of confidentiality concerning securities secrets suitable for the identification of investment firms or commodity dealers

ha) to the Central Statistical Office (hereinafter referred to as: CSO) for statistical purposes,

hb) to the ministry for the purpose of analysis and for planning the central budget,

i) the disclosure of data that is necessary for carrying out activities that have been outsourced to the body carrying out the outsourced activity,

- j) the publication of the disposition of an Authority decision in a matter of insider dealing or market manipulation from the standpoint of the person who has committed these offenses,
- k) fulfillment of the data disclosure obligation specified in Section 205 of the Capital Market Act,
- l) the disclosure of information pursuant to Section 22(2) of the MLA, and
- m) disclosure of the information referred to in Article 4 of Regulation (EC) No. 1781/2006 of the European Parliament and of the Council of 15 November 2006 on information on the payer accompanying transfers of funds to the payment service provider of the payee governed under the regulation and to the intermediary payment service provider in the cases specified in the regulation.
- n) disclosure of information by the Authority in an emergency situation as referred to in Section 161/D (8) of the Capital Market Act to the central banks of other EEA Member States or to the European Central Bank when this information is relevant for the exercise of their statutory tasks,
- o) the disclosure of data to central depository for the purpose of the identification procedure,
- p) the disclosure of data by central depository to the issuer for the purpose of the identification procedure,
- q) the disclosure of data by the MNB – with a view to discharging its basic tasks – from the central bank information system, in a form enabling individual identification, to the European System of Central Banks and its members, upon request, to the extent arising from the Treaty on the Functioning of the European Union and required in connection with fulfilling their central banking duties;
- r) the disclosure of data by investment firms, commodity dealers and operators of multilateral trading facilities within the framework of investment service activities, ancillary services, commodity exchange services and the operation of multilateral trading facilities, with a view to implementing transaction orders related to a securities account or client account, to an investment firm, commodity dealer, operator of multilateral trading facilities, central depository, central counterparty, venture-capital fund management company, stock exchange, body providing clearing or settlement services participating in the processing, clearing and/or settlement of such transactions, and to credit institutions and investment fund management companies engaged in the pursuit of providing investment services and ancillary services,

s) the disclosure of data for the registered or acknowledged trade repository according to the Regulation (EU) No 648/2012.

t). the MNB, acting in its resolution role, is an independent and temporary assessor under the Act on the Improvement of the Institutional Strengthening System of Certain Actors of the Financial Intermediation System, as well as the participant in the evaluation, for the preparation of the valuation, for potential bidders and for the bridging institution in the application of the sale of assets. transmission of data and information to a qualifying recipient,

u) in the context of a statement made public by an investment firm's client, to the extent necessary to provide the public with an adequate response to the public relation between the investment firm and its client.

v) the credit institution and the Hpt. 15 / A. § separately approved financial holding company Hpt. an investment company operating under the controlling influence of Hpt. 164 / B. § mutual data transfer,

w) the provision of data by the securities account manager to the public limited company for the purpose of shareholder identification provided for in a separate legal regulation for the public limited company

5.2.2. Pursuant to Section 118(3) of the ISA, the confidentiality requirement shall not apply to:

a) the Authority, the Investor Protection Fund, the National Deposit Insurance Fund, the CBH, the State Audit Office and the Economic Competition Office when acting within the scope of their powers and duties,

b) operators on the regulated markets, operators of multilateral trading facilities, the central counterparty, the central depository, the Government oversight agency exercising its supervisory competence specified in Section 63(1) of the PFA, and the European Anti-Fraud Office (OLAF) monitoring the protection of the Community's financial interests, when the above are acting within the scope of their duties conferred by law,

c) notaries public in connection with probate proceedings, and the Guardianship Authority acting in an official capacity,

d) bankruptcy trustees, liquidators, financial trustees, bailiffs and receivers, in connection with bankruptcy proceedings, liquidation proceedings, judicial enforcement procedures, local government debt consolidation procedures, and in connection with a voluntary dissolution proceeding,

- e) the prosecution service, investigating authority and body conducting the preparatory proceedings,
 - f) the court acting in criminal or civil cases, bankruptcy and liquidation proceedings and in the framework of local government debt consolidation procedures,
 - g) the agencies authorized to use and to conduct covert investigations if the conditions prescribed in specific other legislation are provided for,
 - h) the national security service acting within the scope of duties conferred upon it by law, based upon the special permission of the director-general,
 - i) tax authorities and the customs authorities in the framework of their procedures to monitor compliance with tax, customs and social security payment obligations, and for the implementation of an enforcement order issued for such debts,
 - j) the Commissioner for Fundamental Rights and the Commissioner for Financial Rights when acting in an official capacity,
 - k) the National Authority for Data Protection and Freedom of Information (Nemzeti Adatvédelmi és Információszabadság Hatóság) acting in an official capacity, when these bodies make written requests to the investment firm or commodity dealer concerned,
 - l) with the principal creditor acting in the debt settlement procedure of natural persons, the Family Bankruptcy Service, the family property supervisor, the court,
 - m) with the authority in charge of the registration and liquidation of the winding-up bodies provided for in the Act on Bankruptcy and Liquidation Proceedings, with the registration of the liquidation organizations
 - n) in the framework of disciplinary proceedings initiated by the Hungarian Chamber of Auditors against its auditor or former auditor performing statutory audit activities at an investment firm or commodity exchange service provider with the Hungarian Chamber of Auditors and the rules governing the management of deposits by the Bar Association preliminary investigation against the lawyer, official proceedings before the Bar Association and disciplinary proceedings of the Bar Association
- in case of a written request from these bodies to the investment firm or commodity exchange provider.

5.2.3. Pursuant to Section 119 of the ISA, the confidentiality requirement shall not apply to:

Investment firms and commodity dealers shall comply with the written requests of investigating authorities, the national security service and the public prosecutor's office

without delay concerning any client account and the transactions on such account if it is alleged that the account or the transaction is associated with:

- a) illegal possession of narcotic drugs,
- b) acts of terrorism,
- c) illegal possession of explosives and destructive devices,
- d) illegal possession of firearms or ammunition,
- e) money laundering,
- f) any offense committed in criminal conspiracy or in a criminal organization,
- g) insider trading,
- h) market manipulation.

When data is disclosed under items e), g) and h) of 5.2.2. and under 5.2.3., the client affected may not be notified. In other cases the Treasury shall notify the client on the disclosure of the securities secret in writing within 10 working days (by post or electronically).

Pursuant to Section 118(4) and (7) of ISA, the confidentiality requirement shall not applied:

- a) where the state tax authority makes a written request for information from an investment firm or commodity dealer on the strength of a written request made by a foreign tax authority pursuant to an international agreement, provided that the request contains a confidentiality clause signed by the foreign authority,
- b) where the Supervisory Authority requests or supplies information in accordance with a cooperation agreement with a foreign supervisory authority, provided that the cooperation agreement or the foreign supervisory authority's request contains a signed confidentiality clause,
- c) where the Hungarian law enforcement agency makes a written request for information from an investment firm or commodity dealer in order to fulfill the written requests made by a foreign law enforcement agency, provided that the request contains a confidentiality clause signed by that foreign law enforcement agency,

d) if data is transmitted by the Investor Protection Fund to foreign investor protection systems and foreign supervisory authorities in the manner regulated by cooperation agreements, if data protection is guaranteed at a level at least equivalent to the legislation and the directly applicable acts of the European Union regulation in connection with data operation and use,

e) the authority acting as financial intelligence unit, in its capacity as defined in AML or in order to execute a written request from a foreign financial intelligence unit, shall request information in writing from the investment firm or commodity supplier, and if the investment firm or commodity supplier has defined the level of money laundering and terrorism. meets its policy and procedure-related obligation to finance,

f) to the entity engaged in investment service activities, ancillary investment services or commodity exchange services which transmits data to the national tax authority for the purpose of meeting the obligation set out in Section 43/B-43/C of the Tax Cooperation Act, pursuant to Act XIX of 2014 on the Announcing 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 the amendments of certain related laws (hereinafter referred to as: FATCA Act), g) to the entity engaged in investment service activities, ancillary investment services or commodity exchange services which transmits data to the national tax authority for the purpose of meeting the obligation set out in Section 43/B-43/C of the Tax Cooperation Act.

In accordance with Article of Bszt. 118 (5), this must be stated in the written request mentioned above.a) the client, group of clients or account about whom or which the body or authority mentioned in Section 118(4) of the ISA requests disclosure of securities secrets, and

b) type of data requested and purpose of request for data, except if the Central Bank of Hungary conducts an on-site audit.

In accordance of Section 118 (7) of Bszt. does not imply a violation of securities secrecy:

There is no confidentiality obligation as per Article I. 5.1 when the Treasury complies with its reporting obligation laid down in Act CLXXX of 2007.

The PP Act with regard to Section 118 (5), this shall not constitute a violation of securities secrecy:

The PP Act with regard to Section 118 (5), there is no I 5.1. in the case of a written request of the clerk, if the notary requests the data of the property of the deceased at the Treasury for the purpose of establishing the property belonging to the subject of the estate in the legacy proceeding with the data registered with the Treasury.

5.3. THE CLIENT'S CONFIDENTIALITY OBLIGATION

The client is obligated to preserve indefinitely as business secret any data, fact, information acquired in any form about the Treasury or its activity during the relationship with the Treasury. This confidentiality obligation does not extend to the client's own data, facts or information related to the client, or to data of public interest, data accessible on public interest grounds, and data of public knowledge.

6. INVESTOR PROTECTION

The Treasury expressly advises the client that the coverage services provided by the Investor Protection Fund operating according to the Capital Markets Act do not extend to the Treasury's activity, given that the Treasury is not a member of the Investor Protection Fund. The Hungarian State as Issuer has an obligation to respond to claims related to repayment of the face value and interests of government securities, without limitation as to amount. Claims arising from government securities against the issuer shall not lapse.

6.1. PROTECTION OF THE CLIENT'S FINANCIAL INSTRUMENTS AND CASH AND CASH EQUIVALENTS

The Treasury ensures that the financial instruments, cash, and cash equivalents owned by the client or to which the client is entitled to shall be managed separately from the financial instruments, cash, and cash equivalents owned by other clients or by the Treasury itself or to which they are entitled to, in a manner which is suitable for protecting the rights held in that property.

The Treasury cannot dispose over the financial instruments, cash and cash equivalents owned by the client or to which the client is entitled to, which are managed by the Treasury, but it shall ensure that the client can dispose over them.

The Treasury shall keep the client's securities account and the client's other records in the following manner:

- accounts and records shall always give an accurate and true view of the client's portfolios at a given time;

- the Treasury shall take every reasonable measure to prevent any prejudice to the client's financial instruments, cash and cash equivalents or the client's related rights, which may arise from illegal use, fraud, capital investment fraud, inadequate record-keeping or negligence;
- the Treasury shall keep a consistent, continuous, and chronological record of its contracts with the clients and every transaction concluded in the course of its proprietary trading;
- cash owned by the client or to which the client is entitled to, which becomes part of the Treasury's management as received under a contract signed within its investment service activity or ancillary service or after execution of the client's order, shall be credited by the Treasury immediately after receipt or, in the case of transfer, immediately after it has come in, to the client's client account held with the Treasury; the Treasury shall deposit and manage the cash and cash equivalents held on this client account in the account registered and kept at the MNB.

The Treasury shall, pursuant to Section 18(1)e) and f) of the Investment Services Act, ensure that the transactions made by employees and workers engaged under other work contracts are recorded, and that requirements for data recording, data protection, data backup, and data preservation are enforced.

6.2. *ORGANIZATIONAL PROTECTION*

The Treasury shall ensure that requirements of every other applicable law or policy are observed, including assurance of consistency and of the possibility of continuous monitoring and control.

The Treasury's accounting, recording and IT system is suitable for establishing the Treasury's financial situation any time, for establishing the portfolio of the financial instruments and cash given by the client or to which the client is entitled to any time, and for the Treasury's compliance with its statutory reporting obligations.

The Treasury establishes an internal audit system and organization in charge of risk management and legal and policy compliance, which assures, among others, compliance with Sections 19-20 of the Investment Services Act.

7. COMPENSATION

The Treasury is entitled to charge commission or fees for its investment service activity and other services provided to the clients. Costs incurred in the performance of the

service in excess of the regular amount, in particular postal fees, any legal, negotiation, and travel expenses, costs and duties of official procedures, shall be borne by the client.

The Treasury shall publish the commissions/fees/other costs and their rates in its Notice as applicable from time to time (Appendix 2 to the Terms of Business) to the clients and furthermore in the framework of its regular information obligation.

The Treasury shall be entitled to unilaterally amend its Notice as applicable from time to time if so justified by changes of laws and regulations, changes of the central bank's basic interest rate, yield of government securities, inflation rate, business policy decisions, costs of providing the investment service and ancillary services or other requirements.

The Treasury shall amend the Notice as applicable from time to time by disclosure according to Article I.2.4 of the Terms of Business prior to its effective date, while also notifying the client. Each transaction shall be governed by the Notice effective on the date when the Treasury executes that transaction.

7.1. Distributor's commission

The Treasury is obliged to inform the customer of the amount of commissions received on the government securities, in order the information these data are provided by every government securities distributor customer service. The amount of commissions is governed by the Terms of Business Appendix 2/a. also included.

8. TAXES

The Treasury shall assess, withhold, and pay the tax according to the tax laws effective from time to time, and in this regard, it shall comply with the financial settlement, recording, and reporting obligations of the providers of income.

If government securities offered by the client for buying come from a combined portfolio which contains both taxable and tax-exempt components in terms of determining taxability (they were acquired at different times for purposes of taxation), the Treasury – unless otherwise instructed by the client – shall determine which part of the portfolio to buy by applying the FIFO method laid down in the Accounting Act, in chronological order.

The Treasury, when acting as a provider of income, shall assess and withhold tax on the payment date and shall pay it to the tax administration in accordance with the legal regulations.

The document issued by the Treasury about the transaction for which tax has been withheld shall include all the income acquired by the client in that transaction and the amount of tax withheld.

From the amount payable to non-resident natural persons, the Treasury shall assess, withhold, and pay tax. The Treasury shall withhold tax in accordance with international double taxation avoidance agreements if the non-resident natural person or the person acting on such individual's behalf submits proof of foreign tax residency with documents.

Tax residency can be proven by a certified copy of the Hungarian specialized translation of the foreign-language copy of the document issued by the foreign tax authority.

Tax residency must be proven every year even if tax residency hasn't changed since the date of the certificate of residence submitted previously. The certificate of residence must be submitted to the Treasury before the date of the first payment made in that year, or if residency has changed, before the date of the first payment made after the change.

When assessing the tax, the Treasury as provider of income shall take into account towards the tax only the income-decreasing expenses which the client requested to be taken into account before settlement of the transaction, presenting the document which proves such entitlement. This shall not affect the client's right to deduct – in its tax returns filed without collaboration from the tax authority or by self-revision, if certain legal conditions are met – the part of the value used for acquisition of the securities or of an auxiliary cost related to the securities which the Treasury as income provider has not taken into account when assessing the income.

In case of securities transfers between two different clients of the Treasury or moving securities between the Treasury's client and the client of another investment service provider, the Treasury shall not act as a provider of income for tax and other withholding purposes; therefore, tax and other deductions must be assessed, declared, and paid by the other provider of income involved in the transaction or by the client. For such transactions, the Treasury shall issue a certificate according to the applicable tax laws, and shall advise the client that the client must comply with the tax liability related to the income from transfer and/or acquired in the form of securities, according to the requirements governing the legal title under which the income was acquired.

Possible tax liability for the Long-term Investment Account (hereinafter: LIA) is provided in the Chapter VI: Special Provisions for Managing Long-Term Investment.

The Treasury shall not provide tax consultancy services to its clients.

The Treasury shall charge the financial transaction tax as required by the law and shall publish them in its Notice.

For the purpose of establishing the financial transaction tax, the Treasury is entitled to review the owner of the beneficiary account number declared by the customer. If the review determines that the beneficiary's account number is not owned by a natural person, the Treasury is entitled to retrospectively determine it.

9. RULES OF PROTECTING THE CLIENTS' PERSONAL DATA

The Treasury shall comply with its obligation to advise the client about data protection in accordance with the Terms of Business., in section 3. „Customer Information”.

The Treasury shall disclose all personal data of the customer, both within and outside the scope of Section I.5 of the Code of Conduct, on the protection of the relevant data protection legislation, in particular on the "GDPR" and Info Act. in accordance with its provisions and the Internal Data Protection and Data Security Regulations of the Treasury.

Personal data shall be processed as data necessary for the performance of a contract concluded between the parties pursuant to Article 6 (1) (b) of the GDPR and as part of the exercise of public powers conferred on the Treasury pursuant to Article 6 (1) (e) of the GDPR with regard to the status of the Treasury and the provisions of the Act.

In addition, the customer's consent (eg requesting a newsletter service) is a legal basis for the Treasury's data management within the meaning of Article 6 (1) (a) of the GDPR, and in the case of data processing related to the fulfillment of its legal obligations, the Treasury processes personal data in accordance with Article 6 (1) (c) of the GDPR fulfillment of the customer identification obligation according to Bszt. in order to complete the compliance test in accordance with Art.

In providing its services and within the scope necessary for providing them, the Treasury is entitled to request submission of documents and statements about the personal data of its natural person client or the natural person acting on behalf of its organization client accordint to AML. Act and to operate this data within the scope required by applicable laws and stated in the Terms of Business.

By signing the contract, the Customer acknowledges that the Distributor will treat his / her personal data for the performance of the Contract or prior to the conclusion of the Contract.

Data operation rules laid down in the Terms of Business shall also apply to data of the person acting instead and on behalf of the client.

The Treasury shall operate the personal data within its own organization. Should any data be transmitted as part of outsourcing, such fact and name of the outsource organization shall be notified to the clients according to the disclosure rule of the Terms of Business.

When establishing a business relationship, AML. Pursuant to the provisions of the Act, the Treasury is obliged to take over the data specified in the Act, to verify the documents supporting them, and to make copies of them on the basis of the express provision of the Act, and to preserve such data and records for a maximum of 10 years from the date of recording.

The detailed rules for data management related to the investment services of the Treasury are contained in Appendix 9. of the Data Management and Data Security Information Booklet, which forms an integral part of these Business Rules.

10. REPRESENTATION AND POWER OF ATTORNEY

The Treasury is entitled to request credible proof of the representation or proxy rights in connection with the representation or proxy relationship between the client and its representative or proxy.

Right to give instructions in connection with the securities account shall reside solely with the account holder (or its representative according to the law) or its proxy, in person or by post or by agent or electronically in any customer service offices engaged in distribution of government securities of the Treasury, regardless of the actual office where the account was opened.

The Treasury will not accept a power of attorney granted to a person with limited legal capacity.

The account holder may also order to authorize the proxy to use the TeleKincstár, WebKincstár and MobilKincstár services. The account holder's proxy shall not be entitled to:

- sign the account contract and the supplementary agreement (Long-Term Investment Account) and to request electronic services (TeleKincstár, WebKincstár, MobilKincstár);
- for the modification of the master data of the account agreement (personal data, contact details and provisions of the account holder) - the Treasury Start-Securities Account (hereinafter: the “Start-Securities Account”), the Guardianship Account are exceptions to this;
- terminate the account contract;
- to give a transaction order on a paper basis through an agent;
- to give a transaction order through Fundamenta-Lakáskassza, Lakás-takarékpénztár Zrt. and Fundamenta-Lakáskassza Pénzügyi Közvetítő Kft., as an agent,
- give instructions which result in termination of the long-term investment account contract;
- initiate partial withdrawals from the long-term investment account
- extension of the long-term investment account
- long-term investment account transfer at the end of the 5th year to the long-term investment account, which is in collection period,
- to sign the apply of a notification for a mobile phone,

If the client is unable to write or read or is temporarily incapacitated for affixing his or her signature, including lack of eyesight, hearing impairment or hearing and speech impairment, or does not understand or speak the Hungarian language, while he or she intends to act in person in signing the contracts and transactions under the Terms of Business, a witness (sign interpreter for hearing, speech, or hearing and speech impaired clients) must be arranged for, to collaborate in the procedure in their interest. The client may authorize as collaborating witness or sign interpreter a person who understands and speaks the Hungarian language, can write, and is capable of bearing witness of the transaction based on their physical and mental state; this person shall collaborate in the client's interests in the relevant actions and shall be entitled to sign instead of the client, if the client is not capable of signing his or her name. The client may also decide to ask a treasury clerk to stand in as collaborating witness. In every such case, two treasury clerks as collaborating witnesses must bear witness of the client's signature, or sign in the client's place as collaborating witnesses if the client is unable to

sign his or her name. If necessary, the client shall arrange for a sufficient number of witnesses at the customer service office engaged in distribution of government securities. The Treasury's clerk cannot be used as sign interpreter.

Right to give instructions about using the TeleKincstár, WebKincstár and MobilKincstár services shall reside solely with the account holder or its proxy, or in the case of organizations, the person acting on behalf of it, according to Chapter IV of the Terms of Business and the Terms of Use applicable to the relevant service.

The Treasury shall deem representation rights and powers of attorney to be valid until it receives written notification from the account holder, the person entitled to represent the organization, or the proxy, regarding revocation of the power of attorney or representation right or assignment thereof to another representative. A legal representation right may be changed solely through a document, executed in the form of an official document or a private document providing full evidence accepted by the Treasury, as the one on which the previous legal representation right was based. Should the account holder client fail to notify the termination of the acting person's rights over the account, any damages arising therefrom shall be borne by the client.

The Treasury shall not be liable for damages arising from misrepresentation or forged power of attorney or forged mandate. A legal representation arising from misrepresentation may become valid with the represented party's approval. If the represented party does not approve the legal representation made in his or her name, he or she may exercise the represented party's right as per Section 6:14(2) of the Civil Code against the person making the legal declaration.

The client's proxy may be a resident or non-resident natural person.

Powers of attorney given by non-resident natural persons must include all the data listed on the Treasury's standardized form for natural persons.

Powers of attorney authenticated abroad must be super-legalized by the local Hungarian diplomatic mission or apostilled, or a certified document issued by the Hungarian diplomatic mission must be submitted.

10.1. POWER OF ATTORNEY – NATURAL PERSONS

10.1.1. Manner of proxy

Natural person may authorize in the following ways for transactions to be executed on his/her account.

Forms of proxy:

- it is considered a private document providing full evidence, power of attorney written by own hand or not written by own hand, executed as a deed, on which two witnesses (with their personal data stated) confirmed under signature that the issuing person signed the document in their presence or recognized the signature in their presence as being his or her own signature,
- power of attorney countersigned by an attorney at law,
- power of attorney certified by court or notary public,
- power of attorney certified by a diplomatic mission,
- power of attorney signed by the client and the attorney at law authorised by the client,
- General Letter of Authorization prepared by the Treasury.

The Treasury will not accept the power of attorney written and signed by hand unless otherwise specified (eg two witnesses or attorney / notary authentication).

In any case, the Treasury accepts the authorization included in the authentic instrument. The Treasury accepts a lawyer's mandate and authorization in accordance with the provisions of the Attorney's Law. The power of attorney given to a lawyer can only be accepted if the power of attorney contains the number of his attorney's certificate and the lawyer's stamp has been placed on him to identify the acting lawyer. Retained attorneys at law may transfer the retainer agreement or power of attorney to another attorney at law, in accordance with the Attorneys Act.

The Civil Code pursuant to Article 5 (1), authorizations granted in an authentic instrument for an indefinite number of cases or countersigned by a lawyer shall be valid for five years, and general authorizations for an indefinite period or for more than five years, shall be expire after five years. The Civil Code General authorizations granted indefinitely or for a period of more than five years prior to its entry into force shall be subject to the provisions of the Civil Code at the latest five years after its entry into force, they are expire, that is to say, after 15 March 2019.

Accordingly, the Treasury may refuse to execute the transaction if the power of attorney violates the client's instructions or does not comply with the above formal requirements.

The former limitation of the client's acceptance of the forms of authorization expired on 1 June 2019. The Treasury shall not disclose any form of authorization form to clients at the time of the contractual relationship.

The written legal statement of an illiterate person or a person limited in his or her ability to write shall be effective if it is made in the form of a private document providing full evidence – except for a document written and signed by the customer - containing the signature or mark of the person making the statement attested by court or notary public, or in which an attorney at law attests by countersigning or the signature of two witnesses that the person making the statement has signed the document not written by himself or herself in their presence, or has approved the signature or mark on the document as his or her own.

Nonreaders – including blind persons, as well as deaf, dumb or deaf-mute persons – and persons with no understanding of the language of the written declaration, the declaration shall be considered valid only if it is clearly stated in the document itself that its content has been explained to the declaring person by one of the witnesses or the attesting person.

The Treasury may accept instructions from the proxy if they are in line with the content of the power of attorney. The power of attorney shall become void if

- revoked by the principal person or in writing
- the principal revokes it without the personal appearance of the Central Customer Service Office during the opening hours of the Central Customer Service Office, after identification with a PIN code, with the assistance of an employee of the Central Customer Service Office,
- the proxy personally renounces the power of attorney in writing.
- the proxy renounces it without the personal appearance of the Central Customer Service Office during the opening hours of the Central Customer Service Office, after identification with a PIN code, with the assistance of an employee of the Central Customer Service Office,
- any party (either principal or proxy) dies, and the Treasury is informed about this fact officially in writing by post or electronically way, via the authority involved in the probate proceeding, or the principal or the proxy presents the original death certificate.

- the authorization has been granted for a limited period and the limited period has expired.

If the Treasury has no official knowledge of the death of the principal – account holder – client, the Treasury shall not accept liability for actions of the proxy after the death of the principal client or for any damages arising therefrom.

During the transfer of the probate, the inheritor may be represented by a proxy:

- authorized by a notary or by a Hungarian delegation, in accordance with the terms of the power of attorney, or
- up to the amount specified by the Treasury, with a power of attorney countersigned by a lawyer in accordance with the terms of the power of attorney.

In this case of the inheritance procedure, the proxy shall not be entitled to open a securities registration account for the inheritor, in the absence of the inheritor.

- The Treasury accepts the power of attorney countersigned by a lawyer from the heir only if the value of the estate managed by the Treasury, affected by the attorney authorization does not exceed HUF 5 million. Power of attorney countersigned by a lawyer in a transaction in excess of HUF 5 million shall not be accepted by the Treasury during the transfer of the estate

The Treasury shall not accept the authorization given to the third party by the proxy, with the exception of further authorization by the attorney at law accordance with the provisions of this Directive.

10.1.2. Types of authorization

A) Ad hoc power of attorney

Account Holder may grant a **special authorization right** to a person designated by him, by virtue of a power of attorney accepted by the Treasury such as the private documents providing full evidence accepted by the Treasury for each case.

Special powers of attorney refer to executing the instruction given or legal representation made therein, and shall become void once the instruction is given or representation is made. The Treasury shall revoke a special power of attorney when the instruction given or legal representation made therein has been executed. Special proxies may solely act in person.

B) General Letter of Authorization

Account Holder may assign its right of disposal to the Proxy as general and continuous, vesting the Proxy with authority to act in all matters on behalf of the Account Holder – except for signing and amending the account contract, amendment of the inseparable appendices thereto and termination of the account contract.

A General Letter of Authorization may be given before the clerk – of the customer service office engaged in distribution of government securities – acting in the case, in the personal and joint presence of the principal and proxy, on the General Letter of Authorization prepared by the Treasury, or through a power of attorney countersigned by an attorney at law or a document authenticated by a notary public. The account holder may revoke the "General Letter of Authorization for Residents and Non-residents" at any time without being authorized or authorized by the Proxy.

The right of disposal made based on „General Letter of Authorization for Residents and Non-residents" shall remain valid until revoked.

10.1.3. Content of the power of attorney

The power of attorney, not including those within official documents, the principal must include the principal's and the proxy's names and signatures, respectively, as mandatory elements, as well as three other pieces of both the proxy's and the principal's personal data.

Potential personal data:

- mother's birth name;
- date of birth;
- place of birth;
- address, in absence of its place of residence;
- type and number of personal identification document.

The power of attorney duly signed by the witnesses as well must contain the following data:

- the witnesses' names in legible form;
- the witnesses' addresses, in absence of its place of residence of the witnesses;

- types and numbers of official certificates to prove personal identity of the witnesses;
- date and place when executed.

All general and ad hoc power of attorney must clearly contain the above-mentioned data for identification.

Each ad hoc powers of attorney must unambiguously include – besides the identification data, the transaction data necessary for execution (securities account number, title of the security, amount of the HUF or EUR amount, name of the transaction type). Treasury may reject execution when they receive powers of attorney with deficiencies (where any necessary data, number, or reference is incomplete or missing).

10.2. AUTHORIZATION RIGHT – IN CASE OF LEGAL PERSONS

Regarding accounts of organizations, instructions may be given by the people indicated on the Treasury's standard "Signature sample sheet".

If a new "Signature sample sheet" is filled in, it shall enter into force solely after validation by the Treasury i.e. after being signed by the people with signature rights in the Treasury. The Treasury accepts the most recently validated signature sample sheet at all times. The group of people with signature rights may be changed solely in writing, on the Treasury's standard preprinted form properly filled in.

Right to give instructions may be granted to other people than those on the signature sample sheet, via a special power of attorney, solely by the people authorized to sign for the companies or to represent the organization. The special power of attorney must include the signature(s) of the person(s) authorized to sign for the companies or to represent the organization, according to the powers.

If the organization grants a stamp mark on the " Signature sample sheet " or a company name with a handwritten or machine-typed text, the provisions of the securities account shall be subject to the stamped imprint or handwritten business name, an exception is the provision initiated by an authorized person on the electronic channels of the Treasury.

The Treasury verifies the provisions of the notified persons, their representation rights, or their limitations, only on the basis of signature templates reported on theSignature sample sheet . The Treasury does not investigate the circumstances surrounding the disposition and legal capacity of the persons notified by the clients.

The Treasury shall not accept Signature sample sheet or signature lists from legal persons issued by other organizations, such as other credit institutions.

