

NOTICE**ON THE SERVICES PROVIDED BY ERSTE BEFEKTETÉSI ZRT. IN THE CONTEXT OF
PRE-TRANSACTION INFORMATION****Table of contents**

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I. Introduction

Erste Befektetési Zrt. (hereinafter referred to as the Company, Erste or Erste Befektetési Zrt.) summarises the general rules concerning its services, the principles applied in customer service and keeping in contact in this notice.

This notice is also a supplement to the provisions of the Terms and Conditions of Business, other notices, contracts with the customer, risk disclosure statements. You are therefore requested to carefully study and take as a basis, in addition to the provisions of this notice, the provisions of these documents when entering into transactions.

In practice, you may also need additional information to help you make investment decisions. If you believe that based on the information included in this notice and the documents referred to above you have not received all the information that you consider important, relevant or interesting, but think necessary to make your decision, please inform your administrator or broker before entering into the transaction, indicating the specific additional information requested, thereby also indicating that you do not have all the information necessary to make your decision.

This notice also contains references to certain documents, laws and websites. If these are not available to you, or if you consider that they do not contain sufficient information to make your decision, please cooperate by informing us of this - indicating specifically what further information you require. In this case, too, our Company's staff will be pleased to assist you. Please note, however, that although our Company will make every effort to provide you with the information you request, our Company may not be able to provide you with some of the specific information you request. Our Company will point this out to you. In this case, you can make your investment decision, with that in mind.

This Notice is available at our registered seat and on certain of our websites (in particular: www.ersteinvestment.hu, www.hozamplaza.hu, www.erstemarket.hu) and through our network of agents.

Our Company will notify you of any material changes to the content below in the manner set out in the Terms and Conditions of Business.

This notice shall enter into force on 1 February 2008.

The date of entry into force of the latest amendments to this notice:

15 May 2008
 5 January 2011
 4 April 2011
 1 June 2011
 26 August 2011
 15 November 2011
 4 April 2012
 29 May 2012
 18 June 2012
 5 September 2012
 1 December 2012
 1 July 2013
 10 October 2014
 1 May 2015
 6 June 2016.
 31 May 2017
 3 January 2018.
 12 March 2018
 3 July 2018
 25 February 2021
 10 March 2021
 3 January 2022
8 February 2022

II. General information about Erste Befektetési Zrt.

Name of the investment firm: Erste Befektetési Zrt.

The investment firm's registered seat (address): H-1138 Budapest, Népfürdő u. 24-26.

Other contact details:

E-mail: info@ersteinvestment.hu

Tel: 2355-100

Fax: 2355-190

Company registration number: 01-10-041373 Court of Registration of the Metropolitan Tribunal

Activity licence number: E-III/324/2008, III/75.005-19/2002, EN-III/M-947/2009.

Licensing authority: the Hungarian Financial Supervisory Authority (1013 Budapest, Krisztina krt. 39.)

Supervisory authority: Hungarian National Bank

Company account number:

KELER Account number: 14400018-03210105

Statistical code: 10361966-6523-114-01

Board members:

Róbert Cselovszki (Chairman)

Géza Ráner

Márk Gergics

Members of the Supervisory Board

Jelasky Radovan (Chairman)

Oswald Huber

Franz Bichler

László Harmati

Operational management of the company:

Chairman and CEO: Róbert Cselovszki

Managing Director: Géza Ráner

Ownership structure of the company:

Owner	Nominal value	Ownership share
Erste Bank Hungary Zrt..	2,000 mFt	100%
Total	2,000 mFt	100%

Auditor:

PricewaterhouseCoopers Könyvvizsgáló Kft.

Memberships:

Budapest Stock Exchange

Alliance of Investment Service Providers

Investor Protection Fund

Company history

The Company is a founding member of the Budapest Stock Exchange and was established in March 1990 under the name Girozentrale Befektetési Rt. with a share capital of HUF 100 million. The founders - the Austrian Girozentrale und Bank der Österreichischen Sparkassen AG and Girozentrale Vermögensverwaltungsgesellschaft mbH - increased the share capital to HUF 200 million in the same year. In July 1992 the name of our company was changed to GiroCredit Befektetési (Budapest) Rt. The reason for the change in the name was that the founder of our company changed its name to GiroCredit AG following a merger. In January 1995 Investmentbank Austria AG acquired the shares of our company from GiroCredit AG. As a result of the takeover, the name of our company was changed to Bank Austria - GiroCredit Befektetési Rt. and then to Bank Austria Befektetési Rt. During 1996, in accordance with the changes in the law, further capital increases followed, the owner increasing the share capital first to HUF 500 million and then to HUF 750 million.