If the account holder comes under a bankruptcy proceeding, liquidation proceeding, or final settlement, the right to issue instructions in connection with the account shall reside solely with the court-appointed trustee in bankruptcy, liquidator, or receiver, according to the law. The account holder is obligated to report to the Treasury the name of the trustee in bankruptcy, liquidator, or receiver within 3 business days after their appointment or designation, and to submit the relevant supporting documents and signature specimen. Damages arising from failure to do so shall be borne by the client.

11. SETTLEMENT OF DISPUTES

The Parties shall settle the disputes arising from the legal relationship which falls within the scope of the Terms of Business primarily out of court by negotiation. If this is unsuccessful, the dispute shall be submitted to settlement in regular court.

The Treasury shall manage any complaints raised by the client according to the Complaint Management Policy incorporated in Appendix 6 to the Terms of Business.

II. GENERAL PROVISIONS FOR THE INVESTMENT SERVICE ACTIVITY AND ANCILLARY SERVICES

1. CONDITIONS FOR USING THE SERVICE

A prerequisite to using the Treasury's investment service and ancillary service is that the client must sign a securities account contract - with the exception set out in point III. 1. - with the Treasury.

2. THE TREASURY'S PRECONTRACTUAL KNOW-YOUR-CUSTOMER DUTY

2.1. *CARRYING OUT CLIENT DUE DILIGENCE*

The Treasury advises the client that in accordance with the MLA, as applicable from time to time, it is obligated to comply with its know-your-customer and client due diligence duty. The client acknowledges that the Treasury is obligated to carry out the client due diligence as required by the law - even using a publicly authentic database - , and if this is not possible, it is entitled to refuse to sign the business relation or to execute the transaction order.

During the term of any business relationship between the Treasury and the client, the client is obligated to notify the Treasury in writing (in person, or by post or electronically) of any change in the data provided during the client due diligence process

or occurring in the person of beneficial owner, within 5 business days from becoming aware of such change. The Treasury shall not be liable for any damage arising from failure to do so.

Under the MLA, when establishing the business relationship with the client, or when executing client transaction orders that reach or exceed the value specified in the MLA – taking into account several, actually related transaction orders as well – or when there is indication of data, fact or circumstance pointing to money laundering or terrorism financing, if a client due diligence hasn't been carried out yet, or if doubt arises about truthfulness or adequacy of the client identification data previously recorded, the Treasury is obligated to carry out the know-your-customer process and verify the identity of the client, the client's proxy, the authorized signatory or the representative (for the purposes of this sub-section, hereinafter together referred to as: client).

In addition to the Treasury, the client's due diligence may be conducted by an agent acting on its behalf. The customer due diligence obligations / entitlements conducted by the agent in the present Terms of Business are the same as those specified for the Treasury, and are deemed to have been carried out by the Treasury.

During the know-your-customer process, the Treasury is obligated to record the following data:

a) for natural persons

1. surname and forename ,
2. surname and forename at birth,
3. citizenship,
4. place and date of birth,,
5. mother's birth name,
6. address (which is indicated in the official certificate to prove personal identity or official certificate for the proof of address; in the lack of address the place of residence, in the lack thereof the indication "no address" shall be applied)
7. type and number of official identification document

During your e-personal reading, the Treasury may request access to the following customer information:

Data of document	Natural identity data	Identity data
Type of document	Name at birth	Tax ID number
Number of document	Date of birth	
Issuer country	Place of birth	
Expiration date and date of issue	Parts of marital and family name	
	Forename of wearing name	
	Mother's birth name	
	Citizenship	
	Gender	

b) legal persons

1. name, abbreviated name,
2. address of registered office or, in the case of businesses seated abroad, the address of their branch office in Hungary,
3. main activity,
4. name of the person(s) authorized to sign for the company,
5. identification data of delivery agent (Address/Registered office)
6. for legal entities registered in the trade register, their company registration number, or for legal entities not registered in the trade register, number of the decision on their establishment (entry on record, registration) or their registration number,
7. VAT number,
8. data of the beneficial owner(s), or if it is not possible to determine the beneficial owner according to the MLA Section 3 (38) (a) and (b), the data of executive officer(s),
9. declaration of the beneficial owners, whether he considered a politically exposed person.

2.1.1. Client due diligence when establishing business relationship

The Treasury is entitled to request credible proof of identity of the client and its representative or proxy. The Treasury shall record its client's data operated in

connection with the contractual relationship electronically in its securities trading system.

During the client due diligence process natural persons must submit a written statement to the Treasury if the client acts on behalf its ultimate beneficial owner or on its on behalf. The authorized representative of the legal person must submit a written statement on its ultimate beneficial owner If the natural person or the authorized representative of the legal person acts in the name, or on behalf of its ultimate beneficial owner, the following data must be provided during the client due diligence process:

1. surname and forename,
2. surname and forename at birth,
3. citizenship,
4. place and date of birth,
5. adresse, or lack of it place of residence
6. statement of the beneficial owner's status as a politically exposed person.

Pursuant to Section 3(38.) of the MLA, the beneficial owner is the natural person

- who holds, directly or indirectly - as described in Section 8:2(4) of the Civil Code - at least twenty-five percent of the voting rights or ownership of the organization if the organization is not a company listed on the regulated market to which publishing requirements in accordance with the community legislation or - otherwise have effective control and control over the organization, - or equivalent international requirements apply;
- who has controlling influence (as described in Section 8:2(2) of the Civil Code) in the organization;
- or, unless the above applies, is the executive officer of the legal entity or unincorporated business association;
- the person on whose order a transaction order is executed, or otherwise governances, controls the natural person's activities.

In the case foundations, it is the natural person

- who is the beneficiary of at least twenty-five percent of the foundation's assets, if the future beneficiaries have already been determined,

- for whose interest the foundation was established and is operated, if the beneficiaries have not been determined yet, or
- who is a member of the managing body of the foundation, or exercises controlling influence over at least twenty-five percent of the foundation's assets, and acts on behalf of the foundation.

In the case of customer' due diligence, the account holder's customer must make a written declaration that the actual owner of the securities account itself or the actual owner of the securities registration account whether considered to be a politically exposed person. This declaration is to be made by the customer with the authorization authority or by the representative of the organization in respect of the actual owner. The declaration must indicate whether the account holder's customer or the actual owner is the. Section 4 (2) of MLA which is considered to be a politically exposed person.

A politically exposed person is considered to be a natural person who performs an important public task or has performed an important public task within a year of customer's due diligence measures. The taxative list of persons carrying out important public tasks can be found in the of Section 4 (2) MLA.

The Treasury shall also apply the politically exposed person policy provisions to the close relative of a politically exposed person and to persons related to a politically exposed person, so Treasury is entitled to request these information from the client.

A close relative of a politically exposed person is considered to be the spouse and partner of the politically exposed person; blood-bearing, adoptive, step-and-nurtured child and their spouse or partner; blood, adoptive, stepfather and foster parent.

It is considered to be a close relative with a politically exposed person:

- any natural person who, together with a person who has an important public tasks, is the actual owner of or ownership of the same legal entity or non-legal entity; -
- any natural person who is a sole proprietor of a legal or non-legal entity established for the benefit of the person referred to in paragraph 2.

If a natural person client considered as a politically exposed person, the statement must include the source information on the financial funds.

Based on Section 10. § (2) of MLA., when establishing a business relationship or executing a transaction order, the Treasury may request other sources of information of financial funds and supporting documents.

At the time of establishing the contractual relationship and whenever legally stipulated in the course of providing the investment service and ancillary service, the Treasury shall carry out the client identification and statement activities required by the Money Laundering Act regarding the client, its representative or proxy, as well.

The MLA. authorizes the Treasury accordance to the Section . (7) (3) MLA. on the management of copies, so availability of copies of the documents of the Treasury for all customers.

According to the obligations stipulated by the MLA in force, the Treasury may accept transaction orders – considering all distribution channels - solely from clients who have undergone the know-your-customer process. If the client acts on behalf of another person, the client shall make a written statement about the identity of the beneficial owner. If the client fails to present his or her identification data or fails to comply with the instruction to provide the statement, or the data communicated is in contrast with the identification, a business relationship can not be established with the customer or a transaction order given by the client can not be completed. The client is required to provide all necessary information and make any declarations needed to ensure the Treasury's regulatory compliance and to keep the client's recorded information up to date. The Treasury is entitled to restrict the execution of transactions and the use of electronic distribution channels if the client fails to cooperate in providing the required information.

Even for transaction orders falling short of the threshold set by the MLA, the Treasury requests presentation of personal identification documents for the representative/proxy acting on behalf of the client and their statement about the person in whose name they are executing the transaction order.

2.1.2 Pre-transaction client identification

2.1.2.1. When the client appears in person

When verifying the client's identity, the Treasury requests that the following documents are presented in original, and may request to make the following statements:

a) for natural persons:

1. for Hungarian citizens, an official certificate to prove personal identification document and an official certificate for the proof of address,

2. for foreign natural persons, a passport and/or personal identity card, assuming that it is a document entitling them to residence in Hungary or a document attesting to their right of residence or residence permit,

In order to check the identity verifying document, the Treasury shall check the validity of the documents handed in for verifying the identity.

b) for legal persons, in addition to presenting the documents listed in paragraph a) for the person entitled to act on their behalf or order: a document attesting to the following facts, issued within thirty days to date:

1. the resident business association was registered by the court of registration, or the business association submitted its application for registration; in the case of a self-employed person, the issuance of an individual entrepreneur's certificate or a certificate of registration has been issued,
2. in the case of resident legal persons, proof of registration if establishment is subject to registration by an authority or court,
3. in the case of a foreign legal entity or an organization without legal personality, registration or registration of the right of its own country has been carried out,
4. before an application for company registration, application for registration by an authority or court has been submitted to the court of registration, authority, or court: the deed of establishment of the legal person or unincorporated business association (articles of association, statutes, memorandum). In this case, the legal person or unincorporated business association is obligated to prove with a document, within 30 days after company registration or registration by an authority or the court, that company registration or registration was carried out, and the service provider must record the company registration number or other registration number.

Presentation of the documents listed in paragraph b) shall suffice, unless they changed since establishing the business relationship, at the time of establishing the business relationship of the legal person or unincorporated business association with the Treasury, in the cases stipulated by the law and at the Treasury's request.

During the identification the Treasury is entitled to record other data of the client than included in the effective securities registration account contract and in case of discrepancy it is entitled to refuse the fulfillment of the client's declaration, instruction and order.

The client is required to immediately notify the Treasury, if its document that is used for identification, or that can be used for identification got lost or stolen. The Treasury is not liable for damages resulting from the unauthorized use of the client's official personal identification documents to prove personal identity, unless the responsibility of the Treasury can be stated or law prohibits the exclusion of liability.

If the client does not verify its identity, the administrator refuses the execution of the transaction. The Treasury examines with reasonable care whether the signature of the client is acceptable compared to the signature on the client documents – including the account contract, the power of attorney, as well the “Signature sample sheet”.

The governing signature in case of non natural person is the one on the “Signature sample sheet”, in case of natural person the signature on the securities registration account, and in case of a proxy the signature on „General Letter of Authorization for Residents and Non-residents”. If the signature on any provision of the client does not match the before mentioned signature sample, or if there is doubt about the authenticity, the Treasury may refuse to execute the provision and the resulting damage to be borne by the client. The client is required to ask the Treasury for the registration of a new signature sample if its signature changed compared to the signature sample.

The Treasury is entitled, in the cases specified in the applicable legislation or on the basis of its internal risk assessment, to request a statement of the source of funds from the client, its agent, representative, and in some cases to provide information on the source of the funds and in favour to verify the source of the information. If the client, its agent or representative does not provide this at the request of the Treasury, the Treasury is entitled to refuse to execute the transaction order. In view of the Treasury's internal risk assessment and the MNB's key recommendations, information on the source of funds may be provided in a private document providing full evidence, including a document written and signed by the client.

2.1.2.2. In case of client instructions sent by post, or electronically

The client may disclose in the contract when opening a securities registration account, that the Treasury may accept the instructions/declarations given in by post, or electronically without the presence of the client, the client's proxy or in case of an organization, without the presence of its representative. The Treasury solely accepts those submitted instructions/declarations for execution which were given by post, or electronically on the forms in force that are used by the Treasury.

The client may modify its earlier instruction/declaration in personal that was accepted by the Treasury and was sent by post, or electronically, in the form of a statement

countersigned by an attorney at law, made before a public notary or the diplomatic mission in the form of an official document, in case of organizations, by the presence of the person who is authorized to sign, or entitled to represent the organization.

In order to accept the declaration of the client given by post, or electronically, in case of natural persons it must contain the name and signature of the client, the client's securities registration account number, tax ID number and the date and place when executed and in case of submitted order the identification number of agent – as mandatory elements –; and at least two of the following data:

- mother's birth name;
- address;
- telephone number;
- e-mail address recorded in the account agreement.

In order to accept and process the instruction of the client by post, or electronically, the following data must be provided:

- name, registered office and VAT number of the client;
- name of the person authorized to sign for the company;
- signature of authorized representative;
- securities registration account number;
- stamp print according to the „Signature sample sheet“;
- contact information (telephone number, e-mail address);
- date and place when executed.

The Treasury shall accept orders/declarations received via e-mail, which arrive from the e-mail address specified in the contract/declarations by the client, and the order/declarations is signed as reported and sent in scanned form as the attachment of the e-mail.

2.1.2.3. In case of using the TeleKincstár, WebKincstár, MobilKincstár service for giving instructions

The client is required to provide all necessary information and make any declarations needed to ensure the Treasury's regulatory compliance and to keep the client's recorded information up to date in order to use the WebKincstár and MobilKincstár services. The Treasury is entitled to restrict access to WebKincstár and MobilKincstár if the client fails to cooperate in providing the required information.

Other identification rules and technical conditions regarding the usage of the TeleKincstár, WebKincstár, MobilKincstár services are contained in the Terms of Use.

2.2. CLASSIFICATION OF CLIENTS

2.2.1. Treasury client classification rules

The Treasury categorizes its client based on Section 47(1) of ISA before the signature of the contract, and in case of business relation based on contracts prior to the entry into force of the Terms of Business before the execution/completion of the first instruction/order following the entry into force of the Terms of Business.

The client makes all relevant documents, data available for the Treasury that are necessary for the classification. As long as the client does not provide the requested documents and data to the Treasury for the classification, the Treasury handles its client as a retail client. The Treasury does not examine the veracity of declarations made during client classification.

The Treasury classifies its clients into three categories:

- professional client;
- professional client, which classifies as eligible counterparty;
- retail client.

The Treasury classifies its client, or prospective client as professional client based on Section 48 of the ISA.

The Treasury classifies its client, or prospective client out of its professional clients as eligible counterparty based on Section 51(1) of the ISA.

The Treasury classifies the client who/that is not a professional client as a retail client.

The Treasury notifies its clients personally – via agent -or in writing by post or electronically about:

- the conditions of classification;
- the conditions and consequences of the reclassification on the initiation of the client or the Treasury;
- the classification;
- any change in the classification, and
- the fact that he may request the modification of the classification according to the content of Section 48(4), Section 49, and Section 51(3) and (4) of the ISA, and about any changes in their rights that may occur in consequence of such request.

Providing information about this is carried out by publication of the information in the Terms of Business, by displaying a notice at its premises open to clients, and by publications on its websites, and through sending by post or electronically to the client (on request to the prospective client) or handing over in person.

The Treasury informs its client about the relevant classification category, or the change of that directly sent in writing (in person, via agent or by post or electronically) – with proving the acknowledgement of that by the client.

Retail clients are entitled to receive wider range of rights of providing information and investor protection, than the professional clients, and the professional clients are entitled to receive wider range of rights of providing information and investor protection, than the eligible counterparties.

In case requested by the client the modification of the client classification or managing different from its classification, the Treasury enters into an agreement with the client for the modification of the classification, or for managing different from its classification based on the data included in the request.

2.2.2 Client categories and conditions of categorization

2.2.2.1. Client categories:

- professional client;
- professional client, which classifies as eligible counterparty;
- retail client.

2.2.2.1.1. Professional Client:

The Treasury classifies and categorizes its clients as professional client in accordance with the provisions of the ISA below:

The followings shall be considered as professional client based on Section 48(1) of the ISA:

- investment firm,
- commodity dealer,
- credit institution,
- financial institution,
- insurance company,
- investment fund and investment fund manager, collective investment trust,
- venture capital fund and venture capital fund manager,
- private pension fund and voluntary mutual insurance fund,
- KELER Zrt.,
- institution for occupational retirement provision,
- stock exchange,
- central counterparty,
- all other companies which are recognized as such by the country in which they are established,
- the preferential company described in Section 48(2) of ISA.,
- the preferential body described in Section 48(3) of ISA., and
- all other persons and bodies principally engaged in investment service activities, including special purpose entities.

Pursuant to Section 48(2) of the ISA, the preferential companies mentioned in item o) of Paragraph (1) shall cover all companies which meet at least two of the following criteria:

Relying on the last audited accounting report, and calculated according to the official MNB exchange rate in effect on the balance sheet date

- a) the balance sheet total is at least twenty million euros,
- b) the annual net turnover is at least forty million euros,
- c) they have at least two million euros in own funds.

Pursuant to Section 48(3) of the ISA, for the purposes of Section 48(1)(p) of ISA, a preferential body shall mean

- a) the central government of any EEA Member State,
- b) the regional governments and local authorities of any EEA Member State,
- c) ÁKK Zrt. and similar public bodies of other EEA Member States charged with the management of public debt,
- d) the MNB, and the central bank of any EEA Member State and the European Central Bank,
- e) the World Bank,
- f) the International Monetary Fund (IMF),
- g) the European Investment Bank, and (EIB)
- h) other bodies active in international finance that was created by virtue of international agreement or intergovernmental agreement.

2.2.2.1.2. Professional clients qualify as eligible counterparty:

Based on Section 51(1) of the ISA the followings qualify as eligible counterparty:

- a) the company specified under Section 48(1) of ISA a)-l),
- b) the company referred to in Section 48(2) of ISA,
- c) the institution referred to in Section 48(3) of ISA, and

d) all other companies which is recognized as such by the country in which it is established.

2.2.2.1.3. Retail client

The Treasury qualifies its non professional client as retail client.

2.2.3. Modification of classification, managing different from its classification on the initiation of the client

Based on the request of the client for this which complies with the ISA – provided that the client meets the conditions required by the law – the Treasury modifies the categorization of the client, and after the modification of client categorization is acknowledged by the Treasury, it registers the client in this client-category.

The Treasury informs its clients in writing about the acceptance or rejection of the request for reclassification, according to the followings:

- If the Treasury concludes that the client complies with the reclassification conditions recorded in the ISA based on the request submitted by the client, it informs the client about the fact and extent of the reclassification in writing (in person directly for the representative/proxy, and by post or electronically) and that the agreement enters into force on the day it is signed by both parties.
- If the Treasury concludes that the client does not comply with the reclassification conditions recorded in the ISA based on the request submitted by the client, it informs the client about the fact in writing (in person directly for the representative/proxy, and by post or electronically). If the Treasury proposes different reclassification, different financial or service scope than included in the client request, it shall be governed by the provisions of this item of the Terms of Business.

2.2.3.1. Application of rules governing retail clients to professional clients

At the professional client's explicit request the Treasury shall provide the client with the same conditions during its investment and ancillary investment services as those applied to retail clients. The agreement entailing the classification of the client as retail client must come into existence in writing. The agreement shall include the fact that the client qualifies as professional client and rules governing the retail clients will be applied at its own request, and shall include that this treatment is to be applied not separately for each financial instrument and transaction type, but in relation to all financial instruments and transactions involved in the Treasury's investment and ancillary

investment services, and the application of rules governing retail clients shall be applied – unless modification is initiated by the client or the Treasury – for the whole period of business relationship on the investment services.

2.2.3.2. Application of rules governing eligible counterparties, professional clients or retail clients

The preferential companies and institutions that qualify as eligible counterparties shall be entitled to request the Treasury – in accordance with Section 51(3) of the ISA – to proceed according to the rules applicable to the professional clients with regard to them in respect of individual transactions or either in general terms.

The clients who qualify as eligible counterparties shall be entitled to request the Treasury – in accordance with of Section 51(4) of the ISA – to proceed according to the rules applicable to the retail clients with regard to them.

The Treasury concludes a written agreement with eligible counterparty on the application of rules governing professional or retail clients. The agreement shall include the fact that the rules governing the professional or retail clients will be applied at the request of client as eligible counterparty, and shall include that this treatment is to be applied not separately for each financial instrument and transaction type, but in relation to all financial instruments and transactions involved in the Treasury's investment and ancillary investment services, and the application of rules governing professional or retail clients shall be applied – unless modification is initiated by the client or the Treasury – for the whole period of business relationship on the investment services.

2.2.3.3. Reclassification of retail client to professional client:

The Treasury may reclassify retail client to professional client to retail clients in accordance with Section 49 of the ISA, if the client makes written request (in person, by post or electronically).

The Treasury's reclassification shall be applied to all financial instruments and transactions involved in the Treasury's investment and ancillary investment services, and the reclassification shall be applied – unless modification is initiated by the client or the Treasury – for the whole period of business relationship on the investment services. In this case the Treasury shall provide the client with written information (in person, by post or electronically) on the differences between the rules governing professional and retail clients and on the consequences of these differences. The Treasury shall handle the client's request and statement on the understanding and acknowledgement of these

differences the related consequences as a separate document, along with the client's investment services contract.

The Treasury may reclassify retail client to professional client at the client's explicit request, if it is able to satisfy at least two of the following criteria:

a) the client has carried out transactions, worth at least EUR 40,000 each or EUR 400,000 in total for the year calculated according to MNB exchange rate in effect on the day of transaction, at an average frequency of, at least, ten transactions per quarter over the preceding year,

b) the size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR 500,000 calculated according to the official MNB exchange rate in effect on the day preceding the day of submission of the request,

c) the client works or has worked in the financial sector under contract of employment or any other form of employment relationship for at least one year within a preceding period of five years at:

ca) an investment firm,

cb) a commodity dealer,

cc) a credit institution,

cd) a financial institution,

ce) an insurance company,

cf) an investment fund manager,

cg) a collective investment trust,

ch) a venture capital fund manager,

ci) a private pension fund,

cj) a voluntary mutual insurance fund,

ck) a body providing clearing or settlement services,

cl) at KELER Ltd.

cm) an institution for occupational retirement provision,

cn) a central counterparty, or

co) an exchange market,

in a professional position, which requires knowledge of the financial instruments and investment service activities envisaged in the relationship of Treasury and the client.

a) The Treasury shall withdraw the categorization for professional treatment awarded at the retail clients request, if:

b) if the client withdraws the request in writing (in person, by post or electronically),

c) the client informs the Treasury of any change upon which the client no longer fulfils the conditions described hereinabove,

d) the Treasury becomes aware of any documented change as a result of which the client no longer fulfils the conditions of reclassification.

In the case of any client whose categorization for professional treatment has been withdrawn by the Treasury, the conditions relating to retail clients shall apply in the future.

2.3. UNIFORM TREATMENT OF CLIENTS

Following the categorization of clients, the Treasury shall proceed in accordance with the rules applicable to retail clients in respect of every client in relation to all financial instruments and transactions involved in the Treasury's investment and ancillary investment services – in the absence of different provisions of the Terms of Business or Section II. 2.2.3 – during the whole period of business relationship. The Treasury considers the client's consent to the uniform treatment as granted irrespective of the categorization, if the client does not request the deviation from the uniform treatment from the Treasury within 15 days as from the receipt of information on the categorization, whereas in the case of new client concurrently with the conclusion of contract. The client shall be entitled to notify the Treasury of the withdrawal of its consent according to Section II. 2.2.3 on the treatment different from its original categorization, after which categorization the Treasury shall treat the client according to its category.

The application of unified level of investor protection and provision of information is justifiable, as the Treasury provides its investment services financial only for instruments guaranteed by the state, of debt and transferable securities-type, and considers the risk of the executed transactions in these instruments as uniform for its clients, just as the necessary knowledge on these transactions.

2.4. OBLIGATION TO OBTAIN PRIOR INFORMATION

2.4.1. Suitability assessment

The Treasury shall not perform preliminary examination of the client's assets and financial position and investment objectives (suitability assessment), as the Treasury does not provide investment consulting and portfolio management services.

Prior to the conclusion of services contract with the client, and at the conclusion of first transaction following the entry into force of the Terms of Business, the Treasury requests statement from its client:

- on the most important features of transactions executed by the Treasury within the framework of its investment service and ancillary service,
- on the features and risks of financial instruments involved in the transactions,
- on its knowledge and experience.

The Treasury may request the presentation of the following documents:

- the client's certificate of existing employment – or existed in the last 5 years – at a financial institution, and the documents verifying the client's financial qualifications,

The client can complete the compliance test in writing at the following locations:

- at the Treasury's customer service offices,
- in the presence of the Treasury's agent, outside the customer service offices,
- via WebKincstár and MobilKincstár.

The Treasury shall check the knowledge and experience set out in the client's statement according to the assessment system developed by the Treasury (suitability assessment), during which it shall:

- investigate the types of service, transaction and financial instrument with which the client is familiar;
- the nature, volume, and frequency of the client's transactions in financial instruments and the period over which they have been carried out,
- the level of education, and profession or relevant former profession of the client or potential client for the purpose of making an assessment.

The Treasury shall inform its client on the result of suitability assessment orally at the time of submitting client statement. If the client concludes the investment services contract with the Treasury after the provision of information, the provision shall be considered as acknowledged, and the client shall not refer to receiving the due information.

The Treasury shall treat the client in accordance with the results of this compliance test – in the absence of becoming aware of any significant changes in the client's circumstances – for the whole period of business relationship. In the event of becoming aware of any significant changes in the client's circumstances, the Treasury shall be entitled to repeat the suitability assessment above.

The Treasury shall provide its investment services only related to financial instruments guaranteed by the state, of debt and transferable securities-type, and considers the risk of the executed transactions in these instruments as uniform for its clients, just as the necessary knowledge on these transactions. Accordingly, the Treasury shall assess the information obtained during the suitability assessments in relation to all financial instruments and transactions involved in the Treasury's investment and ancillary investment services, and shall apply the results of the assessments for the whole period of business relationship on the investment services.

If the Treasury considers the information obtained in the client's statement as not in compliance with any of the financial instruments or transactions of the order under the investment service and ancillary services provided by the Treasury for its client, it shall call the client's attention thereto.

The client shall inform the Treasury, if there has been any change in the information provided in its statement, which significantly changes the client's risk-taking ability.

If the client does not provide the data required for the suitability assessment or the Treasury considers the provided information insufficient, the Treasury calls the client's attention that in this case it is not able to assess the compliance of the financial

instruments or the transactions required for the performance of service in accordance with the investment services contract.

The Treasury calls the client's attention that the inaccurate, manifestly out of date, or incomplete answers and the refusal to respond result Treasury is not able to determine the adequacy of the financial instrument or transaction included in the contract, thus in the Treasury's entitlement to refuse conclusion of contract, and the execution of orders.

3. OBLIGATION TO PROVIDE INFORMATION TO CLIENT

3.1. OBLIGATION TO PROVIDE PRIOR INFORMATION TO CLIENT

The Treasury shall provide information on the provisions of Sections 40-43 of the ISA to its client or perspective client, in accordance with Appendix No. 9 of the Terms of Business.

The Treasury shall be entitled to provide information in a unified form for all of its clients, with the same content and additionally via agent as well.

The Treasury shall provide its investment services only related to financial instruments guaranteed by the state, issued mainly for residential customers of debt and transferable securities-type, and considers the risk of the executed transactions in these instruments as uniform for its clients, just as the necessary knowledge on these transactions. The Treasury shall apply classification related to all of its clients, though it performs its obligation to provide prior information with uniform information content of data and form for its clients, professional clients and eligible counterparties, ensuring the maximum protection of clients of all three categories and the minimization of their risks in favor of their investment decisions. The Treasury provides prior information for all three categories in conformity with the conditions related to the provision of information for retail clients, in accordance with the ISA. The Treasury provides the most comprehensive information content, the balanced access to information, and the adequate level of detail of information for all of its clients.

The Treasury shall consider provision of information as provided at the proper time, if the time thereof is in conformity with the provisions of Sections 44-46 of the ISA on the obligation to provide prior information. The Treasury shall not be liable for damages suffered by client, which result from the failure to read, listen to and take over the information provided by the Treasury.

By signing the contract or giving transaction order, the client of Treasury shall declare that he has acknowledged the clear, unequivocal, balanced and accurate information,

and has been provided therewith at a time which provided him sufficient time for the understanding of information and the well-founded decision related to the concluding of contract or transaction.

The Treasury shall fulfill its obligation to provide prior information by providing content as specified in Appendix 7 of the Terms of Business.

3.2. LANGUAGES USED FOR COMMUNICATION WITH CLIENTS

The Treasury defines Hungarian and English as the applicable language during the existence of client relationship subject to the Terms of Business, while stipulating the primacy of the Hungarian language. If the client does not speak Hungarian, it is entitled and obliged to employ a contributing witness with adequate knowledge of the Hungarian language – as set out in Section I. 10. of the Terms of Business – for the conclusion of contracts and transactions as specified in the Terms of Business; or in the course of a business relationship, to apply for English-language documents. If the customer wishes to take part in a collaborative witness, it must take care of the person and the availability of it himself.

3.3. Ways of client communication

Treasury fulfils its information obligation by providing information at the time of client's appearance in person, in the Terms of Business and their appendices, in its notices and written publications, on its website, in its internet and mobile phone application systems (WebKincstár and MobilKincstár), through PUSH or SMS notification and in its phone-based customer service system.

The Treasury is entitled to outsource telephone communication tasks, in whole or in part, to a partner specializing in this activity.

The Treasury under current legislation, fulfils its information obligation as specified in ISA, with electronic way, in writing.

The Treasury shall fulfill its obligation to provide information through the WebKincstár or, in the case of customers who do not have the right to this electronic service but have an e-mail address specified in a contract or specified in a statement, by e-mail, unless the customer has requested paper-based information. If the client has requested paper-based information, the Treasury shall fulfill its obligation to provide information by post.

The information shall be deemed to have been given in writing if the Treasury publishes the document containing the information in accordance with the disclosure rules of the

Terms of Business or delivers it to the customer in person, which the customer acknowledges on the transferred document or by signing a contract. The Treasury shall be entitled to provide information with reference to other documents by simultaneously providing their availability, if accessing these documents is not accompanied by disproportionate expense for the client. The client shall notify the Treasury about signing the contract if client could not access the information provided at the place appointed by the Treasury, and the notification shall be made prior to the order/Declaration, in time.

The Treasury shall consider provision of predetermined information as provided at the suitable time, if the time of communication thereof is in accordance with the related requirements of the provision of prior information as specified regulations in the ISA. The Treasury is not liable for damages suffered by client, which result from the failure to read, listen to and take over the information notice provided by the Treasury. The Treasury is not liable for incorrect deliveries or damages during the delivery of postal items that fall outside its scope of responsibility.

Parties are entitled to communicate the notifications to each other in writing. Written notifications shall be considered as the documents handed over in person by the client's personal attendance, letters sent by post, notifications generated through WebKincstár internet system by the client or those sent as e-mail attachments. The Treasury shall not be obliged to send its notifications to the customer by registered mail.

The Treasury will send written notices and account statements primarily electronically (WebTreasury, e-mail) unless the customer requests paper-based information. In the absence of a mailing address specified in the contract or statement, the Treasury shall make the notices available in the client's account manager's API and provide them to the client upon personal appearance upon request. The customer cannot specify a mailbox as the mailing address. The Treasury is not liable for damages, which result from the failure of client to make a declaration or notify data in accordance with the law or Terms of Business due to failing or being late to receive the notifications, if the Treasury acted with due diligence at the time of posting notification, and the fact of this can be proven.

The Treasury is not liable for any other damages, which result from the failure of client to receive notifications sent electronically or by post to the mailing addresses, electronic mailing addresses, address of residence and registered office provided by client. The client must notify the at any customer Service offices of the Treasury in person or in writing of any changes concerning the electronic mail address without delay.

The Treasury performs its domestic mailing by post and/or electronically, whereas in case of mails addressed overseas, it applies exclusively electronic mailing, and makes it available for clients with eligibility through the WebKincstár.

In case of domestic notifications, the Treasury is entitled to consider the predetermined notification as received by the client after 10 calendar days as from the date of posting it (presumption of delivery). The Treasury executes any of its outstanding notification obligations towards the client, by posting the notification, or by receiving a delivery acknowledgement on the notification sent electronically, and by verifying the takeover.

Notifying the Treasury of not receiving the notification in time shall be the liability of the client. The Treasury shall not consider the predetermined notification posted properly as received, related to which the client indicated towards the Treasury that the notification did not arrive, prior to the operative date of presumption of delivery.

The Treasury is entitled consider the content of notification as acknowledged and accepted by client, if it did not receive any feedback or objections from the client within 5 calendar days as from the takeover of notification and the operative date of presumption of delivery. Failing this deadline shall be deemed forfeiture by the parties.

The Treasury is entitled to execute its notification obligation via telephone only by the Central Customer Service Office - or by a personally displayed client orally, if it affirms – except the personally displayed client - this type of notification in writing (by post or electronically) until the business day as from performing the mentioned form of notification.

In case of arising disputes in relationship with the incoming and inserted outbound notifications, the Parties shall primarily accept the Treasury's post book, the data of electronic mailing system and its treasury as well as its internet register and registry book as proof of the performance of notification obligation.

The client shall make notifications for the Treasury in writing. Notifications for the Treasury shall be sent to the address, postal address and electronic mailing address predetermined in Appendix no. 1 and on the website, or shall be handed over in person at the addresses specified in Appendix no. 1, in the opening hours indicated therein.

Account statements and other notifications provided in II. 3. 3. shall not restrict the right of Treasury to continue to publish certain information by post or announcement.

In cases predetermined in legislation, the Treasury is obliged – whereas in other cases, related to issues concerning a wide range of client is entitled – to communicate with the

client through its Notices. Communication through notice can be performed in the press, in the premises of customer service offices engaged for the distribution of government securities open to customer, or by the disclosure of the notices on the website of the Treasury.

3.4. AD-HOC PROVISION OF INFORMATION

3.4.1. The forms of ad-hoc provision of information

The Treasury shall comply with its information obligation subsequent to the execution of ad-hoc orders/transactions/deals in accordance with Section 3.4 of this Chapter, by handing over or sending the certificates of completion to the client via durable data medium, or by making the certificates of completion available in writing in the STO performing account management for the client.

The Treasury shall perform its information obligation subsequent to implementation of orders/transactions/deals initiated online or via mobile phone by ensuring the inquiry of execution-related data on the interface of WebKincstár, whereas in case of client with MobilKincstár services license on the surface of WebKincstár and MobilKincstár, and through PUSH or SMS notification. The Treasury shall make related information to the orders/transactions/deals available to the entitled client for the period predetermined in Section 1.11. of Chapter IV. of the Terms of Business on the rules of keeping data by preserving the information content, in a form ensuring access to, option for saving and printing the data at any time.

In case of client's claim for this, the Treasury shall execute related information obligation subsequent to the implementation of orders/transactions/deals by making the document – printed at STO keeping the account and signed by the Treasury's representative – available to the client.

The Treasury may have recourse to the agent to resolve any deficiency encountered in opening an account through an intermediary.

3.4.2. The content of ad-hoc provision of information

The Treasury shall suitably execute its information obligation subsequent to client's orders in accordance with Sections 67 of ISA, as follows:

a) it shall provide its client with information on the execution of order without delay, in writing or by using other type of durable data medium,

b) in case of retail client, it shall provide the client with information on the execution of order without delay, or at latest on the next business day, in writing or by using other type of durable data medium.

c) beyond information obligation specified in item a), the Treasury shall provide information on the current status of the client's order on demand.

Content of information:

a) the Treasury's name,

b) the client's name and securities registration account number, current account number of securities registration account,

c) In addition to the obligation to provide information under point (a), at the request of the client, the Treasury shall provide information on the current status of the Client's order.

d) Content of information:

e) name of Treasury,

f) name of client, number of securities registration account, account identification number

g) the value date,

h) the time of execution of the order,

i) the type of the order,

j) the name of the sale venue, transaction identification number,

k) the name and identification number (ISIN number) of the financial instrument,

l) the indication of the transaction,

m) the nature of the order if other than buy/sell,

n) the quantity of financial instruments,

o) the unit price of the financial instruments, indicating trading unit as well,

p) the total expense,

q) the total sum of the commissions, fees and other expenses charged by the Treasury against the client and, where the retail client so requests, an itemized breakdown,

r) the valid exchange rate, if the order requires conversion

s) the client's obligations in relation to the implementation of the transaction, including the time limit for payment, as well as the account numbers and other account details required for the settlement.

If the client's portfolio contains financial instruments or cash and cash equivalents, related to which the implementation has not been fulfilled yet, the Treasury shall indicate whether the predetermined information refers to the business day or the day of settlement in the client's – or its rightful – financial instruments and cash and cash equivalents stock and their description, and shall provide information by applying the same approach with regard to Subsections b) and c) of the previous Section.

The Treasury shall charge the predetermined premium specified in the Notice applicable at the time for making the information available to the client.

3.5. REGULAR PROVISION OF INFORMATION

The Treasury shall execute its regular information obligation related to the financial instruments and cash and cash equivalents by sending the extract of securities registration account by post, or by making it available to the client on durable data medium or in the STO keeping the account, by Section 69. and 69/A of ISA.

The Treasury shall make quarterly the statement of account prepared on the client's or its rightful financial instruments and cash and cash equivalents – managed by the Treasury within the framework of its investment service activity – available to the client, and in the case of securities registration accounts made in writing or on durable data medium. The Treasury shall send the regular information to the mailing address belonging to the active securities registration account provided by the client most recently; or the Treasury shall make it available on durable data medium, or shall hand it over at the time of personal attendance. In the case of account contracts concluded prior to 1 December 2013 client shall make a written declaration about the means through which he requests to receive information (WebKincstár, e-mail, via post) related to all securities registration accounts.

The Treasury shall prepare the statement of account with the following content:

- a) the client's or its rightful financial instruments and cash and cash equivalents portfolio and their changes, related costs at the end of the period specified in the statement of account,
- b) the client's or its rightful stock of financial instruments and funds, which was subject to securities financing transactions during the period specified in the extract,
- c) the potential profit of a client in the participation in securities financing transactions and the basis for the accumulation of profit,
- d) a clear indication of which assets and funds fall within the scope of the rules and implementing provisions of Directive 2014/65 / EU and which are not, such as those covered by the safeguard agreements that include the transfer of ownership,
- e) a clear indication of which assets have special ownership status, such as mortgages,
- f) the password being changed monthly and required for the online balance inquiry platform of the Central Bank of Hungary (<https://eszlaweb.mnb.hu/Lekerdezo>), specified by Section 142/A of the Capital Market Act, and generated according to the rules of MNB Decree No. 36/2015.

3.6. EXTRAORDINARY PROVISION OF INFORMATION

The Treasury informs the client within the framework of extraordinary provision of information in the cases specified in Sections I. 3.6 and III. 1.2 of the Terms of Business, in accordance with the rules predetermined therein.

4. BEST EXECUTION OF ORDERS ON TERMS MOST FAVORABLE TO THE CLIENT, EXECUTION POLICY

4.1. VENUE OF EXECUTION

The Treasury concludes a transaction, as regards both parties act directly as seller or buyer, and the Treasury executes these transactions within the framework of its own account trading, over the stock exchange/regulated market, from its own account, and shall credit the security affected in the order to the client's securities registration account, based on the order for the registration and management of the client's declaration of subscription or put in the procedure for marketing.

Accordingly, within the framework of investment services or ancillary services activity, the Treasury shall not be entitled to execute the orders at venues of execution other than those specified above. Within this context, the Treasury calls the client's attention to the fact that it cannot execute orders at venues of execution other than those specified

above even on the client's definite instructions, thus the Treasury is entitled and obliged to refuse related orders of client.

4.2. BEST EXECUTION FOR THE CLIENT, EXECUTION POLICY

The Treasury, in accordance with Section 63 of ISA, shall define applicable rules in its Execution policy on the best execution of the orders in favor of the clients.

The Treasury executes the orders of clients on a first comes first basis, following the order of registrations, in accordance with its Execution Policy, set out in Appendix no. 4 of the Terms of Business. The Treasury shall not combine the orders of the clients.

4.3. EXEMPTIONS FROM EXECUTION POLICY

The Treasury shall be entitled to deviate from its predetermined execution policy exclusively in the case when it proceeds according to the client's definite written instructions, in accordance with Section 62(6) of the ISA. In this case, the execution of order by the Treasury may hinder the best execution of order on terms most favorable to the client. The client's instructions shall cover the following aspects:

- the exact name of the financial instrument subject to the order (for securities: name, series, face value)
- the price of the financial instrument subject to the order (net price)
- the volume of the order
- the deadline for the execution of the order
- the nature of the order.

5. POLICY OF CONFLICT OF INTEREST

The Treasury defines its conflict of interest policy for the purpose of avoiding, revealing and handling conflicts of interest disadvantageous to the client, in which it ensures the handling of the conflicts of interest arising in relation to the provision of services, eventually resulting in consequences disadvantageous to the client.

The summary of the Treasury's policy of conflict of interest is available as Appendix no. 5 of the Terms of Business.

III. THE LEGAL CONTRACT RELATIONSHIP

1. ESTABLISHMENT, MODIFICATION, AMENDMENT AND CESSATION OF THE LEGAL CONTRACT RELATIONSHIP

1.1. THE FORMAL REQUIREMENTS OF CONTRACT, THE EXPRESSION OF CONTRACT WILL, THE CONTENT, VALIDITY AND SCOPE OF CONTENT

The Treasury or its authorized intermediary concludes an individual contract or framework contract with its client.

The contracts – as minimum requirements – must contain the following data:

- the identification data of the contracting parties and their representatives;
- the client's contract number of securities registration account and his current account number;
- the name of the investment services or ancillary service subject to the contract;
- the definition and quantity of the financial instrument subject to the contract;
- the consideration of the service;
- the duration of the contract;
- the form and forms of performance of the contractual obligations of the Treasury and its clients;
- the value date;
- the specification of the cover of contract.

The Treasury may conclude investment order or transaction with its client (or by representative/proxy/authorized signatory):

- in person;
- using an agent (only with account holder)
- through mobile phone application (MobilKincstár);
- on the internet (WebKincstár).

The Treasury shall accept electronic investment order from its client, if the possibility for instructions given by post or electronically was not excluded by the client towards

the Treasury in writing, and if the Parties expressly agreed to use this form for the acceptance of investment orders.

The Treasury shall accept orders received via e-mail, which arrive from the e-mail address published in the contract by the client, and the order is signed as reported in the Treasury and sent in scanned form as the attachment of the e-mail.

The Treasury shall receive and handle the orders received/transactions initiated via telephone and online and mobile phone application according to the same content requirements as those prescribed for written orders/transactions, in accordance with the provisions of Chapter IV of Terms of Business. The Treasury is entitled to consider orders/transactions not to have occurred, which could not be recorded and approved due to any technical problems. Disrupted transactions are displayed as a revocation status.

The Treasury commits its contract concluded with its client to writing in accordance with Section 52(1) of the ISA.

The Treasury applies preprinted forms for the concluding of contracts, which are published on its website (www.allamkincstar.gov.hu) and are available for customers at the customer service offices engaged in the distribution of government securities and in the Appendix no. 3 of the Terms of Business. The Treasury shall accept written orders exclusively submitted on the preprinted form published by the Treasury, including orders sent as e-mail attachments.

Contracts concluded in writing:

For the Parties present, the contract under conclusion between the Treasury and its client shall be considered as concluded – in the absence of different instruction – when both Parties simultaneously signed the contract, in accordance with the applicable rules.

The Treasury shall conclude a securities registration account contract - with the exception set out in point III.1. - exclusively with its clients, who appeared in person, or in case of organization, with the representative thereof appeared in person. The Treasury may stipulate that it concludes contracts related to its specific services exclusively with its clients or the representatives of organizations appeared in person. An exception to the obligation of personal appearance is the opening of a securities registration account initiated through the Client Gate.

For contracts that can be concluded in personal, the Treasury accepts modification only in person, except for the written notice of the securities registration account contract and the account holder's declaration to shift to electronic information service.

Orders/contracts – in the absence of different instructions – shall be considered as concluded in case of absent Parties, if:

- the Treasury accepted the written order/contract, or
- signed the certificate of completion of order/contract received by post in accordance with the applicable rules,
- signed the certificate of completion of order/contract received electronically in accordance with the applicable rules.

In the case of absent parties, the contract between the Treasury and its (prospective) client shall - unless otherwise specified - be deemed to have been concluded when the Treasury accepts the offer made by the (prospective) client. In the case of an agent, the offer binding of the client begins with the receipt of the offer by the Distributor.

In the case of absent parties, the offer shall be made by acceptance by the Treasury and confirmation of the conclusion of the securities registration account contract by the Treasury in such a way, that the Treasury sends the written acceptance of the contractual offer to the client, including the electronically quoted offer and the tender statement to the client's Client Gate storage. In case of failure, the Treasury sends it by mail. This written acceptance, along with the electronically recorded offer and the offer declaration, constitutes the original copy of the securities account agreement.

In the case of absent parties, if the prospective client also makes an offer to execute a transaction order at the same time as his/her offer to enter into the securities registration account, it shall be valid only if the Treasury has accepted the offer to conclude the securities registration account.

If the prospective client makes an offer to execute a transaction order at the same time as his offer for entering into a securities registration account and has already initiated a payment or transfer to the technical account specified by the Treasury for the purpose of executing the order, the Treasury shall keep the securities registration account, shall reject the offer for the conclusion of the contract, so that the amount of money already transferred by the prospective client for the fulfillment of the order must to be returned to the payment account initiating the transfer, or, in the absence of such account

number, it is made available to the client by the agent it uses. The Treasury shall be entitled to debit any costs that may arise under this procedure to the prospective client.

The Treasury excludes its liability for compensation in the event that the prospective client makes an offer to execute a transaction order at the same time as the offer to conclude the securities registration account and has already initiated a payment or transfer to the technical account specified by the Treasury for the purpose of executing the order, however, the Treasury will occur any cost to the prospective client due to the rejection of the offer to conclude the securities registration account.

In the case of absent parties, if the prospective client makes an offer to execute a transaction order at the same time as his/her offer for entering into a securities registration account and has already made a payment or transfer to the technical account specified for this purpose by the Treasury in order to execute the order. cannot execute an order, but establishes a business relationship with the client, so the Treasury transfers the transferred amount to the client's securities registration account.

In the case of absent parties, if the client issues a transaction order and has initiated a payment or transfer to execute the order, but the Treasury is unable to execute the order, the Treasury shall credit the amount of money paid or transferred to the client's securities registration account.

In the case of absent party, the Treasury shall execute the securities redemption order initiated by the client only if the government securities portfolio specified in the redemption of the securities is available on the client's securities registration account or the amount of the redemption order submitted by the client does not exceed the value of the securities registration account's stock. The Treasury is also entitled to refuse the execution of securities redemption orders submitted by the client through an agent used by the Treasury, but the agent is not entitled to sell the government securities specified in the securities redemption order.

The Treasury has the right to deny acceptance of the offer without justification, during which the binding of the offer is terminated and the offer is void.

It is not considered to be sent by the Treasury to the prospective client a technical account number or a unique identifier or any data related to the customer register sent to the acceptance of the offer for the conclusion of the securities registration account contract.

In the case of absent parties, the Treasury shall establish a business relationship only with the owner of the securities registration account -except for the opening of the

Treasury Start securities account. The opening of a Start Securities Account by a relative or by a child over the age of 16 acting independently can only be initiated in person at one of the Treasury's government securities distribution customer service offices.

Unless otherwise specified, the written agreement shall enter into force on the date of its signature by both parties.

1.2. MODIFICATION OF CONTRACT AND ORDER, SUSPENSION AND REFUSAL OF PERFORMANCE OF CONTRACT AND ORDER

The client may – in the absence of different instruction – revoke its contract proposal until the entry into force of the contract.

The client may – unless otherwise specified – modify or revoke its contract proposal prior to its processing and implementation by the Treasury.

The initiatives of client with framework contracts for entering into individual sales and purchase transaction shall be considered proposal or call for proposal under the Terms of Business, thus the Treasury draws attention of the client to the fact that, as the Treasury enters into legal relationship with its client under its proprietary trading activity, these transactions shall not constitute as performance or execution of order as per Section 5(1) a)-b) of the ISA.

The client may revoke – unless otherwise specified - its order given under its framework contract prior to the implementation by the Treasury, or modify the content of the original order during the period available for revocation.

The Treasury may determine a different time limit for the withdrawal of each offer .

The commencement of implementation shall be governed by the data of the Treasury's securities trading system and other records of the Treasury.

The client may modify or revoke its predetermined order given in writing (delivered in person, by usint an agent, via post or electronically) prior to the conclusion of contract in writing (delivered personally, via post or electronically), unless otherwise stated.

A valid modification Declaration shall be made as per the instructions related to the contract in question, unless otherwise provided for.

The applicable rules of Modification and withdrawal when using TeleKincstár, WebKincstár, and MobilKincstár services are contained in the Terms of Use. All costs and losses originating from the withdrawal of contract proposal or order shall be borne

by the client; the Treasury may charge the expenses and claims incurred as a result of withdrawal to the client.

The predetermined proposal/order given by the client may be accepted if it is duly defined and expresses the client's intention to deem himself obliged in case of acceptance. A declaration is duly predetermined if it expressly specifies the data required to identify the client and execute the transaction. The proposal shall take effect as at the date of delivery to the other party.

The Treasury shall refuse to enter into contract or execute the client's order under the contract if the client

- does not accept the Treasury's Terms of Business, the Special Contract Conditions of government securities issued in Euro, and/or the Terms of Use in the course of contract conclusion (account contract, sales/purchase contract, statement of subscription, supplementary agreement, declarations);
- refuses to make a declaration related to the acknowledgement of the profit of suitability assessment, client classification or prior information;
- refuses to provide or transfer information, declarations and documentations to the Treasury required for the suitability assessment and client classification, or provides misleading information in the declarations and documentations;
- does not enter into account contract with the Treasury and/or does not complete the declaration on the beneficial owner and important public actor;
- does not contribute to section (8) of Article 7 of MLA;
- is not able to provide prima facie evidence as to the capacity of its representative or proxy;
- does not accept the Special Contract Conditions regarding predetermined distribution of government securities upon giving order;
- does not have adequate cover for the execution of the transaction;
- sends the orders/declarations to the Treasury later than required for execution;
- has refused to verify the identity of or identify the prospective counterparty, or the verification/identification was not credible, or the verification or identification was unsuccessful due to other reasons;

- submits its written orders incorrectly, incomplete or not using the preprinted form applied by the Treasury.

The Treasury shall refuse to enter into contract and execute the client's order under the contract, pursuant to Section 54(1) of the ISA, if

- by doing so the Treasury engages in insider trading or market manipulation,
- by doing so the Treasury breaches the provisions set forth in legislation or the rules related to regulated market, third country stock exchange suitable to rules related to the regulated market, central counterparty, or KELER Zrt.,
- the prospective contracting party or client refused to verify the identity of or identify the prospective contracting party, or the verification or identification was unsuccessful due to other reasons,
- the Treasury has not gained access to the information required for the performance of the suitability assessment set forth under Section 44(1)-(5) of the ISA, or
- the result of the suitability assessment set forth under Section 44(1) of the ISA does not allow for the provision of services to the client requested as regards the financial instrument in question.

The Treasury, as an investment service provider in accordance with MLA, suspends the administration of suspected transactions, or for the implementation of a financial and asset restriction measure if it requires the national financial intelligence unit to take spot measures to examine any information, fact or circumstance that may suggest money laundering.

The Treasury shall refuse to enter into contract and execute the client's order/transaction under the contract if the contract or order contradicts Subsection III. 1.1. of the Terms of Business.

The Treasury shall report to the Supervisory Authority without delay if the execution of the receivable order was refused because it would have constituted insider trading or market manipulation.

If, upon at the time of execution of or during the existence of contract, the client gives an order to the Treasury with regard to the contract which contains instructions that are open to multiple interpretations, the Treasury shall not execute such order, and shall notify the client, if the client is available (via phone – exclusively by Central Customer

Office, email or letter), in order to resolve disagreement. The Treasury is not liable if the client cannot be notified or cannot be notified in time; the interest loss on implementation failure, loss on exchange or other claim shall be borne by the client.

Transactions shall be implemented by the deadline which is specified by the Treasury based on the contract and the order, and which can be met.

1.3. KEEPING RECORDS OF CONTRACTS AND ORDERS

The Treasury keeps consistent, continuous and chronological record of

- all transactions made under and outside proprietary trading,
- the contracts entered into with clients,
- about the orders made by clients.

The Treasury keeps its records so that they allow assessing if the predetermined order/transaction has been executed for the benefit of the client or its own account.

The Treasury registers those telephone conversations and electronic messaging, as part of the records, that deal with transactions in the self-account trading and client assignment services related to the taking, forwarding and execution of orders. Such telephone conversations and e-mail exchanges include those, that are intended to conclude transactions in the context of self-account trading as well as providing customer ordering services related to the collection, transmission and execution of orders. This also applies to conversations and exchanges of messages that do not lead to the conclusion of the transactions in question or the provision of customer ordering services.

On ad-hoc request, the Treasury is obliged to provide client with data of their securities registration account retroactively for 5 years (if required by MNB for 7 years) from the last day of the year following tax liability. The Treasury may provide ad-hoc reporting on a case-by-case basis for a special premium specified in its notice.

At the request of the client, the Treasury is obliged to provide data on its securities registration account retroactively for 8 years from the date of termination of the business relationship. The Treasury may make this ad hoc provision of data subject to the payment of a separate fee published in the respective Announcement.

In order to execute its record keeping obligation, the Treasury may request data from the client for identification purposes. The Treasury shall preserve the identification data

contained in the records for 5 years following the execution or cessation of contract, unless otherwise specified in legislation.

1.4. NOTICE OF CONTRACTS, CESSATION OF ACCOUNT

1.4.1. Notice of contract by client

Contracts between the Treasury and its client – in the absence of individual contract, framework contract, or unless otherwise instructed in the Terms of Business – may be terminated by the client with immediate effect or by the Treasury by giving 30 days' notice in the cases specified by Section 145(2) of the Capital Market Act.

The account holder may terminate the account contract any time in person or, in case of obstruction, in writing – recorded in an official document – via post without giving notice. The notice of securities account only prevails if, upon notice, the client simultaneously specifies another securities account manager and securities account. Clients with a positive cash balance are entitled to specify a payment account managed by another credit institution simultaneously with notice, to which the Treasury shall transfer the amount of balance – by concurrently reducing the premium, expenses, and commissions related to the abolishment of account contract – by the end of the period of notice the latest. Should, in the case of accounts with a cash balance, the client fail to specify a payment account in its name or a payment account over which the client is entitled to dispose, the Treasury shall pay the cash on the securities account to the client in cash or via bank transfer on the 2. business day subsequently to the report the latest, and after that abolish the securities account without securities.

As a further condition, the account holder shall be entitled to terminate this contract only if he complies with all the outstanding obligations to the Treasury until the end of the period of notice. The fact that the account balance does not entail monetary receivables does not automatically result in the cessation/termination of account.

The abolishment of account contract shall take effect as on the business day following the acceptance and signature of notice by the Treasury.

The validity of the password required for client identification via telephone, the internet or mobile phone application expires upon cessation of account contract.

1.4.2. Notice of contracts by the Treasury

Contracts between the Treasury and its client may be terminated by the Treasury in writing by giving 30 days' notice, if:

- the client has failed to execute its payment obligation in relation to account management despite the repeated written notice (delivered via post or electronically), and the monetary claim available on the client account does not cover the overdue debt, or
- the Treasury discontinues its activity.

Based on the notice regarding the settlement of other debts originating from inadequate collateral and outstanding as at sum due, the client is obliged to execute his payment obligation within 5 business days following receipt of notice and within 3 business days following repeated notice, taking into account the deadlines specified in notice.

In the event if the Treasury discontinues its activity, it shall proceed by using the rules of accounts transfer set forth under Subsection I. 3.6. of the Terms of Business.

Subsequently to the notice of account, the Treasury shall handle the financial instruments and funds registered on the client's accounts as per the rules of negotiorum gestio in accordance with Subsection III. 1.4.4. of the Terms of Business, if the client has not decided on such financial instruments and funds, or the client cannot be reached. The expense of negotiorum gestio shall equal the account management premium applicable at the time. The account holder acknowledges that for overdue debts a default interest of the amount specified in the Civil Code will be charged over the period between the due date and the day of outgoing payment. Simultaneously with the communication of termination, the Treasury shall request the account holder to specify a new account manager during the period of notice. If no new account manager is specified, the rules of negotiorum gestio shall apply.

Within 15 days subsequently to the cessation of account contract, the Treasury shall pay or, at client's request, transfer the predetermined amount of cash due – reduced by the amount of expenses and fees stipulated in the Notice effective from time to time – to the account specified.

1.4.3. Substantial breach of contract

The Treasury is entitled to terminate the contract with immediate effect, or to restrict and terminate the right of use of the WebKincstár and MobilKincstár, if the client commits substantial breach of contract.

In particular, substantial breach of contract shall be considered as the following:

- the client's delay in fulfilling contractual obligations exceeding 30 days;

- the client has failed to execute his contractual obligation;
- the information, documents and declarations provided in the course of suitability assessment and client categorization to the Treasury aim at misleading the Treasury;
- subsequently to the conclusion of contract, any reason arises based on which – according to the Terms of Business – the Treasury could have refused to enter into contract, or was obliged to refuse conclusion of contract;
- the client enters into a contract at the Treasury or any other investment service provider which suggests insider trading or is suitable for market manipulation, or is prohibited by Capital Market Act or other related legislation; the client has entered into contracts that contradict regulatory or other distributional prohibition, or clearing house policy;
- if the client verifiably uses the securities registration account or any service through electronic channels repeatedly, incorrectly (e.g. as payment account), by circumventing the relevant legal provisions;
- The number, amount of payment transactions executed by bank card is are not verifiable by business;
- other conditions of the client become known that, as per the Investment Services Act, provide grounds for refusal of conclusion of contract.
- if the client repeatedly or seriously violates the rules for the use of the WebKincstár and MobilKincstár, despite its repeated warnings, in particular for their abusive use, which is not commercially justified.

1.4.4. The Treasury's liability in case of contract notice by the Treasury

In case of contracts noticed by the Treasury, the Treasury shall handle the client's financial instruments and funds as per the rules of negotiorum gestio, if the client has not decided on them or cannot be reached. All expenses and premium incurred in relationship with negotiorum gestio shall be borne by the client. The Treasury is not liable for losses suffered by client as a result of negotiorum gestio.

2. PROCEDURE OF IMPLEMENTATION OF ORDERS

2.1. REGISTRATION OF ORDERS

The Treasury only accepts orders and declarations from the client after the conclusion of securities registration account contract and registration of identification data prescribed for client identification.

The Treasury accepts ad-hoc and standing orders from clients.

Orders given by the customer in person are accepted at the place of operations of the customer service offices engaged in distribution of government securities (Appendix no. 1), the places specified on the website of the Treasury and during the business hours and in accordance with the terms and conditions laid down under Appendix no. 1 of the present Terms of Business.

Orders regarding the purchase of government securities issued in EUR currency shall only be executed after crediting the EUR cover order to the client account. Should the set out and implementation of investment relating to this credit take place on the client securities registration account before 16:00 on a predetermined day between Monday and Thursday, or before 14:00 and not later than 12:00 on business days shifted due to public holidays; on the day following the set out, if the set out or the implementation take place after 16:00 between Monday and Thursday, or after 14:00 on Fridays and not later than 12:00 on business days transferred due to public holidays, the investment is executed on the second business day following the day of registration. The Treasury assumes responsibility for accepting orders to sell government securities issued in EUR currency with face value not exceeding the value limit published in the announcement, distributed by the Treasury, if it complies with the provisions set forth in the Terms of Business.

Orders given via agent, post or electronically are considered received as of the day of receipt of orders or arrival of consignment. The Treasury does not assume any liability for executing orders received with delay on the day of receipt.