On 28 October 1997, Investmentbank Austria AG sold our company to Erste Bank AG. Following the sale, the new owner changed the name of our Company to Erste Bank Befektetési Rt. and increased its share capital to HUF 1,000 million. In 1997 Erste Bank AG won the tender for the privatisation of Mezőbank Rt. In March 1998, Mezőbank Értékpapír-forgalmazó és Befektető Rt. was merged into Erste Bank Befektetési Rt. in accordance with the legal requirements, at the same time the share capital of the company was increased to HUF 1,500 million and Erste Bank Hungary Rt. (former Mezőbank Rt.) acquired a 13.8% stake in our company, with Erste Bank AG holding 86.2% of the shares. With its decision on 8 April 1999 the general meeting of the company increased the share capital to HUF 1,680 million. On 2 May 2000, the shareholders carried out a capital increase of HUF 320 million, thus increasing the share capital of Erste Bank Befektetési Rt. to HUF 2,000 million, at the same time 91% of the company's shares were acquired by Erste Bank AG of Austria. The remaining 9% were held by Erste Bank Hungary Rt. On 1 December 2002, Erste Bank AG sold its stake to Erste Bank Hungary Rt., which became the 100% owner of the company. In 2003, Esze Kft., a subsidiary of Erste Bank Hungary Rt. acquired a 1% stake in the company. At the end of 2003, Erste Bank AG acquired Postabank Rt. through privatisation. In the context of the integration of Erste Bank Hungary Rt. and Postabank Rt., on 27 May 2004 the general meeting of Erste Bank Befektetési Rt. decided to merge with PB Tanácsadó Rt. (former Postabank Értékforgalmazási és Befektetési Rt.) by merging PB Tanácsadó Rt. into our Company, which merger took place on 31 July 2004. The name of our company was changed to Erste Befektetési Zrt. at the end of 2006.

The annual report of our company is available at www.ersteinvestment.hu.

Awards

Budapest Stock Exchange awards

2017:

Investment service provider of the year

The futures BUX index trader of the year with the largest turnover

The futures stock trader of the year with the largest turnover

The stock trader of the year with the third largest turnover

2016:

The futures stock trader of the year with the largest turnover

The futures BUX index trader of the year with the largest turnover

The stock trader of the year with the third largest turnover

2014: stock trader of the year in the spot market

2013: investment service provider of the year

2012: stock trader of the year in the spot market

2011: stock trader of the year in the spot market

2010: stock trader of the year in the spot market

2010: stock trader of the year in the derivatives market

2009: stock trader of the year in the spot market

2009: stock trader of the year in the derivatives market

2009: fastest growing data provider of the year

2008: 'Innovation Award' for the introduction of certificates and the continuous improvement of the product range.

2008: 'Salesman of the year' - Zoltán Sin

2002, 2004 and 2007: 'Largest derivatives trading company of the year'

1999 - 2006: 'Trader of the year' with the largest spot turnover

2003 - 2004: 'Best investment service provider of the year'

AQ Research, London

2010: best equity market analysis team in Hungary and the region

2009: best equity market analysis team in Hungary and the region

2008: best equity market analysis team in Hungary and the region

2007: best equity market analysis team in Hungary and the region

Euromoney International Financial Journal

2001 - 2003: "The best stock trading company in Hungary"

2000: "The best foreign-owned equity trading company in Hungary"

Government Debt Management Agency.

Government securities market: 'Primary Dealer of the Year':

2003. first place

2002. second place

First place in 2001

"Best Dealer in the Government Securities Market":

2003. first place - Szabó Zoltán

2002. second place - Szabó Zoltán

2001. first place - Szabó Zoltán

Supervisory body

The name and mailing address of the supervisory authority issuing the licence for the provision of investment services and ancillary services by Erste Befektetési Zrt.:

The name of the Supervisory Authority is the National Bank of Hungary [Magyar Nemzeti Bank]

The seat of the Supervisory Authority is 1013 Budapest, Krisztina krt. 39;

The Supervisory Authority's postal address is: Magyar Nemzeti Bank, 1850 Budapest

III. Rules for the operation and activities of Erste Befektetési Zrt.

1. Investment services and ancillary services provided by our Company:

1.1. Investment services:

- accepting and forwarding orders,
- execution of an order for the account of the customer,
- own account trading,
- portfolio management,
- investment advice,
- placing a financial instrument with commitment to buy the instrument (securities or other financial instrument) (underwriting),
- placing a financial instrument without commitment to buy the instrument (financial instrument)