As of January 8, 2024, the Treasury will no longer accept standing or one-time orders submitted by clients electronically or by postal mail for execution.

In verifying the identity of client and registration of transactions, the Treasury shall comply with the provisions laid down in legislation and internal instructions effective from time to time.

Related to the procedure of identity verification and registration of order when using the services of TeleKincstár, WebKincstár and MobilKincstár, Chapter IV of the Terms of Business and the related instructions of the Terms of Use shall prevail.

If the client provides incorrect, equivocal, ambiguous, or incomplete data for executing order, and fails to comply with the Treasury's request for clarification, the Treasury shall not take liability for claim originating from the failure to execute the order.

The Treasury only accepts transactions and orders related to buying physically existent government securities for government securities which are distributed by the Treasury and are complete, i.e. contain all, unexpired interest and/or principal strips.

The Treasury specifically draws attention to the fact that the Treasury is not entitled to provide investment consulting-type services, thus its employees are not allowed to give investment advices to clients.

2.2. ACTING IN THE CLIENTS' INTEREST, HANDLING CLIENT ORDERS

In implementation of contracts concluded with clients and executing orders received from clients, the Treasury shall comply with the provisions laid down in legislation, general and specific contractual terms and conditions, internal regulatory tools, and professional rules in accordance with the clients' interest at all times.

As to accepting material or non-material allowance or advantage, the Treasury complies with the provisions set forth under Section 61(2) of the ISA.

In executing the order received from clients, the Treasury records the executed order immediately and accurately, and executes otherwise comparable client orders in the order of acceptance. The Treasury shall make every reasonable effort to ensure that the financial instrument and fund received in the course of performing the executed order, owned by the client or to which the client is entitled, is credited to the right account of the right client without delay and accurately. The Treasury shall not combine orders of clients.

The Treasury executes orders received via post or electronically in accordance with the predetermined content of orders. Should an order contain contradictory or incorrect instructions, the Treasury shall not execute the transaction, and shall notify the client of the fact of refusing implementation without delay – in case a phone number by Central Customer Office or e-mail address is available – or, in any other case, in writing within 1 business days after receipt of order.

The Treasury takes into account the value date changes specified in Annex 1 during the execution of orders given by the client.

2.3. COVER

The Treasury is only obliged to commence the implementation of the order if the client has provided cover for his order/transaction, as well as for the fees, expenses, and commissions of the transaction(s), as specified in the Notice. The Treasury does not accept cover received via domestic postal money orders.

The cover may be cash or government securities. As per the provisions of Subsection III. 2.4.1. of the Terms of Business, in line with the currency of the predetermined transaction the client may provide cover in cash (HUF) for government securities issued in HUF, and, for government securities issued in foreign currency, in the foreign currency of issuance. The provision of cover may be executed via physical transfer, transfer or relocation from securities registration account, in case of dematerialized securities, credit to the securities registration account, or from the positive balance of the client's securities registration account, exempt from any restrictions or obstruction (available), managed by the Treasury.

In case of sales transactions (transactions described under Subsection V.2.3. of the Terms of Business) and subscriptions, the Treasury shall not undertake partial execution. The Treasury shall notify the client of default payment due to inadequate cover via post or electronically at the latest on the trading day following the date of non-performance or partial execution.

2.4. PAYMENT CONDITIONS

2.4.1. Financial implementation methods for clients

The client (upon entering into contract) may execute the payment of the purchase price to the Treasury as follows:

- in cash (including cash on cash account);
- by bank transfer (by the deadline predetermined in the contract at the latest);
- with bank card via POS terminal or WebKincstár and MobilKincstár.

Other payment terms may apply to the distribution of predetermined government securities or to a given distribution channel, on which the client (may) find more information in the relevant Special Contract Conditions and Terms of Use and in the Information on the administration of bank transfer and payment by bank card, which documents are available on the website of the Treasury.

Upon transferring the HUF consideration of government securities issued in HUF, the entitled party shall indicate the account identification number of the predetermined securities registration account as account number. In the first 8 characters of the bank transfer order's details of payment, the securities registration account number of the entitled party shall be indicated, followed by the account holder's name.

The method of purchase price payment via bank transfer in the case of government securities issued in foreign currency is regulated by the Treasury in the Special Contractual Terms.

The Treasury accepts orders for converting amounts in EUR on client accounts to HUF if the purpose of the order is acquiring government securities issued in HUF and the free cash balance results from the purchase or maturity of government securities issued earlier in euro. The currency risk associated with conversion shall be borne by the client. The euro registered on the client account is exchanged at the official buying exchange rate of the MNB.

2.4.2. Financial implementation methods for the Treasury

The Treasury – simultaneously with entering into contract – may execute the payment of the purchase price, and interest and/or principal repayment becoming due to the client, if the given bank account number contains all the necessary data for the correct execution of the transfer as follows:

- in HUF in cash, in the case of government securities issued in HUF (including the cash placed to client account);
- in HUF via bank transfer, in the case of government securities issued in HUF (as at value date, date of transaction);
- in the currency of issuance and via bank transfer exclusively in the case of government securities issued in foreign currency, including the cash placed on the client account (as at value date, date of transaction).

The Treasury will only transfers euro equivalent to a foreign bank account number related to government securities issued in EUR currency. The Treasury will not be able to make a transfer to a foreign bank account in HUF.

The Treasury shall only make transfers to a foreign bank account in IBAN format that complies with the requirements of the applicable international rules. If the bank account number provided by the customer is in a different format, the Treasury is entitled to refuse to execute the transfer order.

The authorized person managing the account may initiate transfers from the client account only to another client account registered in the account holder's name or to a payment account held in the account holder's name at a financial institution, unless otherwise provided by law.

As of December 11, 2023, clients may only register payment accounts that are in their own name.

For security reasons, the Treasury is entitled to suspend or reject the processing of any transaction if, during central processing, it has reasonable grounds to suspect fraud or misuse—until the client provides a written statement. The Treasury shall immediately notify the client of the suspension or rejection and the reason for it. The client may submit their statement regarding the transaction in person, by postal mail, or electronically, provided they have not excluded these forms of submission.

The Treasury is not liable for any claim which results from the fact that the client has specified a payment account which is not in his own name as the beneficiary payment account.

The client shall report the Treasury of his intention related to withdraw cash in the amount equal to or exceeding the predetermined threshold specified in notice 2 business days prior to the planned date of withdrawal. Reports shall be recorded by the Treasury. The customer may report the Treasury in person, or through the Central Customer Service via telephone, via post or electronically, and WebKincstár and MobilKincstár trading channel. Should the amount of cash to be withdrawn exceeds the predetermined figure, and the client has failed to comply with his notification duty, the Treasury may refuse to execute transaction.

The date of outgoing payment of interest and/or repayment shall be the due date of payment. Should the due date of payment fall on public holiday, or a day when the Treasury does not provide investment services (treasury holiday), pursuant to the prescriptions of Civil Code, the payment shall be made on the following business day.

A Treasury is entitled to directly enforce its outstanding receivables against the client in relation to securities sale in case of the client's failure to fulfill his obligations, delay or damage by settling its claim against the client's securities registration account or the client's due monetary claim, or selling the client's securities.

2.5. INTEREST DUE TO OVERDUE DELIVERY

Should otherwise be specified by the parties in the contract concluded between them, in case of default implementation Section 6:153. and Section 6:156. of the Civil Code, while in case of default interest implementation Section 6:48 of the Civil Code shall be binding.

Parties shall indicate their request for default interest payment in writing.

2.6. IMPLEMENTATION

With regard to the transactions regulated by the Terms of Business, the Treasury considers the contractual execution of transaction on the suitable securities account managed by the Treasury as implementation.

The Treasury fulfills transactions and orders up to the daily government securities purchase and redemption value limit published in the Announcement and the sales limit specified in the Information Memorandum and the Public Offering of government securities series published by the GDMA Ltd.

The Treasury executes refunds, resulting from potential allocation, to the client's bank account in the case of purchase or subscription orders initiated through the WebKincstár and MobilKincstár interfaces. The Treasury executes transactions regulated by the Terms of Business using the FIFO method determined under the Accounting Act, unless otherwise instructed by client.

2.6.1 Deadline of implementation

a) Investment orders and provisions submitted through an electronic distribution channel

In the case of acceptance of orders placed electronically (on WebKincstár, MobilKincstár) on business days from Monday to Thursday until 16:00 on the given day, until 14:00 on Friday, and on business days transferred due to public holidays, the Treasury shall accept them during the opening hours published by announcement, unless otherwise stated, on the current day, orders received after these dates will be executed on the next business day, subject to the value date change, if collateral is available.

b) Investment orders and provisions submitted through the form regularized by the Treasury

Acceptance of orders given by the Treasury in person, through an intermediary, or by post or electronically on weekdays from Monday to Thursday until 15:30 on the given day, on Fridays until 13:30 on working days, and on working days transferred due to

public holidays by the Treasury, in the case of, in the absence of a different value date indicated therein, the orders received after these dates on the current day shall be executed on the next business day, subject to the value date change, if the cover is available.

The Treasury shall execute orders in respect of Bonus Hungarian Government Securities, Euro Hungarian Government Securities, Premium Hungarian Government Securities, Fixed Hungarian Government Securities, Premium Euro Hungarian Government Securities and Municipal Hungarian Government Bonds on the business day following the relevant value date until the date of the value date, on the 2nd business day following the value date, if the collateral is available.

In the case of redemption of the Hungarian Municipality Government Bond recorded on the T day, is settled on T + 3 day at T + 3 daily rate, in the case of government securities denominated in HUF, settled on T day at T day daily rate, while in the case of government securities denominated in euro settled on T day at T+1 daily rate.

The Treasury processes and executes transfer orders submitted to it through the IG2 clearing system operated by GIRO Zrt., in compliance with the regulations set forth in the Interbank Clearing System Business Rules established by GIRO Zrt. The Treasury accepts transfers initiated from a bank account held abroad exclusively through the Treasury's bank holding the account. The transferred euro amount will be credited to the customer's own customer account on the T + 1 business day following the crediting to the Distributor's account with the Magyar Nemzeti Bank.

In all cases, the initiated transfers must be sent to the account holder's account, where the 8-digit customer identification number of the account holder and the name of the account holder must be indicated in the notification field. Incoming foreign currency transfers - after conversion - will be credited to the securities account in HUF. The cost of the conversion or foreign currency transfer is borne by the initiating party. If the number of the ÁPI account is incorrectly entered on the transfer, or the transfer initiated by the customer cannot be identified at the Treasury (the box contains incorrect, incomplete data), the amount will be returned to the sending bank account on the following working day. The Treasury shall not be liable for any resulting damage to the customer. Information on the account number of the account holding customer can be requested in the ÁPI or through the Central Customer Service Office.

The client may initiate the revocation (RECALL) of bank transfer order submitted to the Treasury in writing during implementation or within 30 days following execution. In the case of transfer orders implemented, the account manager of the beneficiary of the bank transfer order may execute the refund within 30 days, with the beneficiary's prior

consent in writing. In case of lack of consent the amount of bank transfer can be enforced via legal action. The revocation request must contain all the data of the original bank transfer order and the specification related to revocation request, based on which the Treasury shall take the necessary measures to revoke the original order.

Regarding the credit received on the client's account, the party submitting the bank transfer order is entitled to initiate the revocation of the amount within 30 calendar days from the execution. Based on the submitted revocation, the Treasury contacts its client in writing in order to launch the retransfer of the credited amount.

The respond statement (instruction) for the revocation request may be submitted in the following ways:

- At the Central Customer Service Office, following a simple identification;
- in person at any of the customer service office engaged in the distribution of government securities;
- for clients with contract of securities registration account, on the form e-mail sent as attachment to electronic mail;

The statements sent back by post shall be accepted by the Treasury only if such form of disposition had not been restricted by the client when opening the account.

The predetermined orders given via WebKincstár and MobilKincstár service shall be executed by the Treasury as per the provisions set forth under Chapter IV of the Terms of Business.

The last deadline for financial implementation – except for insurmountable obstructions outside the Treasury's scope of business – shall be the deadline specified in the contract or the ad-hoc order (value date – current day, business day following current day, second business day following current day).

- The date of financial settlement shall be the date when the debiting or credit is made to the securities registration account. In case of cash payment, the financial implementation shall be spot, unless a different value date is specified by the client, or the amount of outgoing payment in accordance with the Treasury's payment obligation does not exceed the threshold specified in the Notice for prior notification.
- In case of bank transfers:
 - at sale: by the value date predetermined in the contract the latest.

- at purchase: the financial implementation shall be carried out on the predetermined value date specified in the contract.
 - the Treasury executes exclusively domestic orders in HUF and, in the case of securities issued in foreign currency, foreign orders, as well, for which required data (IBAN, BIC) shall be provided to the Treasury by the client.
- In the case of payments made via HUF- and EUR-based terminal, WebKincstár or MobilKincstár with debit or credit card, the financial settlement shall be deemed current day.
 - In case of allocation, the remaining amount shall be repaid within 2 business days as described in the distribution declaration.

If the client fulfils its securities or cash payment obligation with delay, he shall pay the amount specified in the Notice.

In the case of opening hours according to the working hours of the ÁPI, point of sale and postal service points participating in the distribution of dematerialized government securities announced by the Treasury by Notice, IG2 and AFR incoming transfers accept and credit items until receives and launches items for a given value date until the official cycle prior to the value date change.

2.6.2. IPS Distribution Policy

For the benefit of the Account kept in the Treasury, the IPS item can only be sent to the unique payment ID (GIRO account number) with 3 * 8 digits. A secondary identifier cannot be recorded for a securities registration account maintained in the Treasury, so it is not possible to initiate a reference to a secondary identifier in the IPS for securities registration accounts maintained in the Treasury.

Domestic forint transfers initiated electronically from the payment account are credited to accounts maintained by the Treasury 24/7, including weekends and public holidays, in accordance with the instant payment rules set out in MNB Decree 35/2017 (XII. 14.), provided that the transfer order meets the requirements for instant payment transactions as defined in this regulation.

AFR credits received up to the value date change date on a given value date will be credited to the accounts with a value date of T days. AFR items received after the value date change date will also be credited to the accounts immediately, but only with a T + 1 daily value date.

In the case of Treasury Start securities accounts, incoming IG2 and AFR credits will be credited to the accounts until the child reaches the age of 18.

Transfer orders initiated from the securities registration account are executed through the IG2 intraday settlement platform.

2.6.3 Keeping records of execution

In executing orders, the Treasury shall keep records of financial flows in relation to each transaction on the client account connected to the client's securities registration account. The Treasury shall credit the amount received without title to the securities registration account in the customer's non-interest bearing cash account. The treasury invests the transferred amount on the basis of a specific order (subscription statement / sales contract) from the client.

In its bank transfer order given to the financial service provider, the client shall provide his securities registration account number in the first eight digits of the transfer's details of payment (provision of the correct data is a prerequisite to identification), the name/description of the securities registration account holder involved. The Treasury shall place amounts received without a legal title onto the client's non-interest-bearing client account. If no client and securities registration account is related to the amounts transferred based on provided data and these data are not identified until 16:00 on business days between Monday and Thursday, until 14:00 on Fridays, and until the date published by the Treasury on business days shifted due to public holiday, the full amount shall be refunded on current day in accordance with legislative provisions, or on the business day following the current day after this date, taking into account the value date roll-over.

Credits received on the last business day of the year up to the date of the value date change announced by the Treasury will be settled on the customer accounts with a T-day settlement, while credits received after that date will be credited to the customer accounts. Credits received on the Start securities account after the date of the value date change announced by the Treasury on the last business day of the year shall be deemed to be the next payment for the current year.

2.6.4. Payment

The STO shall pay government securities-based claims – interest and/or repayment amount – to clients with securities registration account managed by the Treasury as provided for by the client under the “Securities Registration Account Contract”. Any payment method different from this can be arranged by the customer, in person, or in

writing (by mail or electronically) until 30 minutes before close of business or value date change on the 2nd business day (B-2) prior to the due payment date. If not prohibited, the customer can also give instructions through WebKincstár, and MobilKincstár systems if they have a contract for electronic channels.

Unless otherwise stated, the Treasury shall make the payment as per the account contract, taking into account the value date roll-over. Foreign currency payments made via bank transfer shall be governed by the Special Contract Conditions of the given government security.

Once the Treasury has paid the consideration via bank transfer as per the client's request but the consideration is refunded, the Treasury shall not take any responsibility for resulting losses.

If any doubt arises in connection to the performability of contract and the client cannot be reached (via phone – exclusively by Central Customer Service Office, post or electronically), the Treasury shall suspend performance until the client is contacted. The Treasury shall not take responsibility for resulting losses or disadvantages.

The failure of order execution due to infeasibility shall not constitute breach of contract on the Treasury's side, if the Treasury exercised due care under the given circumstances.

The Treasury shall not execute orders which are not identifiable as per the Terms of Business.

The Treasury shall only execute transactions and orders up to the amount of securities provided by ÁKK Zrt., and at the exchange rate in the order of registration in the Treasury's securities distribution system.

3. USE OF CONTRIBUTORS IN EXECUTION

The Treasury is entitled to use contributors for execution based on the agreements of the parties (with the exception of MNB, KELEK Zrt., GIRO Zrt. and Magyar Posta Zrt.). Without the parties' agreement, the Treasury may only use contributors in exceptional cases to protect the client from damage.

The potential contributor – in favour of execution - used by the Treasury shall not qualify as intermediary under Section 111 of ISA.

IV. SPECIFIC PROVISIONS REGARDING TELEKINCSTÁR, WEBKINCSTÁR AND MOBILKINCSTÁR SERVICES

1. SPECIFIC RULES OF USING INVESTMENT SERVICES VIA THE INTERNET OR MOBILE PHONE

The right of the client's proxy to use the TeleKincstár and WebKincstár and MobilKincstár services shall be valid after the distributor's acceptance and registration in the system of the authorization given by the account holder for electronic services.

1.1

In case the client and the Treasury agrees in a "Request for Electronic Services" declaration, or in the an integral part of "Securities Registration Account Contract", the client may submit its defined orders/contract proposals, instructions or declarations via WebKincstár and MobilKincstár. Only those clients are entitled to use WebKincstár and MobilKincstár services who have entered into a "Securities Registration Account Contract" with the Treasury, have issued a declaration on using the service/services, and meet all the other requirements of using the services, as well as accept and undertake to be bound by the provisions of the Terms of Use.

In the case of an online-initiated business relationship established between remote parties, the client is always granted WebKincstár and MobilKincstár access, which also determines the client's notification channel, as specified in Section II.3.3. The client has the right to subsequently request the termination of their WebKincstár and MobilKincstár access or to change their communication channel.

Clients may not request electronic service for using WebKincstár and MobilKincstár services in case of securities accounts over which two persons dispose jointly, or the execution of transactions requires the examination of special documents (for example guardianship, guardianship decision) by the Treasury (for example, the accounts of minors incapable or with limited legal capacity and persons partially or totally incapable).

The parent of an incapacitated or incapacitated minor may, when opening an account with a legal representative, request an electronic service for the securities registration account.

A client qualifies as natural person authorized signatory for using WebKincstár and MobilKincstár services, if

- he has requested WebKincstár and MobilKincstár service from the Treasury as natural person;
- the account holder's representative or person with general letter of authorization to dispose over transactions related to the account holder's securities account,

who is authorized by the account holder to the disposition through using WebKincstár and MobilKincstár service;

the client shall not qualify as natural person, if he

- is the officer entitled to the written representation (procuration and organizational representation) of the client, if it was reported to the Treasury on the "Signature sample sheet" as entitled to exclusive disposition over the client's securities account;
- the person, who was reported by the officer entitled to the written representation (procuration and organizational representation) of the client to the Treasury on the "Signature sample sheet" as entitled to exclusive disposition over the client's securities registration account.

1.2.

To access services via the internet or mobile phone application, the client shall have all the material, technical and IT conditions required for the operational and safe connection to the Treasury's electronic system. The client shall provide all hardware and software elements – including the client-side communication channels and the related appropriate legal relationship with service providers necessary for the operation of these channels – which are required for the access of the Treasury's electronic system. For not meeting these conditions, or any eventual malfunction related to them, the Treasury shall not be held liable.

1.3.

By using WebKincstár and MobilKincstár, the following client identification-related transactions can be executed:

- handling declarations to subscribe/purchase securities regarding securities;
- buying securities for a spot or later value date;
- selling securities;
- transfer of securities between the authorizing party and the authorized person;
- bank transfer related to the amount of due interest or expiring securities repayment;
- record of reinvestment order;

- transferring of amount available on cash account;
- bank transfer of amount available on client account;
- cash withdrawal announcement.

1.4.

Orders/proposals may be submitted via the Treasury's internet-based electronic system (WebKincstár) on the internet and via mobile phone application (MobilKincstár). The Treasury connects the validity and acceptance of initiating orders/transactions submitted via the internet and mobile phone application to the user name and the related password. The Treasury shall hand over the user name required for using the service to the client concurrently with the conclusion of the contract related to the usage of investment services via telephone, and the password entered by client or the one-time password provided by the Treasury, and the Treasury records these data in its system.

1.5.

The Treasury is entitled to deem and accept orders and other transactions submitted via the internet or mobile phone application as received from the client, without any confirmation, if they meet the content-related requirements prescribed by the Treasury and the identification is carried out as required by the system. In the case of service provision via electronic channels, the client identification carried out by the Treasury's system based on the user name and password shall equal the client identification described under Subsection II. 2.1.2 of the Terms of Business.

1.6.

The client shall handle its user name and password with confidentiality, and shall not hand them over to third person. The Treasury shall deem orders/transactions initiated by entering the user name and password as received from the client; the Treasury shall not be held responsible for losses resulting from unauthorized use.

1.7.

Proposals, orders or initiatives for other transactions submitted via the internet or mobile phone application shall only be deemed received if the electronically transmitted notification containing the proposal, order or initiative for other transaction is recorded in the system correctly – both in terms of content and form – as required by the system. The Treasury shall register orders and initiations received electronically without delay.

Contracts concluded by the client and the Treasury via the internet or mobile phone application – unless otherwise provided for – shall take effect as at the date of registration by the Treasury as described above.

The Treasury shall commit the contract concluded via the internet or mobile phone application in writing on the day of registration by the Treasury as described above and shall forward it to the client.

1.8.

The Treasury may determine specific requirements in regard to transactions initiated electronically, of which the Treasury shall notify the client. In case of applying formal requirements, the Treasury shall not be required to accept order which do not meet such requirements.

1.9.

The Treasury shall make WebKincstár and MobilKincstár services available to clients every day from 00:00 to 24:00, taking into account the following:

The Treasury is entitled to limit the circle of orders to be submitted and transactions to be initiated electronically, suspend or terminate any of its services or the full circle of electronically available services for any client without giving any reason, temporarily or for longer periods of time. The Treasury shall notify the clients of such measures by displaying a notice at the places of the customer service offices engaged in distribution of government securities without delay, as well as via its phone-based or Central Customer Service Office and electronically. The Treasury shall make the information regarding electronically provided services available on the internet, via its website, internet-based system (WebKincstár), and mobile phone application (MobilKincstár), as well. In case of suspending or terminating service, the Treasury shall notify its clients of the reason thereof concurrently or, if the suspension or termination was unforeseeable, subsequently.

1.10.

All orders received and transactions initiated electronically shall be registered at the Treasury via the IT system, which forms the basis for putting the ad-hoc contract in writing. The client consents to the registration – unless otherwise declared in writing –, and acknowledges its authenticity and probative value in case of disputes.

1.11.

After committing the contracts in writing in other formats, as set out in Appendix 9.. The Treasury shall attempt to perform the order registered/contract concluded as per the above, and shall commit the contract with content in accordance with the data received electronically in writing.

1.12.

With respect to the provisions under Subsection 1.11 of the present chapter, the client shall notify the Treasury within 24 hours, if he has not received any confirmation of the order registered/contract concluded electronically via the same channel, and share his observations. Should the client fail to fulfill this obligation, he shall no longer have the right to make a complaint of the order or execution, and the order registered/contract concluded electronically shall not be open to dispute. The client's failure to fulfill this obligation shall not effect the conclusion and validity of contract.

Confirmation shall mean providing the opportunity for clients to make inquiry on the WebKincstár and MobilKincstár platforms regarding the identified data of order executed/contract concluded by the Treasury. All losses and consequence resulting from failure to inquire shall be borne by client.

1.13.

The Treasury shall handle the registration of proposals, orders and initiatives in relation to other transactions according to the rules of securities secret. The Treasury shall preserve the data submitted via the internet or mobile phone application and stored electronically as set out in Appendix 9. The Treasury provides access to account statement reports related to transactions compiled based on various criteria through the WebKincstár and MobilKincstár interfaces retroactively until January 1st of the year preceding the current year.

1.14.

The client is obliged to use the Treasury's electronic channels appropriately, and reimburse the Treasury for all losses resulting from inappropriate use. The Treasury is entitled to restrict the customer's entitlement to the WebKincstár if the customer repeatedly or seriously violates the rules for the use of the WebKincstár despite repeated warnings.

1.15.

The following specific responsibility rules shall be applied related to the Treasury's internet and mobile phone application services:

1.15.1.

The data of clients (personal data, account data, identification numbers and codes required for the access of trading system) shall be stored on the Treasury's servers, only available to the Treasury. The password used for the access of internet and mobile phone application systems shall be stored encrypted, the Treasury does not know them either.

By clicking the confirmation button related to the client's offer through the Treasury's internet system and mobile phone application (WebKincstár and MobilKincstár), the client declares the existence of risk-taking ability in connection with the specific transaction initiated online and through mobile phone application.

1.15.2.

The Treasury excludes its liability related to the failure to perform WebKincstár and MobilKincstár services, to conclude a transaction and to execute the transaction (contract) already concluded – beyond the general causes – due to the malfunction of the Treasury's system and the related systems (including technical equipment) not attributable to the Treasury. If the client does not receive confirmation from the Treasury within 24 hours as from submitting its offer via mobile phone application, it shall notify the Treasury's Central Customer Service Office of this fact. The Treasury will not assume liability for any damage suffered by the client due to the failure of notification.

1.15.3.

The client is also aware of the fact that the Treasury cannot be compelled to accept the client's offer.

1.15.4.

The client shall treat its identification data and equipment and documents displaying these data confidentially, and shall acknowledge that in case a third party accesses them by any means the Treasury shall treat the offers submitted and transactions concluded with the identification data as an offer submitted or contract concluded by the specific client. The client acknowledges that the validity of transactions concluded with the Treasury shall not be affected in the event of legal statement made electronically by unauthorized person on behalf of the client by using the identification data.

1.15.5.

The Treasury shall be entitled to suspend WebKincstár and MobilKincstár services. If the Treasury's system for transacting online and via mobile phone application is planned to be suspended for more than 24 hours, this shall be announced on the Treasury's website and in its online and mobile phone application system not later than on the day before such suspension. The Treasury cannot be compelled to post a notice of repairs/system maintenance not exceeding 24 hours or if the operation of the system is suspended for reasons not attributable to the Treasury; in such cases the Treasury shall inform clients of the situation only by sending a system message. Sending system message also qualifies a warning by the Treasury that the client should forthwith enquire about its offers and performance of its contract, and instead of WebKincstár and MobilKincstár services it should use other available means to make offers, contact the Treasury and request information. The Treasury expressly excludes its liability related to damages occurring due to the suspension of services.

1.15.6.

The Treasury excludes its liability regarding all errors, data exchange problems, communication problems, distortion of information, delay, non-performance, unintended or faulty performance as well as wrong, incorrect or failed confirmations or other notices in regard of it is proven that there was no wilful misconduct or gross negligence on the Treasury's part.

1.15.7.

The Treasury may not be held liable if unauthorized persons obtain information in the WebKincstár and MobilKincstár systems or during a connection with such system if it is proven that there was no wilful misconduct or gross negligence on the Treasury's part in the case. Such cases may not qualify as infringement of securities secrets by the Treasury.

1.15.8.

Contents of the Treasury's website and online and mobile phone application systems open for transacting may not qualify as inducement to invest, investment consulting or a call or offer to subscribe for, buy or sell securities.

2. SPECIAL RULES OF REQUESTING INVESTMENT SERVICES VIA TELEPHONE

2.1.

In case the client and the Treasury agree in a “Request for Electronic Service” declaration, or in the integral part of “Securities Registration Account Contract”, the client may also submit its defined instructions or declarations via the phone-based system (TeleKincstár) of the Treasury. Only those clients are entitled to use TeleKincstár service, who concluded a “Securities Registration Account Contract” with the Treasury, and declared their will on the usage of service/s, and who fulfill other requirements for the usage of the requested service, and accept the provisions Terms of Use as binding.

Clients may not request TeleKincstár service in case of securities registration accounts, over which two persons dispose jointly, or the execution of transactions requires the examination of special documents by the Treasury. (for example, the accounts of minors incapable or with limited legal capacity and persons partially or totally incapable, accounts frozen under probate proceeding).

The parent of an incapacitated or incapacitated minor may, when opening an account with a legal representative, request an electronic service for the securities registration account.

A client qualifies as natural person authorized signatory for using TeleKincstár services, if

- it is a person who requested TeleKincstár service from the Treasury as a natural person account holder;
- the account holder’s representative or person with general letter of authorization to dispose over transactions related to the account holder’s securities registration account, who is authorized by the account holder to the disposition through using TeleKincstár service;

the client shall not qualify as natural person, if he

- is the official entitled to the written representation (procuration and organizational representation) of the client, if it was reported to the Treasury on the “Signature sample sheet” as entitled to exclusive disposition over the client’s securities registration account;
- the person, who was reported by the official entitled to the written representation (procuration and organizational representation) of the client to the Treasury on the “Signature sample sheet” as entitled to exclusive disposition over the client’s securities registration account.

2.2.

To access TeleKincstár services, the client shall have all the material and technical conditions required for the operational and safe connection to the Treasury's phone-based system. The client shall in particular fulfill all preconditions – including the client-side communication channels and the related appropriate legal relationship with service providers necessary for the operation of these channels –, which are required for the access of the Treasury's phone-based system. For not meeting these conditions, or any eventual malfunction related to them, the Treasury shall not be held liable.