1.2. Additional services:

- safekeeping and keeping a registry of financial instruments and the maintenance of the related cash account,
- custody and related securities account keeping, and in the case of printed securities, keeping registry thereof and the maintenance of the cash account, except for the maintenance of a top tier level (central) securities account as defined in point 2 of Section A of the Annex to Regulation (EU) No 909/2014,
- granting investment credit,
- advice and services in relation to capital structure, business strategy and related issues, and mergers and acquisitions,
- dealing on own account in currencies and foreign exchange in connection with investment service activities,
- investment analysis and financial analysis,
- underwriting services,
- investment services or ancillary services relating to the underlying instrument of derivatives set forth by Clauses 1.4.5 to 1.4.7, 1.4.10 and 1.4.11

1.3. Other services of the Company permitted by law:

- securities lending
- sale of data and information on financial instruments
- services related to commodity dealing
- acting as an agent under the Banking Act
- insurance intermediation under Insurance Act

1.4. Financial instruments

The Company provides investment services in respect of the following investment instruments:

- 1.4.1. negotiable securities,
- 1.4.2. money market instrument,
- 1.4.3. securities issued by a collective investment scheme,
- 1.4.4. options or futures relating to securities, currency, interest rate or yield, emission trading units or other derivative instruments, financial indices or financial measures,
- 1.4.5. swaps, OTC forward rate agreements and any other derivatives that can be settled by physical delivery or cash settlement,
- 1.4.6. commodity options, futures, swaps, OTC futures, and any other derivative contract that must be settled in cash or may be settled in cash at the option of one of the parties to the contract other than by reason of the expiry of a settlement period or other termination event,
- 1.4.7. commodity options, OTC forwards, swaps and any other derivatives that can be settled by physical delivery, provided that they are traded on a regulated market, a multilateral trading facility or an organised trading facility, with the exception of wholesale energy products traded on an organised trading facility that are to be settled in kind (actually delivered) as defined in Article 5 of Commission Delegated Regulation (EU) 2017/565,
- 1.4.8. commodity-linked options, exchange-traded and OTC futures, swaps that have the characteristics of other derivative financial instruments and any other derivative that can be settled by physical delivery and is not for trading purposes as defined in Commission Delegated Regulation (EU) 2017/565, other than those within the scope of Clause 1.4.6,
- 1.4.9. a derivative contract for the transfer of credit risk,
- 1.4.10. a financial agreement for the difference,
- 1.4.11. options, futures, swaps, OTC forward rate agreements or any other derivative contract linked to climate, weather variables, freight rates, inflation rates or other official economic statistics, which must be settled in cash or which may be settled in cash at the option of one of the parties to the

- contract, other than by reason of the expiry of the settlement period or other cause for termination,
- 1.4.12. other derivative contracts linked to a right, obligation, index, measure, which has some of the characteristics of other derivative instruments, including being traded on a regulated market or a multilateral trading facility, and derivative contracts as defined in Article 8 of Commission Delegated Regulation (EU) 2017/565, other than those referred to in Clauses 1.4.1 to 1.4.11,
- 1.4.13. greenhouse gas emission allowances and air pollutant emission allowances consisting of units that comply with the requirements of Act CCXVII of 2012 on participation in the Community greenhouse gas emissions trading scheme and implementation of the Effort Sharing Decision.

Our company offers the possibility to conclude both exchange related and OTC transactions. In addition to the Hungarian market, our Company is present in many European and non-European markets. For information on the transactions and conditions of each foreign market, please contact your administrator or broker.

The detailed rules for the services provided under each activity are set out in our Terms and Conditions of Business and the relevant framework and individual agreements and associated risk disclosure statements and Fee Schedule. Please study these documents in detail before making your decision.

Our Company also uses the Bloomberg trading platform as a trading channel with institutional customers, in addition to the provisions of its Terms and Conditions of Business, in accordance with the contracts governing it.

Please note that certain services of our USA Desk are available to the following customer segments:

- **Local Brokerage (LB) customers (investment advice, execution of orders);**
- **Private Banking (PB) customers under the Multi Advisor Model (investment advice, execution of orders);**
- **Erste World (EW) customers under the Multi Advisor Model (investment advice, execution of orders);**
- **Private Banking (PB) customers outside the Multi Advisor Model (execution of orders);**
- **Erste World (EW) customers outside Multi Advisor Model above USD 10,000 (execution of orders);**
- **Any of the Company's customers (only in case of position closure).**

Please note that the USA Desk services are only available in the securities account linked to the given segment (LB, PB/EW).