2.3.

By using TeleKincstár, the following client identification-related transactions can be executed:

- blocking securities registration account due to the loss of Account Holder's identity documents,
- disable password access for using WebKincstár and MobilKincstár
- cash withdrawal announcement.

2.4.

Orders and offers shall be entered in the Treasury's phone-based system only through the telephone numbers indicated below by the Treasury. For the validity and acceptance of orders/transactions initiated via telephone, the Treasury requests the entering of the user name and the related password, and within the scope of identification it is also entitled to request other data from the client, set out in or according to the contract. The Treasury shall hand over the user name required for using the service to the client concurrently with the conclusion of the contract related to the usage of investment services via telephone, and the password entered by client or the one-time password provided by the Treasury, and the Treasury records these data in its system.

The client shall handle its unique user name and password with confidentiality, shall not hand them over to third person. All damages occurring due to failing this obligation shall be borne by client.

The Treasury shall handle the passwords with confidentiality in accordance with its rules of procedure, and ensures their inaccessibility to third persons. Password required for using TeleKincstár service is stored encrypted, the Treasury does not know it.

Identification applied in case of using investment services through Treasury's TeleKincstár system is equivalent to the identification process defined by the Treasury.

2.5.

The Treasury records the client's offers/transactions requested and initiated via telephone, and shall store the recorded conversations – irrespective of committing the contract to writing or the confirmation of contract – for 5 years as from making the offer, in a place suitable for hindering the unauthorized access thereto, and handle them in accordance with the rules applicable to securities secret.

2.6.

The Treasury shall make the recorded conversations available to its concerned client(s) in case of any disputes, at a time pre-arranged in writing, in the presence of the Treasury's representatives, and in the presence of STO appointed for this purpose.

2.7.

In case of any disputes regarding the content of statements recorded during telephone administration, in the absence of proof to the contrary the contents of the minutes drawn up by the Treasury by way of sound recording, in writing or through an electronic channel shall be prevailing.

2.8.

The client is aware that when using telephone or e-mail, the transmitted data may incidentally become available and/or known to unauthorized third parties. The Treasury shall generally apply security settings as reasonably expected of the providers of such services, but shall not be liable for any damage arising from the use of telephone lines, private phone centre systems or the telephones used by the client. Furthermore, the Treasury shall not be liable for the activities of the service providers with the cooperation of whom connection between the Treasury and its client is established, and shall not assume any liability for any damage caused through the use of information obtained by tapping or accidentally hearing the lines by other persons, or faulty or erroneous data transfer on the telephone or the telephone lines. The Treasury shall not be liable for any damage suffered by its client, another person or the interests of any of these if such damage is caused by unauthorized third person(s) through using the identification data of the client or through breaking into data traffic after the identification. The client hereby irrevocably releases the Treasury from any liability that may occur due to an interruption, repetition, lack of authorization or distortion of any telephone conversation or data transmission, or the disconnection of the same for any reason.

2.9.

The Treasury shall be entitled to suspend the TeleKincstár service. If the Treasury's service for transacting by telephone is planned to be suspended for more than 24 hours, this shall be announced on the Treasury's website, in its web-based and mobile phone application system on the business day previous to such suspension at the latest. The Treasury is not obliged to post a notice of repairs/system maintenance not exceeding 24 hours or if the operation of the system is suspended for reasons not attributable to the Treasury. In such cases the Treasury shall inform clients of the situation only by displaying a notice at its premises open to clients. Posting of the notice also qualifies a warning by the Treasury that the client should forthwith enquire about his offers and fulfillment of his contract, and instead of the TeleKincstár services should he use other available means to give offers and to contact the Treasury. The Treasury expressly excludes its liability related to damages occurring due to the suspension of services.

2.10.

The Treasury excludes its liability regarding all errors, data exchange problems, communication problems, distortion of information, delay, non-performance, unintended or faulty performance as well as wrong, incorrect or failed confirmations or other notices in regard of it is proven that there was no wilful misconduct or gross negligence on the Treasury's part.

2.11.

The Treasury may not be held liable if unauthorized persons obtain information in the TeleKincstár system or during a connection with such system if it is proven that there was no willful misconduct or gross negligence on the Treasury's part in the case. Such cases may not qualify as infringement of securities secrets by the Treasury.

2.12.

Statements made within the framework of the Treasury's telephone customer service may not qualify as inducement to invest, investment consulting or a call or offer to subscribe for, buy or purchase securities.

3. BLOCKING THE ACCEPTANCE OF ORDERS PLACED THROUGH THE INTERNET OR MOBILE PHONE APPLICATION, BLOCKING THE SERVICE REGARDING THE TRADING CHANNEL, REPORTING OBLIGATION AND LIABILITY

Disable access via internet, mobile phone application and the service regarding the trading channel may be blocked upon initiation by the client or the Treasury.

Upon initiation by the client

The client shall notify the Treasury without delay if

- he lost his user name and password,
- the suspicion arises that the user name and password have become known to an unauthorized person,
- his client user name and password have been abused,
- he obtains information that a transaction he deems unauthorized has taken place in connection with his financial instruments or cash.

He shall also change or block his password for the affected distribution channel immediately upon becoming aware of any of the above cases.

Notification in connection with distribution through telephone, the Internet or mobile application shall be made in one of the following forms:

- in person at any of the customer service offices engaged in distribution of government securities, during the opening hours specified on the Treasury's website and in Appendix no. 1 of these Terms of Business,
- while talking to an administrator through the TeleKincstár service, during the operating hours of the TeleKincstár service. Access through the TeleKincstár system can be disabled 24/7 after client authentication.

The report shall contain the client's name, user name and whether measures at any authority have been taken. The client may also request in his notification that the service for the affected trading channel and that is subject to client identification be suspended.

Upon initiation by the Treasury

The Treasury may, with concurrently notifying the client, invalidate the client's password if it becomes aware that

- he lost his user name and password,
- the suspicion arises that the user name and password have become known to an unauthorized person,
- the user name and password have been abused,
- the client submits a complaint regarding the use of the user name and password.

For the sake of preventing abuses, the Treasury may suspend its service for the affected trading channel and that is subject to client identification until it has investigated the case and has agreed with its client in writing to lift the suspension of the service channel. The Treasury will not assume liability for any damage suffered by the client due to service suspension.

Handling of notifications

The Treasury shall register the notifications upon their receipt and, if the client so requests, shall certify the same. The date and time of receipt shall be, in the case of notifications submitted in person, the time recorded in the minutes drawn up in the STO, and, in the case of notifications submitted through the TeleKincstár service, the time when the sound recording is made of the phone call.

Once the notification is made, the Treasury shall take all measures reasonably expectable of it to prevent any unauthorized use of the client's affected trading channel.

The client is obliged to confirm all telephone reports in writing (in person, by post or electronically), and forward them to any STO without delay.

If, either upon the client's request or upon initiation by the Treasury, a service of some of the trading channels and that is subject to client identification has been suspended, the Treasury shall uphold such suspension until it has investigated the case and has agreed with its client in writing to lift the suspension of the service channel.

Liability regarding notifications

The client shall be liable for any damage that occurs before the Treasury receives the notification.

The Treasury shall not be liable for the damage occurring after receipt of the notification if it proves that the damage results of a breach committed by the client wilfully or with gross negligence, and proves that after receipt of the notification, it took all measures reasonably expectable of in order to prevent the use of the blocked password.

A breach of contract committed wilfully or through gross negligence shall include any activity or omission by the client that is contrary to any of his obligations prescribed in the Terms of Business or the Terms of Use – including but not limited to in connection with the handling of the user name and the password – and as a result of which the client or the Treasury suffers damage or there is a possibility that such a damage will occur.

The Treasury shall procure that the client can change or block his password by telephone at the Central Customer Service Office, through an administrator, in customer service time every business day, or through the Internet 24 hours a day (identification through the automated system of TeleKincstár). The Treasury shall be liable for any damage resulting from its breach of this obligation, including any damage occurring because the client was not able to fulfill his blocking and notification obligation due to a technical reason arising in the Treasury's scope of interest. The Treasury may be exempted from this liability only if it has taken all measures reasonably expectable of it.

V. PROVISIONS APPLICABLE TO THE RESPECTIVE INVESTMENT SERVICES

1. ACCOUNT MANAGEMENT SERVICE (SECTION 5(2) B) OF THE ISA)

1.1 GENERAL RULES OF MANAGING SECURITIES ACCOUNTS, SECURITIES DEPOSITORY ACCOUNTS AND CLIENT ACCOUNTS

By concluding the "Securities Registration Account Contract" the Treasury obliges itself to manage a securities account, securities depository account and client account (collectively referred to as: "securities registration account") for the client's benefit, in exchange for the fee determined in the Notice. The Treasury registers the client's securities and other financial instruments on the securities registration account. Regarding the other financial instruments, on the securities registration account the Treasury manages instruments distributed by the Treasury.

The Treasury does not open a new securities registration account for its customers in addition to their existing securities account, with the exception of the Treasury Start Securities Account and Guardian's Account. A securities registration account may have only one holder; the Treasury keeps no joint accounts.

No testamentary disposition may be made at the Treasury regarding the securities registration account, nor can any testamentary beneficiaries be identified.

The Treasury shall, quarterly send a periodical statement of account to the client of any money and portfolio movements -- or, if the client appears in person, make the same available to him on a durable data medium or otherwise. Periodical statements will be sent by the Treasury to the client within 1 week after the given quarter. If the client has not informed the Treasury of his postal or e-mail address, and has no authorization to use WebKincstár, the STO safeguards his statement of account and hands it out to the client should he appear in person.

Should the client – in deviation from the frequency stated in the contract – request a statement of account more frequently, either in person or in writing (by post or electronically), the Treasury will produce it and send it to the client in exchange for the fee determined in the effective Notice.

If it comes to the Treasury's notice that it was not possible to deliver the statement of account to the client, it is not obliged to deliver it again; in such a case it shall make the statement of account available to the client upon his request if he appears at its premises in person.

The statement of the securities registration account certifies the client's ownership of the securities registered on the client's securities registration account vis-à-vis third parties with effect of the date of issue. The statement of account is not transferable or assignable.

The client shall be entitled to submit a complaint in writing regarding the contents of the statement of account, the transactions listed therein and the balance of the account within 5 days of receipt of the statement of account. Should the client not submit a complaint in writing in connection with the statement of account in question within 5 days of receipt of the statement of account, then the transaction settlements contained therein shall be deemed as accepted by the client, and no dispute may be raised later in that regard. The transfer of funds between clients' securities registration accounts incurs a fee at the rate specified in the Announcement.

The **securities account** complies with the conditions of securities accounts as determined in the Capital Market Act and Government Decree no. 284/2001 (XII. 26.).

The **client account** complies with the conditions of client accounts as determined in the Capital Market Act and Government Decree no. 284/2001 (XII. 26.). The client account may serve solely for managing cash flow related to transactions falling into the scope of investment services activities, and it may not be used as a payment account. On the basis of all the above the cash amounts registered on the client account must be related to a financial instrument on the debit or credit side. The client may freely dispose over the amount registered on the client account. The Treasury will not pay any interest on the sum registered on the client account and that has not been invested. The Treasury collects the commissions, fees and other costs related to its services determined in the Terms of Business and as published in the Notice by way of debiting the client account with the same.

The Treasury will refuse to fulfill the transactions the client initiates not in relation with the distribution of government securities and the management thereof; and any damage resulting from such refusal shall be borne by the client.

Any person who does not have the right to dispose of the account (not an account holder or an unauthorized person) may not initiate cash payment or money transfer to the client account.

The **securities depository account** serves for the registration of securities requested by the client and that have been printed – if the client has requested the securities but has not taken them over yet – and belonging to a series of securities that is partly or fully immobilized.

When concluding the “Securities Registration Account Contract” the client may also make a statement as to the method to be used subsequently to fulfill the payment transactions regarding sums due on the account. Should the client fail to make a statement in the contract as to the method of payments, then the Treasury will perform the payment transactions automatically in cash (unless otherwise provided, by crediting the amount to cash account). In connection with the distribution of certain government securities, the Treasury will perform payments solely by transfer, irrespective of the legal title of such payment, in accordance with the provisions of the Special Terms of Contract applicable to the government security in question.

The client shall notify the Treasury in writing (in person, or by post or electronically) of any change in his data within 5 business days of such change. The Treasury excludes its liability in all such cases if the client fails to report the changes in his data or reports them with delay or incorrectly, or had disclosed his data incorrectly in the first place.

Regarding the postal mails returned by the Magyar Posta Zrt. due to the client’s failure to meet its notification obligation on data changes (with indications “moved out”, “unknown addressee” etc.), the Treasury makes the notifications available on durable mediums used for keeping contact by using the data available to the Treasury; in the lack of such data the notifications may be disclosed in case of personal attendance until the provision of the correct mailing address.

During data modification initiated by post or electronically, natural persons may request the modification of the following data:

- Personal data:
 - ✓ Type and number of official certificate to prove personal identity,

- ✓ Place of residence;
- Contact information:
 - ✓ Mailing address,
 - ✓ E-mail address,
 - ✓ Telephone number
 - ✓ Type of distribution channel

A copy and a scanned copy of the original official certificate to prove personal identity must be attached to the form used by the Treasury to modify personal data. The expression “Certified true copy” shall be written onto the copy or the scanned copy by the client and must be certified with the signature and the date.

During data modification initiated by post or electronically the authorized signatory/signatories may request the modification of the following data of legal entities or unincorporated organizations:

- Identification data:
 - ✓ Registered office, place of business,
 - ✓ Number and date of identification document,
 - ✓ Uniform statistical code,
 - ✓ VAT number;
- Contact information:
 - ✓ Mailing address,
 - ✓ E-mail address,
 - ✓ Telephone number
 - ✓ Type of notification channel.

Besides the preprinted form used by the Treasury signed in a way determined by the authorized signatory/signatories, a certified copy of the specific document including the modified data (such as an articles of incorporation, certification of VAT number, or Central Statistical Office uniform statistical code) is needed for data modification.

1.2. OPENING A SECURITIES REGISTRATION ACCOUNT

1.2.1. in the case of resident natural persons

A securities registration account can be opened with the original version of an official certificate to prove personal identity. Upon the opening of the account, the following data shall be recorded:

- account holder's forename and family name (including birth name);
- mother's birth name;
- date of birth;
- place of birth;
- nationality;
- type and number of official certificate to prove personal identity;
- address, place of residence;
- name and distinguishing letters of the authority issuing the official certificate to prove personal identity;
- mailing address (Mailbox can not be recorded);
- tax identification number;
- data of proxies (if any);
- contact details (phone number, e-mail address).

Data not indicated on the official certificate to prove personal identity (such as post code) shall be recorded on basis of the address card. The tax identification number shall be recorded on basis of e-card and the tax ID card or, in lack thereof, the certificate issued by the tax authority or the original official document issued by another organization.

In the securities registration account contract, the account holder's name shall be recorded in the same form as his name is indicated on his official certificate to prove personal identity.

As an intermediary of the Hungarian State Treasury, Magyar Posta Zrt. can exclusively open and manage securities registration accounts for adult, Hungarian citizens residing within the country.

As an intermediary of the Hungarian State Treasury, Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt. and Fundamenta-Lakáskassza Pénzügyi Közvetítő Kft. can exclusively open securities registration accounts for natural persons residing within the country."

1.2.2. in the case of non-resident natural persons

In the case of non-resident citizens the securities registration account may be opened on basis of a travel document or identity card, provided that he/she is on the basis of his/her residence permit, residence document or residence permit, or his/her Hungarian residence certificate (if his/her place of residence or stay is in Hungary). In the case of the European Union citizen, or third country citizens, accounts may be opened on basis of the foreign permanent residence or foreign residence is determined on the basis of another original document and an authentic Hungarian translation of the documents by OFFI is required. Upon the opening of the account, the following data shall be recorded:

- forename and family name (including birth name);
- mother's birth name;
- date of birth;
- place of birth;
- nationality;
- type and number of official certificate to prove personal identity;
- address, lack of it place of residence;
- mailing address (Mailbox can not be recorded);
- tax identification number (if he/she has it);
- data of proxies (if any);
- contact information (e-mail address).

In all cases, the customer is obliged to prove the quality of the resident or non-resident to the Treasury.

The quality of the resident - the Section of 4 (1) of the XCIII. Act - proof of identity may be furnished only by means of an ID card or identification document, or in the case of an immigrant or a resident, by an official identity card.

If the customer does not have any ID card or identification document, which is proof of residential status, the Treasury will presume by resident status confirming the identity of the natural person with a passport issued by a Hungarian authority or with a new type of driver's license issued in Hungarian.

If the resident status or non-resident status of the client can not be unambiguously determined on the basis of the presented official documents, the Treasury shall not be obliged to examine it ex officio and may refuse to establish a business relationship.

1.3. OPENING A SECURITIES REGISTRATION ACCOUNT – IN CASE OF LEGAL PERSONS

1.3.1. In the case of legal persons basically the presentation of the following documents shall be the precondition of opening the account:

- articles of incorporation;
- a document of registration by an authority or the court of registry (an excerpt not older than 30 days, or a certificate that the request for registry has been submitted – later, the fact of registration shall be certified by submitting the document), if the entity is not subject to registration, the deed of foundation (such as statutes, articles of association, memorandum), and if such documents do not provide for signatory rights, then the document appointing the person who is entitled to sign on behalf of the entity;
- sample signature of the persons authorized to sign on behalf of and represent the entity, certified by a notary public (pursuant to Section 9 of the Company Act, specimen signature or a sample signature attested by an attorney at law or legal advisor registered at chamber);
- two completed copies of the form “Signature sample sheet for disposal of securities account”, on which the name, position, form of signing (joint/sole), sample signature, place of birth, date of birth, mother’s birth name, the number of official certificate to prove personal identity and phone number (if any) as well as the imprint of stamp (if the person is obliged to use stamp) of the representatives authorized to dispose of the securities registration account, are recorded. One of these copies will be taken over by the Treasury. The signature of the person authorized to sign on behalf of the entity shall be affixed to the back side of the „Signature sample sheet”. The client can receive a signature sample sheet from the administrator in the case of appearing in person, or by post or electronically if requesting it in writing or verbally.

Of the certificates and documents referred to as above, the Treasury accepts their original copies, or copies authenticated by a notary public, attorney at law or Hungarian consular official.

In the case of organizations subject to registration by the court of registry, the ones not yet registered shall present the certificate issued by the court in evidence that the

request for registration has been submitted. To certify registration by the court of registry, the client shall forthwith present the final decision of the court on registration, or the decision on refusal. If the client's request for registration is refused by the court of registry or refused with final effect by the court reviewing the decision on refusal, the securities registration account contract shall terminate, without any further provision required in this regard, as of the day of final refusal, and the Treasury shall manage the securities and cash on the account in accordance with the rules applicable to management without mandate as determined in Section III. 1.4.4. of the Terms of Business.

The securities registration account may be opened by the persons authorized to sign on behalf of or represent the company (representative(s) indicated on the signature sample sheet). In special cases, under the law, representatives may be appointed by the authorities (such as in the case of liquidation or winding up).

Upon the opening of the account, the following data shall be recorded:

- name, short name;
- registered office, address of branch office –if it coexists – in case of foreign headquarter;
- main activity;
- statistical code by the Central Statistical Office;
- VAT number;
- number of identification document (company registration number/register number/date and number of application for registration by a court, and name of registration organization);
- name and post of the persons authorized to represent the organization;
- data of delivery agent;
- data of the beneficial owners, or if it is not possible to determine the beneficial owner according to the MLA, the data of executive officer;
- data suitable for identification of the representatives authorized to dispose of the securities registration account;
- contact details (phone number, e-mail address).

1.4. OPENING A SECURITIES REGISTRATION ACCOUNT AND PROCEEDING IN THE CASE OF INCOMPETENT PERSONS, PERSONS WITH PARTIALLY LIMITED CAPACITY AND PERSONS WITH LIMITED CAPACITY

In the case of natural persons, securities registration accounts may not be opened on basis of a power of attorney. Accounts may be opened through a representative only in the following, special cases:

- guardianship;
- conservatorship;
- parental supervision.

If the account is opened by way of a representative, the data of the client under guardianship, conservatorship or parental supervision that are necessary for the opening of the account shall be recorded on basis of the official certificate, other original documents and on basis of the information provided.

In the case of incapacitated person

The Treasury shall open a securities registration account and execute transactions related to it upon initiation by the legal representative (parent/guardian/conservator).

In the case of incompetency (minors under the age of 14, conservatorship completely excluding/excluding capacity) the securities registration account contract shall be signed by the client's legal representative in place of the client. The Treasury will deem that person as authorized to dispose of the account who signed the contract.

The legal declaration of the legal representative of a minor under the age of 14 is valid only with the approval of the guardianship authority in the following cases:

- in the case of disposition of property transferred to a guardian of a minor, or
- in the case of disposition of assets exceeding the amount specified in Section 26/B (3) of Government Decree 149/1997 (IX.10.) concerning minors

For the declaration of parental rights of the property transferred to the guardianship authority of a minor under the age of 14 [Ptk. 2:15. § (1) d)] of Decree 149/1997. Government Decree No. 26 / B. § (2), the consent of the guardianship office is required regardless of the value limit.

For a parental declaration concerning the disposition of property not transferred to a guardian under 14 years of age [Ptk. 2:15. § (1) e)], the approval of the guardianship office is required if the value of the property affected by the parental order is in accordance with Decree 149/1997. Government Decree No. 26/B. § (3), it exceeds forty-five times the value of the social projection fund amount.

The validity of the legal declaration of the parent / legal representative - ie concluding a contract, amending a contract, terminating a contract, issuing an investment order, initiating a payment - requires the approval of the guardianship authority over the statutory amount, which the parent / legal representative must obtain.

The procedure is initiated on the basis of an application submitted by the parent / legal representative to the guardianship office, therefore there is no obligation for the Treasury to notify the guardianship authority.

The Treasury is not obliged, however, to check whether a guardianship office approval is required before executing a payment order given by a parent / legal representative. Furthermore, the Treasury is not obliged or obliged to apply for and verify the existence of a guardianship permit from a parent / legal representative, therefore the Treasury accepts and executes the parent / legal representative's order regardless of the amount, assuming the guardianship permit is available.

In the case of minors with limited capacity

In the case of a minor aged 14 or older, who is not incompetent, the securities registration account shall be signed by the minor while the transaction receipts by the minor or his legal representative; however, the account may be opened and the transactions carried out only if the legal representative has given his approval in writing.

A minor aged 14 or older can purchase securities from the full amount of his income from work. The fact and amount of such income from work shall be certified trustworthily, with an original document issued by the provider of such income. If securities are purchased/subscribed from this amount, the approval of the legal representative is not necessary.

Parental consent is required in all cases for the execution of orders given by a minor with limited legal capacity, except for orders initiated against the child's income from work.

The securities registration account opened by a minor with limited legal capacity must always be assigned a parent / legal representative as a proxy, which cannot be revoked

by the child until the day he or she reaches the age of majority. Only the child's legal representative may be registered as a proxy over the child's securities registration account.

The legal declaration of the legal representative of a minor with limited legal capacity is valid only with the approval of the guardianship authority in the following cases:

- in the case of disposition of property transferred to a guardian of a minor, or
- in the case of disposition of assets exceeding the amount specified in Section 26/B (3) of Government Decree 149/1997 (IX.10.) concerning minors

For the declaration of parental rights of the property transferred to the guardianship authority of a minor with limited legal capacity [Ptk. 2:15. § (1) d)] of Decree 149/1997. Government Decree No. 26/B. § (2), the consent of the guardianship office is required regardless of the value limit.

For a parental declaration concerning the disposition of property not transferred to a guardian with limited legal capacity [Ptk. 2:15. § (1) e)], the approval of the guardianship office is required if the value of the property affected by the parental order is in accordance with Decree 149/1997. Government Decree No. 26/B. § (3), it exceeds forty-five times the value of the social projection fund amount.

The validity of the legal declaration of the parent / legal representative - ie concluding a contract, amending a contract, terminating a contract, issuing an investment order, initiating a payment - requires the approval of the guardianship authority over the statutory amount, which the parent / legal representative must obtain.

331/2006 on the performance of child protection and guardianship tasks and powers, as well as on the organization and competence of the guardianship authority. (XII. 23.) of the Government, the guardianship office in whose territory the residence of the child's parent or guardian is exercising.

The procedure is initiated on the basis of an application submitted by the parent / legal representative to the guardianship office, therefore there is no obligation for the Treasury to notify the guardianship authority.

The Treasury is not obliged, however, to check whether a guardianship office approval is required before executing a payment order given by a parent / legal representative. Furthermore, the Treasury is not obliged or obliged to apply for and verify the existence of a guardianship permit from a parent / legal representative, therefore the Treasury

accepts and executes the parent / legal representative's order regardless of the amount, assuming the guardianship permit is available.

In the case of adults with limited capacity/partially limited capacity

In the case of adults with limited capacity the securities registration account contract shall be signed – provided that the conservator has given his written approval thereto – by the ward, while the transaction receipts – with the conservator's consent or subsequent approval – by the ward or the conservator.

An adult who is partially restricted in his or her legal capacity may have a share determined by the court in relation to his or her income, and may buy securities up to that amount. The allowances shall be certified trustworthily, with an original document issued by the provider of such income. The conservator's consent is not required for the purchase or for the transactions relating to the securities purchased from this amount.

The ward with limited capacity may authorize his conservator in an official document – if the conservator gives his consent thereto – to act and make legal statements on a general basis on behalf and in the name of the ward in connection with the ward's securities registration account. An exception to this is if you make a commitment up to a portion of the income determined by the court, because you can do so without the guardian's consent.

An adult placed under conservatorship that partially limits capacity by court order after 15 March 2014 may conclude a securities registration account contract with his conservator's consent only.

1.5. OPENING A SECURITIES REGISTRATION ACCOUNT IN THE CASE OF PERSONS INCAPABLE OF READING, ILLITERATE, OR PERSONS TEMPORARILY PREVENTED FROM SIGNING

In the case of a person incapable to write or read or temporarily prevented from signing – including the case if he is sightless, deaf, mute or deaf-mute, or if he does not know the Hungarian language – the client may order the opening of the account in a contract authenticated by a notary public. Upon the client's request the cooperation of the notary public may be dispensed with; in such a case the contents of the account contract shall be read to the Client in the presence of one of the client's witnesses and one administrator of the Treasury, or two administrators (who, however, may not be required to do so) as participating witnesses. If necessary, the client shall procure for the sufficient number of witnesses. One of the witnesses employed at the opening of the account for a deaf, mute or deaf-mute client must be a deaf interpreter, and the client shall procure for such interpreter's presence. Following the above, the client shall

authenticate the contract with his signature or his sign used for identification, and the contract shall also be signed as witnesses by the two administrator; or if the client is temporarily prevented from signing, the two administrators as participating witnesses sign for him. The same procedure shall apply in the case of executing transactions.

1.6. FEATURES OF ACCOUNT MANAGEMENT

The Treasury shall keep a registry of the securities registered on the securities registration account as receivables on the securities account, and shall fulfill the account holder's orders, provided that such orders comply with the applicable laws and the Terms of Business.

Application of the tax provisions regarding securities shall depend on the characteristics of how the security in question was acquired. It shall be the client's liability and obligation to certify with documents the cost (acquisition) value, the date of acquisition and other data of the securities registered on the securities registration account, so that the securities can be credited to the securities registration account. The Treasury will credit the account in consideration of the certificate complying with the documents presented to it or in lack thereof, under the provisions of law applicable to cases where such certificate is missing.

The Treasury registers the securities with the application of the principle of aggregation or in an itemized manner. Under the principle of aggregation securities are registered with their total nominal value; while in the itemized registry, denominations, numbers of pieces and serial numbers are also indicated. Dematerialized securities are registered under the principle of aggregation. The Treasury keeps an itemized registry of physical securities exclusively.

1.7. PAYMENT OF INTEREST AND REPAYMENT (MATURITY)

The Treasury shall perform the payment of interests and repayment amounts regarding securities registered on the securities registration account and the printed securities managed by it under a mandate by the Issuer in accordance with orders of due payment by the client.

If -it based in the securities registration account contract - the repayment method of principal and interest is transfer - the due payment also applies to the interest and principal at the end of the maturity.

The Treasury accepts modification of the provision for due payment amount:

- personally, in the case of a given provision, on the 2nd working day prior to the payment due date (B-2), during the opening hours, 30 minutes before the value changeover date;
- on electronic distribution platform, on the 2nd working day prior to the payment due date (B-2) until the date of the change of value, and
- in written form (by post or by electronic means) the order received on the 2nd working day prior to the payment due date (B-2).

It is not possible to modify or withdraw provisions and to issue new provisions on the due payment date.

The Treasury pays interest and repayment on printed securities in exchange for the presentation of interest and repayment slips. The Treasury shall check the authenticity of securities and also whether they fall under blocking or have been declared null and void.

1.8. TRANSFER AND INTER-ACCOUNT TRANSFER OF SECURITIES (TRANSFER OF OWNERSHIP OF THE SECURITIES)

The client shall be entitled to transfer the securities on its account to a third party. Such transfer shall be effective the Treasury only - irrespective of whether the transferor has the right of disposal over the account of the third party - if it complies with any legal regulations applicable to the transfer and also with the conditions applicable to the security in question, and furthermore, if the client has notified the Treasury in writing (in person, or by post or electronically) of the fact of transfer, and has ordered the inter-account transfer or transfer of the securities (by indicating the beneficiary's securities registration account).

Mandatory elements of the transfer and inter-account transfer document shall be the following:

- a) name, serial number, and number of pieces of the securities,
- b) the client's name,
- c) the client's VAT number / tax ID number,
- d) securities account number,
- e) name of the beneficiary (recipient),

- f) VAT number/tax identification number of the beneficiary (recipient),
- g) name and KELER code of the recipient's account manager,
- h) number of the recipient's account kept at the account manager,
- i) date,
- j) the client's signature,
- k) completion of the details field.

Upon a transfer (inter-account transfer) order the Treasury transfers the security registered on the client's account to another investment service provider in favor of the client's account kept at such provider, or in favor of the securities account held by another securities registration account holder. The Treasury will not examine the contents, form, effect and validity of the legal title (contract) serving as the base for the transfer; it fulfils the transfer order on basis of the legal title, acquisition date and acquisition value communicated by the client as well as the client's statement on ancillary costs. The Treasury shall fulfill the transfer order on the day when the order is placed.

The Treasury does not perform inter-account transfer and transfer of securities on 2 business day preceding the due date of payment.

After execution, the transfer order may not be revoked or modified.

The Treasury shall credit the transfer received from another investment service provider to its client's securities registration account if the data necessary for the client's unambiguous identification were provided in the transfer. The Treasury shall accept transfers exclusively with regard to the government securities distributed by the Treasury. The Treasury shall register the transfer with the acquisition value, date and costs identified in the transfer received, provided that such data are indicated in the transfer. The Treasury will not examine whether the acquisition data are true, and will not request the provision of any missing data from the investment service provider initiating the transfer.

Securities registered on a securities registration account opened at the Treasury may be transferred to another distributor in exchange for the fee payable for each transaction as determined in the Notice. If the transfer order refers to a combined portfolio of government securities procured at different purchase times, the Treasury, unless

otherwise instructed by the client, shall execute the order according to the FIFO method described in the Accounting Act, in chronological order.

Upon an order placed for inter-accounts transfer, the Treasury will re-register its client's securities registered on his securities registration account to another of the given client's securities registration accounts kept at the Treasury or to a securities registration account of another client of the Treasury. The Treasury will not examine the contents, form, effect and validity of the legal title (contract) serving as the base for the inter-account transfer; it fulfils the inter-account transfer order on basis of the legal title, acquisition date and acquisition value identified by the client as well as the client's statement on ancillary costs. The Treasury shall fulfill the inter-account transfer order on the day when the order is placed.

The Treasury executes inter-account transfers of government securities between securities registration accounts of clients upon the clients' instructions, for a fee at the rate specified in the Notice. If the inter-account transfer order refers to a combined portfolio of government securities procured at different purchase times, the Treasury, unless otherwise instructed by the client, shall execute the order according to the FIFO method described in the Accounting Act, in chronological order, upon concurrent payment of the service fee.

Upon the client's death, the Treasury will act only in accordance with the contents of the final grant of probate or the inheritance certificate if originally presented, in appropriate copy and performs to the heirs. It is necessary to make an appointment with the Treasury so that inheritance provisions can be executed as soon as possible.

Provision in case of death for the securities account can not be appointed. The power of attorney available over the securities registration account shall cease upon the death of the client. In this case, the Treasury excludes any liability for damages occurring during the period between the death of the deceased and the official knowledge.

If at least one of the parties involved in the transaction is considered to be a natural person in the course of the transfer of securities, the provisions of Section 85 of CL 2017 Act, the Treasury shall execute the order only if the tax identification number is available to the Treasury for each person involved in the transaction.

1.9. BLOCKING OF SECURITIES

A. Blocking in the case if official certificate to prove personal identity is lost

The holder of the securities registration account and its proxy shall forthwith notify the Treasury if he has lost his official certificate to prove his personal identity. Concurrently

with the notification, the holder of the securities registration account can (in person, or by post or electronically) make a written declaration on blocking. If, in his “Request for Electronic Service” statement forming the inseparable part of the “Securities Registration Account Contract”, the account holder ordered the TeleKincstár service, then he may submit the declaration on blocking also through the TeleKincstár system.

As regards the securities registered on the securities registration account the Treasury shall execute the blocking order with respect to the rights of disposal of the holder of the securities registration account. Blocking may be implemented under a written order – declaration on blocking – and, in the case of clients who ordered the TeleKincstár service in the “Request for Electronic Service” statement forming the inseparable part of the “Securities Registration Account Contract”, under an order submitted through the TeleKincstár system. The order may be given in person or by post to any customer service office engaged in distribution of government securities, or through the TeleKincstár system.

The proxy identified as regards the securities registration account may freely dispose of the securities even after the blocking of the account.

After receiving the new documents, the holder of the securities registration account shall report the data to the Treasury in person.

The holder of the securities registration account may initiate the lifting of the block any time, by presenting his valid official certificate to prove personal identity.

B. Blocking in favor of a beneficiary

The Treasury shall transfer to a blocked sub-account all the securities which are encumbered with third-party rights by virtue of law, court order, administrative measure or contract, or if so instructed by the account holder. On the account he shall indicate the legal title of blocking – thus especially security deposit, pledge, court deposit, action for recovery of property, enforcement procedure – and the person for whose benefit it was registered.

The Treasury will send a statement of this account to the account holder and to the person in whose favor it registered the rights, and furthermore, to the court, bailiff or other authority affected. The Treasury shall act in the same manner if a right is deleted.

Securities on the blocked account may be liberated or encumbered again if the circumstance serving as the base for blocking no longer exists and the eligible person

makes a statement to this effect in writing, in person or by post. In such a case the Treasury will lift the blocking.

If, during the term of the block, the beneficiary becomes entitled to alienate the security, the Treasury will procure that the security be credited to the blocked securities account related to the securities registration account kept for the new account holder, with the indication of the circumstance giving rise to blocking.

If the person in whose favor blocking has taken place, certifies that he has taken ownership of the security, the Treasury will forthwith procure for the inter-account transfer or transfer of the security to the securities account identified by the new holder.

As regards the securities registered on the securities registration account the Treasury shall accept blocking orders from the person entitled to dispose of the securities registration account, in exchange for the fee determined in the Notice.

In the case of blocking, the account holder shall give the beneficiary's name and provide the beneficiary's identification details. The Treasury will not monitor or examine the legal relationship between the holder of the securities registration account and the beneficiary. Once blocking takes effect, and as long as it is effective, the Treasury may act only in accordance with the beneficiary's written statements. If the beneficiary disposes of the blocked portfolio, the Treasury will check the beneficiary's identity and signature (signatory right).

During the term of the blocking the account holder (or his proxy) may not dispose of, alienate or re-encumber the blocked security, and the Treasury will not implement any order for inter-account transfer or transfer of the security, except with the beneficiary's written consent. On expiry of the blocking, the account holder may freely dispose of the security without any further measures required. During the term of blocking (the money and securities crediting), the interest shall be due to the holder of the security (account holder); upon expiry, the capital shall be paid in accordance with the agreement of the parties. Blocking may apply to the complete or partial portfolio of the government security in question.

The Treasury will accept blocking until the 3rd business day before the maturity of government securities at the latest, considering the validity period of blocks. Blocking may be for a fix term, in this case such blocking shall cease automatically upon expiry of the term; or for an indefinite term (until withdrawal, until the closing of a procedure), in which case a separate statement or official decision shall order the termination of blocking.

C. Blocking under a ruling by court or authority

As regards the securities registered on the securities registration account the Treasury shall execute blocking under a final ruling of the court/authority.

Once blocking has taken effect, and throughout during its effect, the Treasury shall act in accordance with the contents of the court's/authority's ruling.

The Treasury will lift the block only in accordance with the final ruling of the court/authority ordering termination of the block.

1.10 DELETION OF THE RIGHTS OF THE GUARDIANSHIP AUTHORITY REGARDING THE SECURITIES REGISTRATION ACCOUNT

According to the regulation before January 1, 2014, the Section 36 of Civil Code and the Act IV of 1952 on Marriage, Family and Guardianship Pursuant to Section 82 (2) para, must be surrendered to the parent within 6 months of its entry into force on January 1, 2014.. Under a decision of the Guardianship Authority to this effect, the Treasury shall terminate the Guardianship Authority's account, and after the handing out of the assets, any income accrued on the account shall be subject to interest tax.

1.11. Possession without legal basis, Unauthorized management (earlier Responsible custody)

The Treasury shall take all the financial assets of the client as possession without legal basis or unauthorized management of which the client does not have a valid or effective account contract relationship, especially:

- the financial assets of the unknown person (including an unidentified inheritor) registered with the Treasury;
- securities created by the client as an issuer at KELER Zrt., the Treasury of which is not entitled to register, but the client registers the securities registry kept at the Treasury for the registration of the issued / generated securities;
- the securities which KELER Zrt. has held at the Treasury on the basis of the order given to KELER Zrt. by the issuer, are credited to the client's securities registration account, but the Treasury does not keep a securities registration account for the owners of the securities or cannot be identified by the owners of the securities;

- the funds of the tenderer-client that the tenderer-client transferred to the Treasury's account for this purpose before accepting by the Treasury of its offer.

In the case of unauthorized management , the Treasury records the financial assets of the client on a technical account. The Treasury does not pay interest on the balance of the technical account.

In case of unauthorized management, the Treasury shall be entitled to charge the fee specified in the relevant Announcement and to be reimbursed by the Civil Code according to its rules, automatically, without special notice. The Treasury shall be entitled to charge the fees specified in the relevant Announcement (in particular the financial transaction fee) in the case of payment from the technical account and in the case of a transfer.

In the case of securities held in unauthorized management, all amounts due are automatically handled in accordance with unauthorized management without special provision.

Respecting the unauthorized management, the client may only hold the complete managed balance by transfer to another investment firm or credit institution, in the form of a transfer. The Treasury is obliged to execute the order only if the client has paid all its debts to the Treasury.

The technical account will be automatically terminated if the client has transferred, picked up or transmitted all the assets recorded on the account.

The technical account will be automatically converted into a securities registration account if the Treasury accepts the client's offer to conclude a securities registration account.

2. ISSUE OF SECURITIES (SECTION 5(1)(G) OF THE INVESTMENT SERVICES ACT), PURCHASE AND SALES ACTIVITY (SECTION 5(1)(C) OF THE INVESTMENT SERVICES ACT)

2.1. *ISSUE OF SECURITIES – (PLACEMENT OF FINANCIAL INSTRUMENTS WITHOUT UNDERTAKING THE OBLIGATION TO PURCHASE THE INSTRUMENT (FINANCIAL INSTRUMENT))*

The Treasury shall carry out its tasks related to the issue of government securities in accordance with the applicable laws and any subscription/issue process order disclosed by the Issuer, under individual agreements. In the scope of this activity, the Treasury undertakes the implementation of issue (subscription) in its capacity of an issuing

(subscription) venue (if, under engagement by the Issuer, it contributes in the issue procedure in question).

2.2. MANAGEMENT OF A STATEMENT FOR THE ACQUISITION OF SECURITY, ON BEHALF OF THE CLIENT

In the scope of this activity, the Treasury undertakes under separate engagement by the client to manage the statement to be made by the client in the scope of issue (if, under engagement by the Issuer, it contributes in the issue procedure in question).

The Treasury shall record the statements to be made by the client in the scope of issue and for the acquisition of securities (statement of subscription, statement of purchase) in accordance with the conditions set by the Issuer.

By signing a statement for the acquisition of securities the client declares irrevocably that he will buy the security indicated in the statement. The client may not validly rescind his statement for the acquisition of securities and may not transfer the same to another person.

By signing a statement for the acquisition of securities the client declares that

- a) he has read, understood and acknowledged the contents of the information memorandum relating to the issue, and undertakes the obligation contained in the statement in aware of the same,
- b) is aware that the Issuer sells the security in the form of public offering.

The client's statement for acquisition of security shall take effect if the consideration for it was received by the account keeping Treasury by the prescribed date and time.

If the consideration appears on the client's security registration account in an amount lower than that indicated in the statement for acquisition of security, then, in the case of subscription, and in the case of sale and purchase it will be credited to the client's free cash account (client account) until further instructions, with simultaneous notification to the client in writing, by post or electronically.

If the consideration is received on the account keeping client's security registration account outside the period open for the acquisition of the security, then the amount received will be credited to the client's non-interest-bearing free cash account (client account).

2.3. SALES OF SECURITIES (PROPRIETARY AND NON-PROPRIETARY TRADING)

In the scope of its proprietary trading activity, the Treasury concludes sales contracts under an individual sales contract with the client in its own name and for financial instruments on its own account.

In the framework of “non-proprietary” trading the Treasury shall credit the Bonus Hungarian Government Securities and the Euro Hungarian Government Securities, the Premium Hungarian Government Securities, Fixed Hungarian Government Securities and Municipal Hungarian Government Securities in the quantity accepted by the Issuer and on basis of the financial settlement, provided that the coverage is available.

Government securities are distributed and the financial implementation of such distribution takes place always in the same currency in which the government security was issued. By signing the agreement/statement of purchase, the client acknowledges and accepts the effective conditions applicable to the financial implementation of the order as well as any special conditions of payment and clearing as applied by the Treasury.

In the sales contract the seller shall warrant that the securities indicated are free and clear of all liens, claims and encumbrances.

Sale and purchase may be spot or forward sales and purchase relating to a later value date. Settlement shall be made to the account indicated in the contract at the rate that was known prior to the conclusion of the contract simultaneously with the conclusion of the contract or at a later date as specified by the Parties. Until the end of the opening hours published by the Treasury, or until the specific value date roll-over, spot sales transactions shall be performed by applying the given daily exchange rate, taking into account the value date change.

The Treasury is entitled to announce and apply the buying and selling rates specified by GDMA Ltd. for publicly traded government securities without modification. The Treasury shall publish the rate quotation for information on its websites, on its electronic trading channels and at the government securities distribution customer offices. In its communication the Treasury shall indicate the minimum and maximum amount to which its offer is related, and the validity period of its offer. If the Treasury does not indicate the validity period of its offer, the offer shall be valid until withdrawn or modified. The Treasury shall communicate the withdrawal or modification of its offer in the same manner as the communication thereof.

During the validity period of the offer, in individual sales contracts the Treasury may deviate from the exchange rates communicated exclusively in the case of extraordinary circumstances upon the instruction of ÁKK Zrt. Extraordinary circumstances may in particular include malfunction hindering operations and unforeseen market conditions. In the communication, the Treasury shall indicate the reason for deviation.

The Treasury shall quote the selling and buying rates with regard to the government securities distributed by the Treasury on a daily basis, except on holidays when the Treasury is closed. The Treasury shall not quote selling rates for Discount Treasury Bills and Fixed Hungarian Government Securities within 14 days prior to expiry date and maturity and the purchase rate on the 2 business days prior to the interest payment.

The Treasury shall be entitled to interrupt rate quotation or to modify rates during the day without prior notice.

The Treasury shall conclude sales transactions for such securities – while the stocks lasts – which are included in the Notice, and quote selling and buying rates for the specified security on the given day.

Securities are transferred by crediting or debiting the securities registration account with them, or by handover of the printed papers. A contract may only relate to securities that are uniform or of the same type; sales and purchases relating to different securities shall be specified in different contracts.

2.4. TRANSACTIONS RELATING TO REINVESTMENT OF PRINCIPAL REPAYMENT AND INTEREST BECOMING DUE AT A LATER VALUE DATE

With regard to all his expiring and interest paying government securities registered on the securities registration account held – and distributed – by the Treasury, prior to expiry date or interest payment the client shall be entitled to conclude a sales contract with the Treasury to the debit of the amounts becoming due, or to declare in a statement his intention to subscribe/purchase securities in such a manner that these transactions would qualify as transactions concluded for the day of interest payment or expiry date (due date of payment) as value date, and be executed on that day as value date or on the execution day in accordance with the procedure for marketing. The transaction shall be implemented in such a manner that sale and purchase/subscription/marketing will be performed up to the amount assigned to the securities designated by the client as primary, and if the transaction related to the security designated as primary may not be performed due to the lack of stock, rate quotation or a pending procedure for marketing, then sale and purchase/subscription/marketing will be performed up to the amount assigned to the securities designated by the client as secondary until the remaining sum

of the amounts assigned by the client in accordance with the above reaches the unit price of the security to be purchased.

The Treasury does not fulfill any reinvestment order whose execution would exceed the specified sales limit for the designated series of securities. In this regard, the Treasury does not fulfill any of the reinvestment orders, the collective execution of which would exceed the sales limit for the specified security series. In case the execution of reinvestment orders is refused for this reason, the due amounts are credited to the client's non-interest-bearing payment account.

The amount of principal repayment or interest becoming due may be reinvested, which may be disposed of as reinvestment from the 30th to the 2nd business day prior to the due date of payment (B-2), until the value-date roll-over specified for the implementation of the orders. It is not possible to modify or withdraw reinvestment orders or to provide new instructions on the due payment date. The reinvestment order shall be implemented by applying the exchange rate that is valid on the due date of payment. The reinvestment order shall be implemented on the due date of payment by applying the exchange rate specified for sale and purchase transactions relating to forward value dates as defined in Section V. 2.3. of the Terms of Business.

In accordance with the above, declarations to subscribe/purchase securities shall be implemented by applying the exchange rate used by the Treasury for subscription/sale that is valid on the due date of payment, or on the performance day as defined in the issue procedure of the given security.

The client may also specify the method of payment for the remaining amount on the securities registration account after the fulfillment of the reinvestment transactions when giving instructions for reinvestment. In this case, the specified method may differ from the payment method or its details determined by the customer in the securities account agreement.

Should the client not dispose over the remaining sum, then it will remain on the client account belonging to the client's securities registration account.

Should the Treasury not possess sufficient stocks of the securities designated by the client, or on the due date of payment rate quotation is suspended for reasons beyond the Treasury's control, then the Parties shall regard it as an impossibility reason beyond their control, and the contract is terminated. The Treasury shall notify the client of the impossibility reason in writing (via postal delivery or electronically).

Securities purchased/acquired based on the client's reinvestment order shall be credited to the client's securities registration account on the date of due payment. In the case of subscription, the securities shall be credited to the client's securities registration account – depending on the procedure rules for subscription – following acceptance of the subscription, on the performance day as defined in the procedure for subscription.

The transactions defined in this chapter shall not affect the client's right to cancel the transactions and give different instruction as to the amounts becoming due, in a statement submitted to the Treasury until the end of the opening hours as defined by the Treasury, on the day preceding the due date of payment at the latest, taking into account the value date change.

The client shall acknowledge that in the case of reinvestment such assets may be reinvested in relation to which the Treasury has not exercised its security deposit or set-off rights until the date of reinvestment.

The Treasury shall accept orders for transactions relating to principal repayment and reinvestment of interest on the 30th day prior to the due date of payment if its a business day, or on the day preceding the 30th day if it is not a business day, at the earliest.

VI. SPECIFIC PROVISIONS FOR THE MANAGEMENT OF LONG-TERM INVESTMENT

1. CONCLUSION OF LONG-TERM INVESTMENT CONTRACT

The rules for income from long-term investments are specified by Section 67/B of the Personal Income Tax Act.

Long-term investments may be managed by such natural person clients (account holder) who has a valid contract on securities account registration with the Treasury. Long-term investment contracts may be concluded by the holder of the securities registration account only in case of personal attendance.

The Treasury shall not conclude long-term investment contracts relating to Treasury Start Securities Accounts and securities registration accounts opened on the basis of a decision or order of the Guardianship Authority.

Each client shall be entitled to conclude one long-term investment contract with the Treasury every year. More than one long-term investment contract may not be

concluded with the client in the given calendar year even if the client has more than one securities registration account at the Treasury.

Long-term investment contracts may be concluded with such clients who have a tax identification number, and prove the existence thereof by submitting their e-card or tax identification card to the Treasury; in the lack of tax identification card a certificate issued by the tax authority or an official document issued by other body shall prove the existence thereof.

In the calendar year when the contract is signed, the client may make payments in a lump sum or in instalments (with a value of no less than HUF 25,000 on the first occasion) after the contract has been signed. Should payment be made via bank transfer, the Treasury may accept such payment only if the client already has a valid securities registration account concluded with the Treasury, or concludes such a contract prior to the commencement of the bank transfer.

The client shall be entitled to conclude long-term investment contracts with other investment service providers in the same calendar year.

The client shall be entitled to make payments to the investment account that was opened on the basis of the long-term investment contract in accordance with the provisions defined in Section 3 of this chapter. In the year when the long-term investment contract is signed, the Treasury shall manage payments required to the conclusion of the contract, or payments made following the conclusion of the contract as deposits belonging to the given contract. Based on the contract, a deposit period of 3 years shall commence, the first day of which is the 1st day of the calendar year following the year when the contract was signed, and the last day of which is the last day of the 3rd calendar year starting from that day.

The deposit period may be extended at any time for additional 2 years by another contract signed during personal attendance until the last business day of the 3rd year at the latest, or the deposited stock may be reduced at the end of the 3-year deposit period - from the 30th day before the last day with a personally given order - with the stipulation that a minimum amount of HUF 25,000 shall remain on the account. The Treasury shall not be liable for any damage arising from the client's failure to extend the contract relating to the 3-year deposit period. Orders for subtracting of sub-total will be executed on the last day of deposit period of the long-term account.

From the 30th day preceding the last day of the 5-year deposit period, the account holder may - if appears in person - give an order that the deposited stock be completely or partial transferred to a long-term investment account which is in collect period and

that was opened in the given calendar year, on the provision that the balance of the new long-term investment account shall be no less than HUF 25,000.

The client shall be entitled to conclude a new contract for long-term investment in every calendar year, on which his payments may be collected. The Treasury shall manage the account holder's deposits and payments made on the basis of his long-term investment contracts signed in different calendar years separately from one another, and separately from the account holder's deposits held on his securities registration account that is not managed as long-term investment.

Transfers may also be initiated from SIPPA accounts for the purposes of redeeming government securities distributed exclusively by the Treasury. In order to ensure enforcement of personal income tax allowance/exemption it is essential for the client to open a long-term investment account prior to the commencement of the transfer. Simultaneously with the conclusion of the contract, by submitting the certificate issued by the service provider, the client shall prove that the deposit indicated in the transfer is to be initiated from the SIPPA account. The client shall be liable for any personal income tax obligation arising from the client's failure to submit the certificate issued by the service provider.

The Treasury will accept revocations for transfer orders transmitted in IG2 (RECALL) with regard to long-term investment accounts in the case of such portfolios in the saving period where no interest or capital has been paid until the receipt of the RECALL message.

On the basis of long-term investment contracts such instructions may be given only that relate to crediting of the sums due – without interrupting the deposit period – to the given client account. As a general provision for crediting sums due, the Treasury – pursuant to the applicable law – shall not accept instructions for transferring sums due with regard to the given account. Should the client give an instruction to the Treasury as to the transfer of the sums due or to cash payment, then it shall qualify as interruption of the deposit period.

2. PROXY'S DISPOSAL RIGHTS

Such persons shall be entitled to dispose of the deposited stocks who are generally authorized to dispose of the client's securities registration account. Each person shall have the same disposal rights as he is authorized by the client to dispose over the client's securities registration account.

The proxy's disposal rights over the deposited stock shall remain valid until his disposal rights over the client's securities registration account is valid.

Proxies shall not be entitled to sign, extend long-term investment contracts, may not give orders for the transfer of the funds of the long-term investment account committed for 5 years, and may not give such instructions that would result in the termination of the long-term investment account or initiate a partial withdrawal at the end of the 3rd year and the 5th year.

3. CASH INPAYMENT

In the year when the contract is signed, sums denominated in EUR or HUF may be paid in cash through cash desk or via bank transfer or by bank card to the given long-term investment account, or by using the free amounts of money held on the client's client account belonging to the client's securities registration account. Receivables on the long-term investment account may not be further increased by payments made following the year when the contract is signed.

Transferring government securities held on the client's securities registration account shall not qualify as payment of long-term savings. Accordingly, amounts on the client's securities registration account may not be transferred as deposits.

It shall qualify as payment to the long-term investment account if the client terminates his SIPPA account that was opened with other investment service provider, and places by means of transfer the government securities held on that account to the deposits of the account held by the Treasury, or has the amount on the terminated SIPPA account transferred to the deposited stock of the long-term investment account held at the Treasury. In order to check the legal grounds by the Treasury, the client shall submit a certificate that is issued by the service provider holding the client's SIPPA account which certifies that the transferred stock is a relocation of government securities based on the termination of the SIPPA account.

If transferring an amount from SIPPA account to long-term investment account, comparing the historical cost (acquisition value) of the transferring financial institution with gross selling cost (normal market value) effective on the transfer date, the higher value can be considered as acquisition value.

It shall qualify as payment to the long-term investment account if the government securities that are in the deposited stock on the last day of the 5-year deposit period, or the amounts held on the cash account, are transferred to the deposited stock held in

accordance with the long-term investment contract that is concluded in the last year of the 5-year deposit period, or until the expiration date of the commitment at the latest.

The last year of the 5-year deposit period shall be regarded as the calendar year of inpayment.

Inpayment shall amount up to HUF 25,000 until the end of the year when the contract is signed, irrespective of the form in which the payment is made.

Government securities and cash may not be transferred from the deposited funds of the long-term investment account that was opened by the client in one calendar year to the deposited stock of the long-term investment account that was opened by the same client in another calendar year, nor to the deposited of another client that is held with the Treasury. Except for the case when the same client has the government securities that are in the deposited stock on the last day of the 5-year deposit period, or the amounts held on the cash account, transferred to the deposited stock held in accordance with the long-term investment contract that is concluded in the last year of the 5-year deposit period, until the expiration date of the deposit period.

The transfer of the deposited stock between two different long-term investment accounts of the given client may not be performed, considering the fact that stock transfer shall not qualify as payment to the long-term investment account. Except for the case when the transfer is performed based on the client's instruction relating to a new long-term investment contract on the last day of the 5-year deposit period.

4. CASH DEPOSIT

The historical cost of the amounts paid to the long-term investment account and of the government securities transferred from the SIPPA account to be terminated, and the historical cost of the government securities transferred to the deposited stock belonging to the long-term investment contract that is concluded on the last day of the 5-year deposit period, and the amount transferred from the cash account shall qualify as cash deposits.

5. DETERMINING THE HISTORICAL COST OF INPAYMENT

The Treasury shall determine the historical cost of inpayments in accordance with the provisions defined in the Personal Income Tax Act.

6. DEPOSIT PERIOD

The deposit period belonging to the respective long-term investment contract shall commence on the 1st day of the calendar year following the year when the contract is signed. The last day of the deposit period shall be the last day of the 3rd calendar year starting from the year when the contract is signed, or if the deposit period is extended for an additional 2 years, then the last day of the deposit period shall be the last day of the 5-year deposit period.

On the last day of the 3-year deposit period, the deposit relating to the respective long-term investment contract shall terminate, or if the deposit period is extended for an additional 2 years, the deposit shall terminate on the last day of the 5-year deposit period.

7. EXTENDING THE DEPOSIT PERIOD

The 3-year deposit period concluded in the respective year may be extended for an additional 2 years based on a separate agreement, on the last business day of the 3-year deposit period at the latest, such a way that the value of the stock subject to extension shall amount up to at least HUF 25,000.

The account holder shall be entitled to make an agreement on the extension of the deposit period at any time but on the last business day of the 3-year deposit period at the latest. Orders for partial withdrawal may be placed only in person, from the 30th day preceding the last business day of the 3-year and 5-year deposit period until the last business day of the deposit period.

The client shall personally dispose over the stock subject to partial withdrawal and over the cash amount as well. In the order, the client shall be entitled to determine specific values – nominal value in the case of stocks, or EUR-denominated value in the case of cash – or dispose over the entire stock of the respective security, or over the deduction of the whole amount held on the client account.

Partial withdrawal at the end of the 3-year and 5-year deposit period may not result in shrink of the value of the deposited stock below HUF 25,000. Should the client give such an order as a result which the value of the deposited stock would shrink below HUF 25,000, the Treasury will not execute the order.

The Treasury shall in every case credit the amount of the stock subject to partial withdrawal to the securities registration account attached to the long-term investment account. In the case of partial withdrawal from government securities issued in EUR

currency, if the securities derecognized based on the foreign exchange applied by CBH on the day of the transfer shrank the value of the deposited stock below HUF 25,000, the Treasury will not execute the order.

The Treasury will not send a separate notice on the reduction of the deposited stock – that is, on execution of the order for withdrawal – or the transfer of the 5-year deposited stock on the long-term investment account. The Treasury shall notify its client on the change in stocks on the statement of account that is issued in accordance with the provisions of the account contract.

8. PROVISIONS RELATING TO CASH AND STOCKS MANAGED IN THE DEPOSIT STOCK

The Treasury shall manage payments to the long-term investment account and transfers of government securities from the SIPPA account as deposited stock belonging to the respective long-term investment account. The long-term investment account that is assigned to the long-term investment contract is comprised of a securities account and a client account. On the securities registration account the Treasury shall manage security stocks belonging to the deposited stock, and on the client account it shall manage inpayments and sums payable to the client in the deposited stock.

The cash placed in the deposited stock of the long-term investment account, or the amounts due but unpaid may be used for purchasing/acquiring any government securities in the same currency without any limitation up to the maximum amount that may be freely used with the stipulation that – unless otherwise instructed by the client – the purchased/acquired government securities are transferred to the deposited stock irrespective of their expiry date. Government securities with an expiry date that extends over the end of the deposit period relating to the long-term investment contract may also be credited to the deposited stock.

The maximum value of purchases/subscriptions and the number of orders for purchase/subscription given during the deposit period are not specified either by legislation or the Treasury, the maximum value of purchases/subscriptions shall be determined by

- the joint value of the cash paid to the respective deposited stock in the year when the contract is signed, and
- the sums credited from the amounts becoming due and arising from the sale of the government securities that are placed in the deposited stock of the client account belonging to the long-term investment account.

The Treasury shall credit government security stocks obtained through purchase or acquisition to the long-term investment account that serves as the management of the deposited stock.

The client shall be entitled to sell to the Treasury the government securities placed in deposited stock. The Treasury shall credit the counter-value to the client account belonging to the long-term investment account.

It shall not qualify as interruption of the deposit period if the client does not purchase/subscribe government securities by using the amount deposited on the client account belonging to the long-term investment account, but keeps the amount as cash on the account. No interest shall be payable on the amount placed on the client account.

The client shall be entitled to give further orders for reinvestment relating to the long-term investment account with the stipulation that the amount that is lower than the smallest denomination – which may not be invested – be credited to the client account, as an order for transfer shall qualify as interruption of the deposit period.

On the basis of long-term investment account such instructions may be given only that relate to crediting of the sums due – without interrupting the deposit period – to the client account. Should the client give an instruction as to the transfer of the sums due, then it shall qualify as interruption of the deposit period and entail the termination of the contract for the long-term investment account.

No instruction may be given for transfer of government securities placed in the deposited stock without interrupting the deposit period.

Such clients shall be entitled to give instructions relating to the deposited stock in person or in writing (via postal delivery or electronically) who have not restricted the method of giving instructions via postal delivery or electronically relating to their securities registration account.

The Treasury shall execute transactions which result in the interruption of the deposit exclusively based on the customer's instruction attending in person at any customer service office engaged in distribution of government securities. The Treasury shall not execute such transactions based on orders submitted in writing (via postal delivery or electronically) or those initiated through the TeleKincstár, WebKincstár, MobilKincstár.

Provisions relating to deposit stocks by using TeleKincstár, WebKincstár, MobilKincstár services

The client's right to dispose over the long-term investment account belonging to the securities registration account by using WebKincstár and MobilKincstár services shall be equivalent to the client's disposal rights over his securities registration account by using these distribution channels.

Should the client open more than one long-term investment accounts belonging to his securities registration account over the years, then he will have the same rights to give instructions relating to all the long-term investment accounts through all distribution channels.

The client's disposal rights over different distribution channels

The owner of the long-term investment account shall be entitled to give instructions through WebKincstár, MobilKincstár systems if he requested the use of WebKincstár, MobilKincstár services by filling in the form "Request for using electronic services" which constitutes an inseparable part of the "Securities registration account contract".

The client does not have to sign a separate contract or make a statement on disposing over the long-term investment account through the electronically distribution channels and SMS services.

The Account Holder does not have a separate password for the long-term investment account. The client enters the WebKincstár and MobilKincstár system by entering the user name and password related to the securities registration account contract.

Entering the WebKincstár and MobilKincstár, TeleKincstár system, the Account Holder shall be entitled to initiate transactions relating to his long-term investment account in addition to his securities registration account.

9. ACCOUNT TYPE INDICATED ON TRANSACTION RECEIPTS

On the transaction receipts relating to transactions executed by the securities distribution system on the account opened for the long-term investment contract the account type shall be indicated as "Long-Term Investment Account". On the transaction receipts, the income tax is 0, and no deduction is applied for such transactions either which qualify as withdrawals from the deposited stock.

10. INTERRUPTION OF THE DEPOSIT, TERMINATION OF THE LONG-TERM INVESTMENT CONTRACT AND ACCOUNT DUE TO THE INTERRUPTION OF THE DEPOSIT

Transactions resulting in interruption (withdrawal) from the deposited stock will result in the interruption of the long-term deposit stock relating to the entire stock of financial

instruments and financial assets belonging to the respective long-term investment account.

It shall qualify as interruption of the deposit period if the client partially or completely withdraws or transfers the cash placed in the deposited stock, or gives an assignment for purchase/subscription, in which case he expressly instructs the Treasury not to credit the securities purchased/subscribed to the deposited stock.

Transfer orders for government securities placed in the deposit stock shall also qualify as interruption of the deposit even if the beneficiary account of the transfer is the client's securities registration account that is held by the Treasury. Transfer orders for government securities placed in the deposited stock shall also qualify as interruption of the deposit period even if the beneficiary account of the reclassification is the respective client's long-term investment account that is held by other service providers.

Rate quotation for the given security shall be interrupted for 2 business days prior to interest payment or expiry date. The deposit period may not be interrupted within 2 business days prior to the payment of due amounts of government securities placed in the deposited stock.

The account shall be terminated by the Treasury only if the client has not previously initiated an investment transaction on the account to be terminated that has not been completed at the time of termination, a sale or subscription transaction would be credited after the date of termination by the client. In this case, the account can only be closed after the investment transaction has been closed.

The deposit is interrupted if the client fails to submit to the Treasury a document relating to the stock transferred from the SIPPA account until the 30th calendar day following the receipt of the transfer by the Treasury. If the document is not received until the deadline specified above, the Treasury will register the transferred stock on the client's securities registration account.

Blocking – partially or completely – receivables recorded on the long-term investment account **for the benefit of the beneficiary** (excluding attachment) shall qualify as withdrawal from the deposited stock and result in the interruption of the deposit period.

Simultaneously with the interruption of the deposited stock, the Treasury shall transfer the receivables on the long-term investment account to the client's securities registration account.

Following the date when the Treasury has processed the transaction initiated by the client and which results in the interruption of the deposit stock, the client may not perform any further transaction concerning the given long-term investment account.

The Treasury shall transfer the cash and government security stocks placed on the long-term investment account to the securities registration account belonging to the client's long-term investment account.

Simultaneously with the interruption of the deposited stock, the long-term investment account and the contract between the client and the Treasury for the management of long-term investments shall also terminate – by operation of law – without a separate statement by the client.

Following the interruption of the deposit, the provisions relating to the income from long-term investments shall not apply to the stocks transferred to the client's securities registration account.

11. DECREASE OF THE DEPOSITED STOCK BELOW HUF 25,000

The deposited stock shall not terminate if the value thereof – due to unfavorable conditions of sales – shrinks below HUF 25,000. The same rules shall apply to the calculation of the yield on deposits as to the calculation of the stocks exceeding HUF 25,000 in value. However, the deposit period relating to stocks of such value may not be extended by an additional 2 years based on a separate agreement. The contract signed for extension shall terminate without separate instructions by the client.

Should the joint value of the stocks deposited on the last day of the 3-year deposit period (financial instruments and financial assets determined in accordance with the rules for evaluation) shrink below HUF 25,000, the Treasury shall manage this stock on the client's securities registration account starting from the day following the last day of the 3-year deposit period without separate instructions by the client.

In the last year of the 5-year deposit period, stocks not exceeding HUF 25,000 in value may be transferred to the deposited stock belonging to the long-term investment contract signed until the last day of the 5-year deposit period only if such an amount has been previously paid to this new long-term investment contract signed in the respective year that the joint value of the transferred stock and the amount paid reaches HUF 25,000 in value.

12. CALCULATION OF THE YIELD ON DEPOSITS IN CASE OF INTERRUPTION

In the case of interruption of the deposit stock, the income from long-term investment shall be determined by the Treasury. The Treasury shall determine the historic (acquisition) cost of the investment, the revenue and the income from long-term investment in accordance with the provisions defined in the Personal Income Tax Act.

The historic (acquisition) cost of the investment – at the time when the deposit is interrupted – shall be the actual value spent on acquisition.

The revenue realized at the time when the deposit is interrupted shall be the joint value of the cash placed in the deposited stock and the government securities in the stock. The value of the government securities in stock shall be the arm's length value at the Treasury, which is the gross sales price registered on the respective government security or in the absence of such price it is the total of the face value and the interest accrued, if the acquisition value is higher than the previous two, then the acquisition value.

Upon interruption of the deposit, no yield on the deposit is indicted on the transaction receipt.

Payments from the deposited stocks and in the case of withdrawal yields on deposits realized by the client shall be included in the annual statement that is issued to the client by the Treasury in the year following the year when the interruption is performed.

13. CALCULATION OF YIELD ON DEPOSITS UPON THE TERMINATION OF THE DEPOSIT PERIOD

The revenue realized by the client at the time when the deposit is interrupted shall be the joint value of the cash placed in the deposited stock and the government securities in the stock. The value of government securities in the Treasury is the normal market value of the Treasury, which is the gross market price of the given government securities, or, in the absence thereof, the sum of the face value and the accrued interest, if the value of the acquisition is higher than the former, in which case the acquisition value.

The Treasury shall determine the value of the cash deposited, the revenue and the yield on deposits in accordance with the provisions defined in the Act on Personal Income Tax.

The yield on deposits shall be the value of the revenue realized that is in excess of the amount spent on acquiring the government security.

14. PROCEDURE IN THE CASE OF THE CLIENT'S DEATH

No revenue shall be determined from the income (yield on deposits is 0) in the case of the death of a client with a long-term investment contract even if death occurred before the termination of the deposit period. Upon acquisition of the property inherited, the heir will have no obligation to pay income tax relating to the long-term investment contract concluded for the management of the testator's long term investments. Accordingly, the Treasury shall make no annual statement considering that no tax-paying obligation arises with regard to the deposited stock.

The testator's stock of cash and financial instruments may be transferred to the heir's securities registration account, but it may not be transferred to the deposited stock that is based on the testator's long-term investment contract.

The heir shall not be entitled to continue the legal relationship relating to long-term investments acting in the testator's place.

Accordingly, if the heir has concluded a long-term investment contract with the Treasury, the testator's stock (cash and financial instruments) may not be transferred to the deposit stock belonging to the heir's contract.

15. TRANSFERRING DEPOSITED STOCKS BY MEANS OF INTERRUPTION

Transfers to the client or other client's securities registration account, or transfers to other service providers shall qualify as orders for interrupting the deposit. The entry date shall be the value day when the transfer is performed. The historical cost of the stock shall be equivalent to the arm's length value relating to the respective stock prevailing on the day when the interruption is performed, or the deposited stock is terminated, which is the gross sales price registered on the respective government security or in the absence of such price it is the the total of the face value and the interest accrued, if the acquisition value is higher than the previous two, then the acquisition value. Management of income tax from the date of conclusion of the long-term investment contract until the interruption of the deposit or until the termination of the deposit period.

The Treasury shall not deduct income tax from cash deposited on long-term investment contracts, and from yield on deposits realized by using deposited amounts in the deposit period. The assessment, declaration and payment of the tax shall be the liability of client possessing a long-term investment contract.

For the calculation of the income tax, the Treasury shall issue a certificate until 31 January of the year following the tax year when the interruption occurred or the deposit period terminated, in which certificate the Treasury notifies the client on the revenue realized by the client, the yield on deposit and the length of the deposit period based on the deposited amount.

The Treasury shall not deduct income tax either in the year when the long-term investment contract is signed or during the deposit period either from the interests payable for government securities based on the client's long-term investment contract or from principal payment, but credit the gross value of such amounts entirely to the client's account that is managed in accordance with the client's long-term investment account.

Withdrawal from the long-term investment account performed as early as in the year when the long-term investment contract is signed shall qualify as interruption of the deposit period. Accordingly, should the client withdraw its money paid to the long-term investment contract, or its government securities purchased by using that money as early as in the year when the contract is signed, the Treasury shall be not liable for deducting the income tax, but due to the withdrawal the Treasury shall issue a certificate on the revenue until 31 January of the year following the tax year when the withdrawal occurred, on the basis of which certificate the client shall be liability for calculating, declaring and paying his tax.

The Treasury shall not deduct income tax from the income realized by the client from its long-term investments either in the year when the long-term investment contract is signed or during the 3 or 5-year deposit period.

Calculation, declaration and payment of the tax payable shall be the client's liability.

The Treasury shall not deduct income tax from the interest income realized by the client from its long-term investments upon the termination of the deposit period.

Declaration and payment of the tax payable shall be the client's liability.

With the termination of the Long Term Investment Account 5 years prior to its expiration, the Act of Personal Income Tax. Pursuant to Article 65 (3) (b), tax-exempt government securities are liable to tax.

16. RELOCATING THE LONG-TERM INVESTMENT ACCOUNT WITHOUT INTERRUPTION OF THE DEPOSIT PERIOD

The Personal Income Tax Act allows that the securities-type long-term investment account of the same collection period can, under certain conditions, be moved from one investment service provider or credit institution to another securities-type long-term investment account of the same collection period without interrupting the deposit period.

Pursuant to the legal provision, the Treasury will move a long-term investment to, and, respectively, accept a long-term investment from a securities-type long-term investment account without disrupting the deposit.

In accordance with the provisions of the law, the government security recorded on the securities-type long-term investment account may be transferred, and in the case financial instruments are delivered, they may be transferred by initiating a so-called deposit transfer.

16.1. RELOCATING LONG-TERM INVESTMENT ACCOUNT TO THE TREASURY

For the transfer of the long-term investment account, or, following termination of SIPPA account, for the transfer to a long-term investment account, first a securities registration account contract and a supplementary agreement for the management of long-term investments shall be concluded at the Treasury.

The Treasury will only accept a transfer portfolio (securities and cash) from other investment service providers if the client already has an active TBSZ account with the same collection year on the day the Treasury receives the portfolio. If the client does not have such an active TBSZ account on the day of receipt, the Treasury will return the full amount (securities and cash) to the investment service provider initiating the transfer on the relevant day. The client must ensure that the TBSZ account is opened prior to the transfer. The Treasury shall not be liable for any damage caused to the customer as a result of the reversal.

Relocation of the long-term investment account to the Treasury shall be initiated by the transferor by means of transfer based on the client's instructions, by issuing and forwarding to the Treasury a certificate of deposits relating to the amounts subject to the deposit transfer. The transferor shall send the certificate of deposits issued and duly signed to The Treasury via postal delivery or electronically.

The client shall make all efforts to ensure forwarding the certificate of deposits to the Treasury. The Treasury shall bear no liability for incidental damages arising from the

refund or re-transfer due to the client's failure to forward to the Treasury the certificate of deposits.

The Treasury shall accept the transfer and the deposit transfer affected by relocation if they can be unambiguously identified. If the stock of the transfer is from an earlier currency exchange, in the certificate the transferor shall also indicate the related exchange rate. In the first 8 characters of the order's details of payment, the registration number of the entitled long-term investment account, shall be indicated, followed by the account holder's name; the legal title of the transfer shall be relocation of long-term investment account.

The Treasury shall accept transfers exclusively with regard to the government securities distributed by the Treasury. Should the transfer affected by relocation contain financial instruments in the distribution of which the Treasury is not engaged, then the total amount (government securities and financial instruments) affected by relocation shall be refunded or re-transferred.

With regard to the currency of the financial instruments affected by relocation, the Treasury shall accept HUF and EUR exclusively.

The Treasury shall notify the Account Holder on the government securities and financial instruments relocated and credited to the long-term investment account in writing within 1 business days. Notification shall be sent in the form as previously specified by the Account Holder (by post or electronically).

16.2. RELOCATING LONG-TERM INVESTMENT ACCOUNT FROM THE TREASURY

The customer shall be entitled to initiate relocation of the long-term investment account to a securities-type long-term investment account held at another investment service provider or credit institution exclusively in person at any customer service offices of the Treasury engaged in the trading of government securities. With regard to relocation, the Treasury shall charge the commissions, fees and expenses as defined in the Notice in force. The fees and commissions relating to relocation shall not be settled to the debit of the deposit transfer affected by relocation, the client shall settle such fees and commissions simultaneously with giving the relocation order.

The relocation may be initiated for the entire long-term investment account (sum total of government securities account and financial instruments) relating to the respective year. Partial relocation of deposits may not be performed. Upon execution of the relocation order, the client's given long-term investment account at the Treasury relating to the respective year shall terminate.

Simultaneously with the execution of the order for relocation of deposits, the Treasury shall issue and hand over the client a certificate on the relocation of the long-term investment account.

17. THE TREASURY'S LIABILITY TO ISSUE A CERTIFICATE FOR THE INCOME TAX LEVIED ON THE YIELD ON DEPOSITS

In order to ensure calculation, declaration and payment by the client of the income tax levied on the yield on deposits, the Treasury shall issue a certificate in which in addition to disclosing the yield on deposits realized, the Treasury also certifies whether the financial instruments were managed in the deposited stock for a period of less than 3 years, exceeding 3 years or exceeding 5 years based on the long-term investment contract concluded with the client. The amount of the tax payable – in accordance with the provisions as defined in the Personal Income Tax Act – depends on the length of the period during which the financial instruments were held in the deposited stock.

Based on the withdrawal from the deposited stock in the year when the long-term investment contract is signed, and prior to the last day of the 3-year deposit period, the rate of income tax that is payable by the client is 15% at present.

For the yield on deposits realized by using the deposited stock on the last day of the 3-year deposit period, the tax rate that is payable by the client is 10% at present.

For the yield on deposits realized by using the deposited stock on the last day of the 5-year deposit period, the tax rate that is payable by the client is 0% at present.

For government securities issued in foreign currency, the Treasury shall determine the amounts indicated on the tax certificate in the currency in which the government securities were issued, and recognize such amounts at the foreign exchange applied by CBH. Converting to HUF and declaring such amounts shall be the client's liability.

18. INCOME TAX FOR STOCKS WITHDRAWN FROM THE DEPOSITED STOCK

During the period following withdrawal starting from the day when the deposit period is interrupted, provisions relating to long-term investments shall not apply to government securities withdrawn from the deposited stock, the Treasury will perform calculation and deduction of the income tax in accordance with the rules for government securities that are placed in the stock of securities registration accounts.

19. INCOME TAX FOR STOCKS FOLLOWING THE DEPOSIT PERIOD

The Treasury shall transfer government securities that are in the deposited stock on the last day of the deposit period into the client's securities registration account on the last day of the 3-year deposit period, or if the client extended the deposit period for an additional 2 years, on the last day of the 5-year deposit period. Henceforth the provisions relating to long-term investments shall not apply to the transferred stocks, the Treasury will perform calculation and deduction of the income tax in accordance with the rules for stocks that are placed in the stock of securities registration accounts.

If during the last year of the 5-year deposit period until the last day of the year at the latest, the client signs another long-term investment contract, than he shall be entitled to give such an instruction for the stocks placed in the deposited stock on the last day of the 5-year deposit period, in which he instructs the Treasury to partly or completely transfer such stocks to the deposited stock belonging to the long-term investment contract that is concluded until 31st December of the last year of the 5-year deposit period. In this case, on the last day of the 5-year deposit period the Treasury shall determine and issue a certificate to the client on the yield on deposits realized by using the entire deposited stock.

20. PROVIDING THE CLIENT WITH THE CERTIFICATE ISSUED BY THE TREASURY

The Treasury shall provide the client with the certificates until 31 January of the year following the respective tax year. The certificates shall be sent through WebKincstár, as e-mail attachments or as postal mails to such clients who have authorization to use WebKincstár, or reported their mailing address to the Treasury, which mailing address may be identical with the client's residential address. Such clients who have not reported their mailing or email address to the Treasury, and do not have authorization to use the WebKincstár service, shall be provided with the certificates when attending in person at the STO keeping their account.

The Treasury shall not be liable for damages incurred by the client's late receipt of the Treasury's notices caused by the client's refusal to provide his mailing address or e-mail address.

21. MANAGEMENT OF THE TAX ON YIELD ON DEPOSITS SHALL BE THE CLIENT'S LIABILITY

Based on the certificate issued by the Treasury, the client shall be liable for calculating, declaring and paying the income tax payable until the due date as defined in the Personal Income Tax Act.

The client shall not be required to declare his income from long-term investments if the tax rate on his income from long-term investments is 0%, which rate at present shall be applied to such stocks that are in the deposited stock on the last day of the 5-year deposit period.

22. RULES FOR TERMINATION OF THE LONG-TERM INVESTMENT CONTRACT

Simultaneously with the interruption or termination of the deposited stock, the supplementary agreement concluded between the client and the Treasury for the management of the client's long-term deposited stock shall also terminate – by operation of law – without a separate statement by the client.

The client's long-term investment contract shall terminate simultaneously with the termination of his contract for securities registration account, and in the case if the value of the deposit stock falls to HUF 0 during the deposit period, or if the client fails to comply his obligation to pay HUF 25,000 in the year when the account is opened.

Simultaneously with the termination of the long-term investment contract, the Treasury shall transfer cash and financial instruments that are deposited on his account to the client's securities registration account.

VII. SPECIFIC PROVISIONS ON THE MANAGEMENT OF THE PENSION SAVINGS ACCOUNT

The rules governing Pension Savings Accounts are regulated by the NYESZ Act and the Szja Act. The NYESZ scheme enables individual clients (hereinafter referred to as the client in this section) to accumulate pension savings as part of a self-provision strategy. Accordingly, clients have the opportunity to open Pension Savings Accounts, on which they can manage their savings under the preferential conditions specified in the NYESZ Act and Szja Act.

The Pension Savings Account (hereinafter: NYESZ) is one of the state-supported pension savings schemes. Each individual may hold only one "R"-designated NYESZ account (hereinafter: NYESZ-R). According to the applicable regulations, only one NYESZ account designated as "NYESZ-R" qualifies as a pension savings account, as long as the agreement for maintaining such an account remains in effect. If the client has multiple valid agreements, the first opened "R"-designated NYESZ account shall be treated as the NYESZ-R account. For NYESZ-R accounts, clients who reached the retirement age before January 1, 2020, including those who are already retired, are eligible for a 20% tax refund, up to a maximum of HUF 130,000 per year, on their annual contributions. Clients who reach retirement age on or after January 1, 2020, are entitled to a maximum tax refund of HUF 100,000. The tax refund must be claimed annually when filing the personal income tax return, based on a certificate issued by the Treasury. The refunded tax amount will be credited to the NYESZ-R account.

For matters not regulated in this section, the Term of Business shall also apply to NYESZ. In the event of discrepancies between the provisions of the Business Regulations concerning NYESZ

and other general provisions of the Business Regulations, the specific provisions applicable to NYESZ accounts shall prevail.

The Treasury charges fees for maintaining NYESZ accounts and processing transactions on NYESZ accounts, as stipulated in the Announcement.

Regarding the maintenance and management of the NYESZ, the client must ensure sufficient funds on their pension savings payment account to cover the fees specified in the Treasury's Announcement. These fees will primarily be deducted from the client's normal client account held with the Treasury, or secondarily from the client's pension savings payment account. If the client does not have sufficient free funds in either of their accounts, the Treasury will charge the due fees to the client's normal client account. In managing negative balances, the Treasury shall act in accordance with Section I.4.2 of the Business Regulations.

1. OPENING A PENSION SAVINGS ACCOUNT

1.1. CONDITIONS FOR MANAGING PENSION SAVINGS ACCOUNTS

In accordance with the NYESZ Act, the Treasury opens a Pension Savings Account (NYESZ) for the client to record their financial assets, execute and record transactions secured by available funds, and process settlements.

The right to open a Pension Savings Account is granted exclusively to individual clients (account holders) who have an active securities registration account agreement with the Treasury. Each client may hold only one NYESZ account, regardless of its designation.

The Treasury does not enter into Pension Savings Account agreements in connection with a Start Securities Account or a securities registration account opened based on a guardianship authority decision or obligation.

A NYESZ account can only be opened by a client who possesses a tax ID number and provides proof of it at the Treasury using an electronic identity card or tax card, in the absence of these, an official certificate issued by the tax authority or another competent organization.

A Pension Savings Securities Account and/or a Pension Savings Custody Account, along with a Pension Savings Payment Account, can only be opened jointly, provided that the client deposits at least the minimum amount prescribed by the applicable legislation, and this amount is credited to the Pension Savings Payment Account. If the deposit is made via bank transfer, the Treasury can only process the transaction if the client already has a securities registration account agreement with the Treasury or concludes such an agreement before initiating the transfer.

The Treasury manages the deposits and locked balances on the Pension Savings Account separately from both each other and from non-pension savings investments held on the client's securities registration account.

1.2. RULES FOR THE ENTRY INTO FORCE OF THE PENSION SAVINGS ACCOUNT AGREEMENT

The Pension Savings Account Agreement shall enter into force on the date on which the client has duly deposited at least the minimum amount specified by the applicable legislation into the NYESZ account, in accordance with the provisions of this Business Regulations and the relevant laws and regulations. A deposit shall be deemed duly placed if both the purpose of the deposit and the account to which it is credited can be identified. A deposit shall be considered identifiable if the payment or transfer is explicitly directed to the NYESZ account.

If the minimum deposit amount required by law for the opening of a NYESZ account is not properly placed, the Treasury is entitled to terminate the NYESZ account agreement.

The client must declare to the Treasury whether the NYESZ account should be designated as a NYESZ-R account, in accordance with the applicable personal income tax regulations. If the client does not make a specific declaration, the newly opened Pension Savings Account will automatically be designated as a NYESZ-R account.

It is the client's responsibility to notify any other account provider regarding the removal of the "R" designation. If no such notification is made, the Treasury bears no responsibility for any damages arising from the failure to update the system accordingly.

The Treasury shall not be held liable if the client fails to notify the Treasury regarding the registration of the "R" designation for their NYESZ account.

2. DISPOSITION OVER PENSION SAVINGS ACCOUNTS

An authorized representative cannot be designated exclusively for the NYESZ account. The handling of power of attorney rights for NYESZ accounts follows the same rules as those applicable to TBSZ accounts. If an authorized representative is granted disposition rights over a NYESZ account on behalf of and for the benefit of the client, the authorization is strictly limited to executing transactions. The authorized representative may not initiate withdrawals from the pension savings payment account.

The Treasury shall credit the pension savings securities account maintained in the client's name only with dematerialized government securities resulting from the execution of transactions funded by the pension savings payment account balance, and securities transferred from a pension savings securities account held at another financial institution, based on a balance certificate issued by that institution confirming the client's pension savings securities account balance.

2.1. DEPOSIT OF FUNDS

Funds may be deposited into the Pension Savings Account (NYESZ) only in Hungarian forints (HUF) after the conclusion of the account agreement. Deposits can be made through cash

payments at the Treasury's cash desk, bank card transactions, bank transfers, or internal transfers from the client's available balance on their securities registration account.

The following amounts can be credited to the pension savings payment account:

- Funds deposited, transferred, or internally transferred by the client,
- Income from government securities recorded in the pension savings securities or custody account, including proceeds from the sale of securities,
- Transfers from the client's pension savings payment account held at another account provider, based on a balance certificate issued by that provider confirming the client's pension savings payment account balance,
- Pre-savings support payments transferred by the National Tax and Customs Administration (NAV) in favor of the client.

The pension savings securities account may only be credited with dematerialized government securities issued in HUF, acquired through transactions secured by the pension savings payment account balance.

Assets that are prohibited from being held in a Pension Savings Account (NYESZ) under applicable laws and regulations may not be deposited into such accounts. If, due to regulatory changes or other legal amendments, assets already placed in the pension savings account become ineligible for continued registration, and all other relevant conditions are met, the Treasury shall transfer these assets to the client's securities registration account maintained with the Treasury, which was originally linked to the NYESZ account. The Treasury shall not be held liable for any consequences arising from such transfers.

A transfer of government securities from the client's securities registration account or a transfer of government securities held with another account provider to the Treasury's NYESZ reserved portfolio shall not be considered a pension savings deposit. Accordingly, securities held in the client's securities registration account cannot be transferred to the NYESZ reserved portfolio.

A transaction shall be deemed a NYESZ transfer if the client closes a NYESZ account held with another account provider and transfers the forint-denominated government securities (also traded by the Treasury) from that account to the Treasury's NYESZ reserved portfolio, or transfers the forint balance from the closed NYESZ to the Treasury's NYESZ reserved portfolio. To verify the transaction type, the client must provide a certificate issued by the previous NYESZ account provider, confirming that the transferred assets result from the closure of a NYESZ account and are subject to government securities reallocation.

A transfer to the pension savings cash account can only be made from another account held in the client's name and must be initiated by the client. Cash deposits may only be made by the client personally or by their authorized representative. The Treasury is not required to verify the source account or the authorizing party for amounts credited to the client's pension savings cash account. The Treasury assumes no liability for any consequences arising from such transactions.

If the competent tax authority transfers funds to the client's NYESZ account held with the Treasury, the Treasury is not required to verify the legal basis of the transferred amount.

Deposits into the NYESZ account (except for tax refunds with a specified legal basis or transfers from another NYESZ) are treated by the Treasury as individual contributions made by the account holder. These payments are considered when determining eligibility for tax benefits. If a contribution is made by an employer, the payment description field must include "EMPLOYER" to ensure that the amount is excluded from the 20% tax refund eligibility. If this requirement is not met, the client may request a reclassification of the payment within the same tax year. The Treasury is not liable for any consequences resulting from the client's failure to indicate the correct payment classification.

The Treasury is entitled to consider as authoritative any information, data, or documentation provided by third parties regarding the client's NYESZ assets, including but not limited to: market value, acquisition cost, or deposited principal amount. The Treasury assumes no liability for any consequences arising from inaccurate or misleading information provided by third parties.

2.2. ALLOCATED FUNDS

Allocated funds refer to the amount deposited into the NYESZ account, the acquisition value of securities transferred from a terminated NYESZ, the acquisition value of securities reallocated to the allocated holdings under a pension savings agreement, and the amount transferred from the cash account.

The acquisition value of contributions is determined by the Treasury in accordance with the provisions of the Personal Income Tax Act (Szja tv.).

In the case of a NYESZ transfer from another account provider to a Treasury NYESZ, the acquisition value shall be the greater of the acquisition price recorded by the transferring account provider, or the gross selling price (fair market value) applicable on the date of transfer.

2.3. THE ALLOCATION PERIOD

The allocation period for a given NYESZ commences on the date of establishment of the NYESZ agreement.

If a payment qualifies as a pension service under the NYESZ Act, the total amount of the NYESZ-registered claims shall comprise the combined balance of the cash funds and government securities recorded on the NYESZ account. If, at the time of terminating the pension savings account agreement, the client can provide proof that they:

- Are entitled to a pension as defined in Section 3, Paragraph 23 of the Personal Income Tax Act (Szja tv.);
- Are terminating the account in or after the third tax year following the account opening; and
- Have acquired eligibility based on a certified disability status,

then the 10-year tax exemption period is waived. In such cases, the tax-free withdrawal entitlement applies from the date of disability certification, provided that three tax years have elapsed since the account opening.

2.4. TRANSACTIONS RELATED TO THE ALLOCATED ASSETS

Under the pension savings account agreement (NYESZ), only those maturity payment instructions may be issued—without breaking the allocation—which pertain to the crediting of funds to the respective pension savings cash account. The client is not permitted to issue an instruction for maturity transfer, as it would be considered an interruption of the allocation, resulting in the termination of the NYESZ account.

As a general rule, in accordance with the relevant regulations, the Treasury does not accept maturity payment instructions for transfer transactions related to a given account. The client may issue an instruction for maturity transfer or cash withdrawal only in person, and simultaneously with the termination of the NYESZ account.

No transfer or relocation orders may be placed for government securities within the allocated asset pool without interrupting the allocation. The sole exception is the relocation of the NYESZ account to another financial service provider, which automatically results in the termination of the NYESZ account maintained by the Treasury.

If the client submits a sell order against their pension savings securities account or pension savings depository account, the Treasury will sell the earliest acquired securities first (FIFO method) among those of the same type affected by the sale transaction, unless the client explicitly specifies otherwise at the time of issuing the order or executing the transaction.

Funds recorded in the pension savings cash account may not be pledged as collateral or offered as security for any transaction other than transactions executed for the benefit of the pension savings securities and depository accounts. Similarly, government securities credited to the pension savings securities and depository accounts may not be pledged as collateral or used as security.

Instructions regarding allocated assets may be submitted in person or in writing (via postal or electronic means) by those clients who have not restricted such disposal methods in their securities account agreement.

Transactions resulting in the interruption of the allocation shall only be processed at any of the Treasury's government securities distribution customer service offices for clients appearing in person. The Treasury does not execute such transactions when submitted in writing (via postal or electronic means) or initiated through TeleKincstár, WebKincstár, or MobilKincstár.

2.5. ACCOUNT HOLDER'S AUTHORIZATION TO USE DIFFERENT TRADING CHANNELS

The owner of the pension savings account (NYESZ) is entitled to manage their NYESZ account through the WebKincstár and MobilKincstár systems, provided that they have requested access to electronic services for their Treasury securities account.

For the purpose of exercising disposal rights over the NYESZ account via these trading channels, as well as for subscribing to account balance notification services, the client is not required to conclude a separate agreement or submit a declaration.

Upon logging into the WebKincstár or MobilKincstár system, the client may initiate transactions not only for their securities registry account but also for their pension savings account (NYESZ).

3. TERMINATION OF THE PENSION SAVINGS ACCOUNT (NYESZ)

The NYESZ account shall be terminated in the following cases:

- Termination by the client
- Termination by the Treasury
- Transfer, reallocation, or remittance from the NYESZ account (which simultaneously implies the client's request for termination)
- Death of the account holder
- Closure of the securities registry account linked to the NYESZ

The pension savings account agreement may only be terminated in writing and in person by the account holder. The client may only terminate all associated NYESZ accounts collectively.

The client's termination request is considered valid only if the client has no outstanding debts related to the pension savings account at the time of termination. If any liabilities exist, the NYESZ account can only be terminated after the full settlement of the outstanding balance.

If the Treasury enforces its collateral rights over the assets recorded in the NYESZ account as per the General Terms and Conditions or any contractual provision, the NYESZ agreement shall automatically terminate, unless otherwise agreed. The client bears all tax-related consequences resulting from this termination.

In the absence of an explicit instruction from the client, the Treasury shall transfer the assets held in the NYESZ account to the client's regular securities registry account at the Treasury, provided that legal requirements for such a transfer are met. If the transfer is not feasible, the rules of unauthorized agency and unlawful possession shall apply to the assets remaining in the terminated NYESZ account.

Upon the termination of the NYESZ account, if the termination was initiated by the client, the client may request:

- The transfer/reallocation of the assets held in the NYESZ account at the time of termination to a pension savings account at another account provider.
- The sale of the securities held in the pension savings securities account and/or deposit account within a maximum of 30 days, followed by the disbursement of the balance in HUF.

- The transfer of the NYESZ account balance to an investment service provider's securities account and/or a long-term investment account (TBSZ).

The above options shall be executed only if the client has explicitly agreed with the Treasury in advance on which of the listed methods shall apply.

If the client does not specify the execution date and conditions of the asset sale at the time of termination (including cases where the client sets a date beyond 30 days), the Treasury will assume that the client intends for the sale to be executed at the market price on the date when the Treasury registers the termination request.

Upon the interruption or termination of the fixed-term savings period, the pension savings agreement between the client and the Treasury automatically terminates, without requiring a separate declaration from the client.

Upon termination of the pension savings agreement, the Treasury shall transfer the remaining funds and securities holdings to the client's securities registry account, unless the client provides explicit instructions stating otherwise.

If the client terminates their NYESZ-R account due to the fulfillment of eligibility conditions (minimum 10 tax years and retirement), the NAV (National Tax and Customs Administration) shall credit the tax refund amount to the NAV's tax collection account (in the absence of a NYESZ-R account). The NAV will issue a certificate and notification to the client based on the Treasury's data submission. The Treasury bears no obligation to inform the client regarding this process.

3.1. TERMINATION OF THE FIXED-TERM SAVINGS PERIOD AND ACCOUNT CLOSURE DUE TO INTERRUPTION

An interruption of the fixed-term savings period occurs when the client withdraws all or part of the funds held in the fixed-term balance or transfers them to another account.

Additionally, an interruption occurs if the client issues a transfer order for government securities held within the fixed-term savings balance, even if the destination account is the client's securities registry account maintained at the Treasury.

For a NYESZ account held at the Treasury, an interruption of the savings period is also deemed to occur if the client issues a transfer order for government securities to another pension savings securities account held at a different account provider.

The Treasury shall only execute such transfer requests if the client simultaneously appears in person and declares their intent to close the NYESZ account.

Furthermore, an interruption occurs if the client fails to submit the required verification documents for the transferred assets from a terminated NYESZ within 30 calendar days following the arrival of the transferred balance at the Treasury. If the required verification is not

received within this period, the Treasury will transfer the assets to the client's securities registry account.

A partial or full restriction imposed on the NYESZ balance in favor of a beneficiary (excluding judicial asset seizure) is considered a withdrawal from the fixed-term savings balance, resulting in an interruption of the savings period. Consequently, the Treasury will not execute any restriction orders on the NYESZ balance nor accept such instructions.

Any transaction that causes an interruption in the fixed-term savings balance results in the termination of the fixed-term savings status for all financial instruments and funds within the NYESZ account.

The Treasury shall only process the termination of the NYESZ account if no pending investment transactions exist on the account at the time of termination. If there are outstanding transactions, such as securities purchases or subscriptions, that will be credited after the requested closure date, the NYESZ account can only be closed after the investment transaction is completed.

Upon interruption of the savings period, the Treasury will transfer the remaining assets from the terminated NYESZ to the client's securities registry account.

Once the savings period is interrupted, any assets transferred to the client's securities registry account will no longer be subject to tax benefits applicable to pension savings investments.

3.2. REDUCTION OF THE FIXED-TERM SAVINGS BALANCE BELOW 5,000 HUF

The fixed-term savings balance is not automatically terminated if its value falls below 5,000 HUF due to adverse market conditions or unfavorable sales terms. The calculation of the fixed-term savings yield follows the same rules as those applied to balances exceeding 5,000 HUF. Assets may only be transferred into a fixed-term savings balance under a pension savings account agreement concluded by the last day of the savings period if the total balance reaches at least 5,000 HUF, meaning that the required funds have already been deposited and are credited to the account.

3.3. CALCULATION OF FIXED-TERM SAVINGS YIELD IN CASE OF TERMINATION

In the event of the termination of the fixed-term savings balance, the Treasury determines the income derived from the pension savings investment. The Treasury calculates the acquisition cost, the revenue, and the income from the pension savings investment in accordance with the provisions of the Szja Act.

The acquisition cost of the investment at the time of termination is the actual amount spent on the acquisition.

The revenue at the time of termination is the sum of the monetary balance in the fixed-term savings account and the value of the government securities held within the account. The value of the government securities is determined based on the prevailing market value, which is the gross selling price quoted for the given security. If no market price is available, the nominal value plus accrued interest applies. If the acquisition cost is higher than both of these values, the acquisition cost is taken into account.

The transaction receipt issued upon termination does not display the fixed-term savings yield.

If a withdrawal or payout is made from the fixed-term savings balance, the fixed-term savings yield achieved by the client is included in the annual tax certificate issued by the Treasury in the year following the termination.

3.4. TRANSFER OF FIXED-TERM SAVINGS BALANCE WITH TERMINATION

A transfer of the fixed-term savings balance to the client's own or another client's securities account, or to another account provider, qualifies as a termination of the fixed-term savings. The entry date is the settlement date of the transfer. The acquisition value of the transferred balance equals the prevailing market value on the date of termination or the end of the fixed-term period. If available, the gross selling price quoted for the government security is used as the market value. In the absence of such a price, the nominal value plus accrued interest applies. If the original acquisition cost is higher than the values mentioned above, then the acquisition cost is used. The treatment of income tax applies from the date of conclusion of the pension savings account agreement until the termination of the fixed-term period.

The Treasury does not withhold income tax on the fixed-term savings balance or the yield generated during the fixed-term period. The responsibility for determining, declaring, and paying the applicable tax lies with the client holding the pension savings account agreement.

To assist with tax reporting, the Treasury issues a tax certificate by January 31 of the year following the termination or end of the fixed-term period, detailing the revenue earned from the fixed-term savings balance, the fixed-term savings yield and the duration of the fixed-term period

The Treasury does not withhold income tax on interest payments or principal repayments related to government securities managed under the pension savings account agreement during the fixed-term period following the conclusion of the agreement. These amounts are credited to the client's pension savings account in full gross value.

The Treasury does not deduct income tax on any investment returns earned by the client from pension savings investments during the fixed-term period.

The declaration and payment of any applicable taxes is the sole responsibility of the client. In the event of early termination of the pension savings account (NYESZ), a tax liability arises even on tax-exempt government securities, in accordance with Section 65(3)(ab) of the Szja Act.

3.5. *CALCULATION OF LOCKED-IN YIELD UPON TERMINATION OF THE LOCK-IN PERIOD*

The revenue earned by the client upon termination of the lock-in period consists of the cash balance in the locked-in portfolio and the value of government securities held within the portfolio. The value of the government securities in the portfolio at the Treasury is determined based on the usual market value, which is either the gross selling price quoted for the given security or, if unavailable, the nominal value plus accrued interest. If the acquisition cost is higher than both of these values, then the acquisition cost is applied instead.

The Treasury determines the value of the locked-in funds, the total revenue, and the locked-in yield in accordance with the provisions of the Personal Income Tax Act. The locked-in yield is the portion of the total revenue exceeding the acquisition cost of the government securities.

3.6. *TRANSFER OF A PENSION SAVINGS ACCOUNT WITHOUT BREAKING THE LOCK-IN PERIOD*

Pursuant to applicable legal provisions, the Treasury may only transfer pension savings investments to or receive them from a securities-type pension savings account without breaking the lock-in period.

Under the law, government securities held in a securities-type NYESZ can be transferred, or in the case of cash transfer, a so-called locked-in transfer may be initiated.

3.6.1. *Transfer of a Pension Savings Account to the Treasury*

To transfer a pension savings account (NYESZ) to the Treasury, or to transfer an NYESZ-R to the Treasury's NYESZ-R following its termination at another financial institution, the client must first enter into a securities registration account agreement and a pension savings account contract for the management of pension savings investments with the Treasury.

The Treasury will only accept transferred holdings (securities and funds) from another account provider if the client already has an active NYESZ at the Treasury on the day of receipt.

If the client does not have an active NYESZ on the day the transfer is received, the Treasury will return or re-transfer the entire amount (both securities and funds) on the same day to the originating account provider. The client must ensure that their NYESZ account is opened before initiating the transfer.

The transfer of an NYESZ from another account provider to the Treasury is initiated by the transferring institution based on the client's instructions. This process includes issuing a locked-in certificate for the transferred securities or funds and forwarding it to the Treasury. The transferring institution must send the officially signed locked-in certificate to the Treasury either by post or electronically.

The client is responsible for ensuring that the locked-in certificate is delivered to the Treasury. The Treasury shall not be liable for any losses resulting from a return or re-transfer due to the absence of a locked-in certificate.

The Treasury will only accept the transfer and locked-in transfer if it is clearly identifiable. If the transferred holdings originate from a previous currency conversion, the transferring institution must include the relevant exchange rate in the certificate.

The Treasury only accepts transfers of HUF-denominated government securities that it actively distributes. If the transfer includes a financial instrument that is not traded by the Treasury, the entire transfer amount (securities and funds) will be returned or re-transferred. The Treasury shall not be held liable for any losses resulting from this return or re-transfer.

Regarding the currency of transferred funds, the Treasury only accepts HUF (Hungarian Forint).

The Treasury will notify the client in writing within one business day after crediting the transferred securities and funds to the NYESZ account. The notification will be sent via the communication method (postal or electronic) previously designated by the client.

3.6.2. Transfer of a Pension Savings Account from the Treasury

The transfer of a pension savings account (NYESZ) to a securities-type pension savings account held with another investment service provider or credit institution may only be initiated by the client in person at any Treasury customer service center of a government securities distributor.

For the transfer, the Treasury applies the commissions, fees, and costs as specified in the applicable Public Notice. The transfer-related fees and costs cannot be offset against the locked-in transfer or securities transfer, and must be settled by the client at the time of submitting the transfer order.

The transfer must be initiated for the entire NYESZ account (including all securities and funds held in the account). Partial transfers of locked-in amounts are not permitted. Upon completion of the transfer, the client's NYESZ account at the Treasury will be terminated.

Simultaneously with the execution of the transfer, the Treasury will issue and provide the client with a certificate of the pension savings account transfer.

4. TRANSFER TO A LONG-TERM INVESTMENT SECURITIES ACCOUNT (TBSZ)

The client has the option to transfer their balance (cash and/or securities) from the NYESZ account to a Long-Term Investment Securities Account (TBSZ) opened in the current tax year. The transfer to a TBSZ account is subject to the condition that the entire balance of the NYESZ account is transferred in full, and the NYESZ account is simultaneously closed. Income generated on a TBSZ account may qualify for full tax exemption or preferential income tax rates, provided the conditions set forth by law are met.

In the case of a transfer to a TBSZ, the account holder is required to declare and repay to the National Tax and Customs Administration (NAV) the pre-savings tax allowance that was transferred by NAV in the tax year of conversion and the previous year. This repayment must be

included in the tax return for the relevant tax year, and the amount repaid must be increased by 20% under the self-assessment taxation rules.

5. PROCEDURE IN THE EVENT OF THE CLIENT'S DEATH

The balance recorded in the NYESZ account is subject to inheritance rules applicable to standard securities accounts. Based on a final probate order, the Treasury will transfer the deceased client's balance (cash and securities) held in the NYESZ account to the normal securities account of the designated beneficiary (e.g., heir(s)), provided that the beneficiary appears in person and issues the necessary instructions. Transfers may not be made to another NYESZ or a TBSZ account.

The heir cannot continue the pension savings account relationship in the place of the deceased. Accordingly, even if the heir holds a pension savings account agreement with the Treasury, the deceased's balance (cash and financial assets) may not be transferred to the heir's existing pension savings account.

6. TREASURY'S OBLIGATION TO ISSUE A CERTIFICATE FOR TAXATION OF COMMITMENT YIELD

In order to facilitate the calculation, declaration, and payment of income tax on the commitment yield by the client, the Treasury issues a tax certificate.

As of the conclusion of the pension savings account agreement, the income tax payable by the client on the commitment yield realized from withdrawals from the committed balance is currently set at 15%. However, the client is not required to declare income from pension savings investments if the tax rate applicable to such income is 0%, which currently applies to balances that remain in the committed portfolio as of the last day of the commitment period.

Due to the specific regulatory framework of NYESZ, in the event of early termination, the client becomes liable for income tax on previously tax-exempt government securities, in accordance with Section 65 (3) (ab) of the Personal Income Tax Act (Szja tv.).

Regarding NYESZ, it is the client's obligation and responsibility to prepare and submit the personal income tax return to the National Tax and Customs Administration (NAV), pay any taxes, contributions, and levies imposed in the same manner as taxes within the applicable deadlines, determine the amount of taxes and contributions arising from withdrawals or transfers from the NYESZ.

According to applicable legal provisions, the client is responsible for claiming any available state support related to the balance held in the NYESZ account.

6.1. *INCOME TAX ON WITHDRAWN COMMITTED ASSETS*

From the day following the interruption of commitment, the income tax provisions applicable to pension savings investments no longer apply to government securities withdrawn from the

committed portfolio. Instead, the Treasury calculates and deducts income tax on these assets according to the rules governing securities held in the securities registration account.

A withdrawal is subject to taxation if the client:

- Does not yet have a pension identification number or cannot prove eligibility for a pension, and 10 tax years have not elapsed since the NYESZ account was opened, or
- Has a pension identification number or proof of pension eligibility, but 10 tax years have not yet elapsed since the NYESZ account was opened, or
- Does not have a pension identification number or proof of pension eligibility, but 10 tax years have elapsed since the NYESZ account was opened, or
- A legal enforcement order is issued against the NYESZ account, which the Treasury is required to execute.

6.2. INCOME TAX ON ACCOUNT BALANCES FOLLOWING THE COMMITMENT PERIOD

Under the NYESZ Act, a withdrawal from a pension savings account qualifies as a tax-exempt pension service if, at the time of account termination (not by the end of the tax year but at the time of termination), the client provides evidence that:

They are eligible for a pension as defined in Section 3, Point 23 of the Personal Income Tax Act (Szja tv.), and

The account is being terminated in the third tax year following the year of account opening or later.

An additional condition for tax-exempt pension withdrawals is that the payment must occur at least 10 tax years after the NYESZ account was opened or due to the client being declared disabled. In the event of disability, the conditions set forth in the NYESZ Act must be met.

A tax-exempt pension-related withdrawal is only possible simultaneously with the termination of the NYESZ account.

In the case of account termination qualifying as a tax-exempt pension service, the client may choose to withdraw assets from the NYESZ-R securities account in the following ways:

- By selling or redeeming the securities held in the NYESZ-R account and receiving the proceeds in HUF, or
- By transferring securities from the NYESZ-R account to a normal securities account. In this case, the higher of the fair market value on the termination date or the original acquisition cost is recorded as the purchase price on the normal securities account. Any capital gains realized on this account thereafter are subject to taxation under general tax rules.

6.3. ISSUANCE OF CERTIFICATES BY THE TREASURY

The Treasury issues tax certificates to the client within the legally prescribed deadlines. The rules governing the delivery of these certificates follow the same provisions as general client communication rules.

The Treasury is not liable for any damages suffered by the account holder due to the failure to provide a mailing or email address, which results in the client receiving Treasury notifications late.

VIII. TREASURY START SECURITIES ACCOUNT TERMS AND CONDITIONS

The Treasury is entitled to open and manage a Start Account under the provisions of Life Subsidy Act'. The Start-Securities Account is opened and maintained on the basis of the "Treasury Start-Securities Account Agreement" concluded between the client and the Treasury.

1. START TO LIFE SUBSIDY

The State of Hungary shall provide a Start to Life subsidy in the year of their birth, the amount of which shall be specified in the annual Act on the Budget for domestic children born after 31 December 2005 and non-resident children born after 30 June 2017. Children in families with lower incomes, the Law on the Protection of Children and the Guardianship Administration, entitled to receive regular child protection allowance, shall be entitled to receive further subsidy at the ages of 7 and 14 Children in foster care shall also be entitled to a similarly higher amount of subsidy.

Domestic children born before 1 January 2006 and non-resident children born before 1 July 2017. shall not receive a Start to Life subsidy.

2. CLIENTS OF THE LIFE DEPOSIT ACCOUNT, CREDITING LIFE SUBSIDY

The Life deposit account subsidization's is deposited by the Treasury in the Life Deposit Account. For domestic children born after 31 December 2005, the benefit will be placed automatically without a separate application. A foreign child with Hungarian citizenship or a Hungarian ID card born after 30 June 2017 must apply the life subsidy. The Treasury increases the amount of the Life Deposit Account opened in the name of the child annually for the calendar year preceding the credit year at an interest rate equal to the annual average consumer price index change published by the Central Statistical Office (published in January each year) until the child reaches the age of 18. (In case of a negative value of the consumer price index, the interest rate is 0%). It is not possible to make an individual deposit to a Life Deposit Account.

Life Deposit Account customers include:

- a child with Hungarian citizenship under the age of 18 who was born after 31 December 2005 and lives in Hungary, and
- a foreign child with Hungarian citizenship or a Hungarian ID card born after 30 June 2017.

The Account Holder of the Treasury Start Securities Account is exclusively in the the Act of Fétam recorded may be a domestic or foreign child with a Treasury Start Securities Account Agreement.

You may have a Treasury Start Securities Account until the Account Holder turns 18 or the Baby Bond expires, but at least until the 3rd year after the account is opened.

3. PAYING THE START TO LIFE SUBSIDY AND OTHER PAYMENTS TO THE START SECURITIES ACCOUNT

The amount due to the domestic child born after 31 December 2005, and the foreign child born after 30 June 2017. as Start to Life subsidy may be placed on the account along with the amounts paid to these Account Holders as well as the payments for domestic children under 18 born before 1 January 2006, and foreing children before 1 July 2017.

By signing the Start Securities Account Agreement, the Account Holder authorizes the Treasury to apply for the subsidies specified in the Fétám Act for the Start Securities Account. In accordance with the law, the Treasury:

- a.) apply for the Life Subsidy allowance within 8 working days of opening the account,
- b.) claims the amounts paid by natural persons until the first working day of March of the year following the calendar year.

Only natural persons (parents, legal representatives or relatives) and the Hungarian local government can initiate a payment to the Start securities account.

Funds and financial instruments can be transferred to the Start securities account:

- in the transfer order or certificate of inheritance,
- as set out in the insurance contract.

Only government securities traded by the Treasury may be accepted into the Start Securities Account. It is possible to initiate a payment to the Start securities account until the day the child reaches the age of 18.

The amount of credited interest from the investment of government securities registered in the Start Securities Account does not qualify as a payment. There is no subsidy for municipal payments.

After payments to the Start Securities Account by natural persons, the child is entitled to an allowance in the amount specified in the Annual Budget Act.

The children of low-income families entitled to regular child protection benefits and children brought up in Hungary are entitled to a subsidy in the amount specified in the Annual Budget Act. Irrespective of the payment made to them, children brought up in Hungary are entitled to an annual allowance in proportion to the period spent in education. If the child is entitled to a regular childcare allowance and is also receiving education, the allowance is due to both items.

The Document certifying the entitlement to the regular child protection allowance - in accordance the Gyv. Act - must be submitted to the Treasury by the 15th day of the year following the relevant year by the Parent qualifying as a domestic parent or the Account Holder qualifying as a domestic child after the age of 16.

The transmission of the document certifying the right to the regular child protection discount to the Treasury within the above deadline is subject to the provisions of Fétám tv. is an essential condition for applying for certain grants under. The Treasury shall not be liable for any damage resulting from the failure to send the document certifying the right to the regular child protection allowance to the Treasury or from the delay in the delivery in relation to the above deadline. The Treasury is entitled to request the acquisition of the supporting document by the deadline specified in the above-mentioned securities account contract or once a year in writing, by post or electronically.

The Parent, Legal Representative or Account Holder may request support from the Treasury under the Fetam Act with a certificate submitted to the customer service of any Treasury securities distributor.

4. INVESTMENT OF AMOUNTS PAID TO THE START SECURITIES ACCOUNT AND THE DUE INTEREST.

The amounts paid to the account and the amount of the interest credited annually shall be invested automatically in the corresponding Baby Bonds series by the Treasury.

On Start Securities Accounts opened after 1 December 2013, only 2032/S series Baby Bonds can be purchased for children born before 1 February 2014 and only Baby Bonds

corresponding to the year of birth of the child can be purchased for children born after 31 January 2014.

Baby Bonds are government securities with a term of 19 years; their interest period is 1 year, which period falls between 1 February of the given year and 31 January of the following year. Interest crediting shall take place on the due date, i.e. on 1 February each year, or on 2 December each year for the first series 2032/S.

The amount of the due interest payments for securities purchased before and accounted on the Start Securities Accounts opened before 1 December 2013 shall be invested by the Treasury automatically into series 2032/S Baby Bonds.

For Start Securities Accounts opened for domestic children born before 1 January 2006., and for the Start securities Accounts opened for foreign children born before 30 June 2017. if the HUF 25,000 set forth in law is not paid within 30 days of opening the account, the Treasury shall cancel the account.

5. RIGHT OF DISPOSAL OVER THE START SECURITIES ACCOUNT

The right of disposal over the Start Securities Account shall be exercised by the parent or legal representative representing the minor account holder without legal capacity. Children with limited capacity shall take actions related to the agreement as account holders after the age of 16 with the consent of the parent or legal representative.

The person authorized by the account holder / parent with the appropriate authorization is also entitled to dispose of the Start Securities Account. The formal and substantive requirements, scope and validity of the power of attorney, as well as the manner of announcing the right of disposal are set out in these the Terms of Business included.

6. OTHER CHARACTERISTICS OF THE START SECURITIES ACCOUNT

The securities registered to the Treasury Start Securities Account and the yield arising from the securities and the amounts paid shall be free of taxes and charges and shall not be involved in collection until the child is 18 years old or until the end of the 3 year after opening the Treasury Start Securities Account but until the 30 day following the maturity of the Baby Bonds. The securities and cash registered to the account shall not be used as cover for a credit or loan; they shall not be given as collateral and any legal statement or action to the contrary shall be null and void.

7. USE OF RECEIVABLES REGISTERED TO THE START SECURITIES ACCOUNT

Payment from the account shall not be performed; payment can take place after the child or young adult has reached the age of 18, but at the earliest after the third year following the account being opened or, in the event of the child's death, when the grant of probate or the certificate of inheritance has become final. Baby Bonds registered to the Start Securities Account shall not be transferable.

8. TERMINATION OF THE START SECURITIES ACCOUNT

The account shall be terminated in the event of the death of the child or young adult if the claim is paid to the inheritor after the grant of probate or the certificate of inheritance has become final.

The Start Securities Account shall be terminated after the passive status of the Account Holder's tax identification number on the 365th calendar day, and if the Account Holder renounces his / her Hungarian citizenship or on the day his / her entitlement ceases for any reason.

Young adults may request the termination of the account from the day they reach 18 years of age but at the end of the 3 year after the account was opened at the earliest.

The Treasury is entitled to terminate the Start Securities Account in the absence of mandatory documents specified in these Business Rules and the Start Securities Account Agreement, and in the event of any false statements of the Account Holder or a parent, legal representative, relative or their representative acting on their behalf.

The Treasury is also entitled to terminate the Start Securities Account if it becomes aware that the Account Holder also has a Start Securities Account with another account manager.

9. TERMINATION OF THE START SECURITIES ACCOUNT IN CASE OF A PAYMENT UNDER 25,000 HUF

The Treasury will terminate the Start Securities Account opened for the benefit of a domestic child born before 1 January 2006 and a foreign child born before 1 July 2017, if at least HUF 25,000 is not paid into the Start Securities Account within 30 days of opening the account.

If the person participating in the opening of the Start securities account does not deposit the amount of HUF 25,000 in the case of these children at the time of opening the account, he / she is obliged to make a statement that he / she understood this condition for opening the Start securities account. If the person participating in the opening of the

Start Securities Account pays less than HUF 25,000 upon opening the account, he / she is obliged to record in a statement a bank account number maintained by a domestic financial institution to which the Treasury transfers this amount if the payment amount does not reach, the value of HUF 25,000 within the specified deadline in accordance the law.

If several persons pay in order to open a Start securities account, however, the amount paid does not reach the HUF 25,000 specified by law, the Treasury shall refund the amounts in the following ways:

- a transfer from a payment account maintained by a domestic financial institution shall be executed by the Treasury to that account;
- from the bank account number maintained by the foreign credit institution, and the amounts paid in cash shall be paid in one amount to the account maintained by the domestic credit institution specified in the declaration.

The declarant is obliged to inform the payers about the execution of the refund of the paid amounts by the Treasury, and the Treasury excludes its liability for damages resulting from the failure to provide this information.

10. DATA HANDLING

The Account Holder and his / her proxy shall be responsible for any changes in their personal data, e-mail address and eligibility for the grant (including surname and first name, place of birth, date of birth and mother's name, date of birth, the adoption of a foreign child, the renunciation of his or her Hungarian citizenship, the termination of entitlement for any reason and the death of the child) in person or in writing without delay, but no later than within 5 working days, and provide the documents supporting the changes. The Treasury shall not be liable for damages resulting from failure to do so or late performance.

The Treasury is on Fétam Act. in order to fulfill its obligations - in particular the transfer of a claim on the Life Savings Deposit Account, the claim for support -, it is entitled to open a Start Securities Account and to handle data related to payments to the Start Securities Account and payments credited to the Start Securities Account.

If the Account Holder on the basis of the Fétám Act. is foreign child, the Treasury is also entitled to handle the data on the serial number of the Hungarian ID card issued on the basis of the Act LXII of 2001 on Hungarians Living in Neighboring States for the purposes specified in this section.

XI. SPECIAL PROVISIONS FOR INTERMEDIARIES REQUIRED BY THE TREASURY

The Treasury is the Public Finance Act Authorized investment services and ancillary services activities as referred to in Article 76 (2) (c) may also be carried out through a tied agent or investment firm as an intermediary.

All intermediaries of the Treasury are registered in Hungary. An intermediary entrusted by the Treasury may use an additional intermediary for the activity of investment services and ancillary services, but the intermediary so employed may no longer employ an additional intermediary.

The range of services and products that may be available for a specific intermediary may be different and Customer may inquire with that intermediary.

The Treasury shall be fully liable for the damage caused by its intermediary and the intermediary it uses to comply with the provisions of the Bszt. and in the course of the activity of investment services, intermediation of ancillary services.

Unless otherwise provided in the Terms of Business, the Public Offer or the ad hoc contract, the general terms and conditions set forth in the Terms of Business in Appendix 2 and and the fees set out shall apply to any business relationship, transaction or order, there is no additional charge or expense to the Customer.

The Treasury uses different intermediaries in its legal status as follows:

- the intermediary authorized to conclude the contract, or
- acquiring intermediary

Only one of the intermediaries authorized to enter into a contract shall be entitled to establish a business relationship and execute a transaction order on behalf of the Treasury.

Following the conclusion of the securities registration account contract, the Treasury is entitled to block the securities registration accounts opened by the intermediaries authorized to enter into the contract, pending the verification of the documents submitted and the documents produced. The Treasury assumes no liability for any damage resulting from the temporary blocking.

A contract concluded with the mediator or signed by an authorized intermediary is, the contract between the Client and the Treasury shall be concluded between the Client and the Treasury.

A contract concluded with the mediator or signed by an authorized intermediary is, the contract between the Client and the Treasury shall be concluded between the Client and

the Treasury. Should the Treasury terminate its contract with the intermediary involved in concluding the contract, the Treasury shall provide the services directly to the Client.