1.5. Use of an agent

Our company provides its services through its registered seat and a network of agents. For information on the agents belonging to our agent network and in particular the branches belonging to the branch network of ERSTE Bank Hungary Zrt., please refer to our agents' lists, which are attached as Annex 1 to our Terms and Conditions of Business, and are also available at our registered seat, on our relevant websites and in our agents' network.

Our Company informs its customers and potential customers of the restrictions (e.g.: handling of money, right to sign, scope of representation) and cost implications of certain agents in the applicable joint notices. Please follow this. You can also request information on this from our staff.

2. Account statements, balance notices and certificates

2.1 Account statements and balance notices within the scope of the (general) Terms and Conditions of Business

Our company sends our customers periodic account statements and balance notices. The account statement includes the movements in your accounts during the given period. The balance notice shows the balance of cash and financial instruments at the date of issue.

Account statements and balance notices are sent with the frequency specified in the Terms and Conditions of Business, which may be different from the methods of notification. The account statement/balance notice will be sent by the 10th day of the month following the end of the relevant period. The method of sending will be the same as the method of notification you have indicated. If you have not specified any, it will be sent by ordinary post.

If you have not received your account statement and balance notice by the 15th day of the month following the end of the period in question, please notify us.

Upon sending you the account statement and the balance notice, our Company may also send you other information materials (e.g. analytical materials). The purpose of these materials is to provide you with additional information on issues that may arise at that time in practice. Please read the information contained in these materials as well, as the information contained therein may serve as the basis for your investment decision.

Due to changes in law, our Company will provide information to our customers in electronic form from 28 February 2022. If you wish to continue to receive notifications by post, you can contact the Company's customer service at info@ersteinvestment.hu or by calling 06 1 235 5151 until 28 February 2022. Paper copies of the information can also be obtained free of charge at Erste branches.

2.2 Different provisions for trading systems within the scope of the Internet Trader Regulations

With regard to the trading systems (Erste Trader, Portfolio Global) (hereinafter referred to as "online platform(s)") within the scope of the Internet Trader Regulations, the Company sends the balance notice and account statement via the respective online platform and displays it to the customer on the online platform. Only Erste shall be entitled to produce a certified copy of the balance notice and the account statement communicated via the online platform and any other information displayed on the online platform. The Customer may make a request to this effect to the help-desk of the Company competent in respect of the relevant online platform.

Account statement: a statement of account turnover prepared for the Customer, which contains the credits to and debits from the Internet Trader Account in respect of the cash, securities, financial instruments and other positions during the period indicated in it, as well as the data necessary to identify the transactions.

Balance notice: the balance of the settlements in the relevant period appearing therein, which is updated the following day with the settlements made on the relevant day.

2.3 Common rules for 2.1 and 2.2

Our company also sends tax certificates to individuals, as required by law, showing the tax implications of the relevant transactions. Please keep these certificates, as you may need them when preparing your tax return and in the event of a tax audit.

You may request additional account statements, balance notices and other certificates, please refer to the applicable Fees Schedule for information on fees that may apply.

Based on changes in laws or regulations, the Company reserves the right to send other extraordinary reports and information to the Customer.

Other rules relating to account statements, balance notices and other certificates sent by our Company are set out in the applicable Terms and Conditions of Business.

3. Safeguards relating to the management of cash and financial assets

3.1 Measures taken to safeguard the customer's financial assets

The Company shall keep and manage the funds and financial instruments held by the Customer and deposited with it separately from its own assets, so that the Customer can give orders in respect of them at any time and will not use or encumber them without the Customer's consent.

The Company accepts orders for transactions only from the Customer or from persons authorised by the Customer and duly notified in the manner specified in the Company's Terms and Conditions of Business. The Company will consider as invalid and refuse to execute any order signed by a person other than a notified person.

The Company provides continuous and up-to-date information on the portfolio held in the Customer's account and account movements (daily ad hoc transaction list of transactions, monthly balance notice, account statement), in the notification method specified by the Customer. This information is facilitated by the various online platforms operated by the Company (e.g. NetBroker, Internet Trader), which provide the possibility to view account statements and balance notices, as well as the complete account history (e.g. activity log).

The detailed description and rules of the measures and procedures taken by the Company to safeguard the Customer's financial assets and funds are set out in the Company's Terms and Conditions of Business in effect from time to time.

3.2. Information on the functioning of the investor protection scheme

INVESTOR PROTECTION FUND

1. The Company is a member of the Investor Protection Fund (the "Fund").
2. The Fund shall pay the investor entitled to indemnification under the provisions of the law the following indemnification amount.
3. The indemnity may be paid in the event of a freeze of claims arising from an insured contract concluded by a member of the Fund after 1 July 1997.
4. The insurance provided by the Fund shall cover claims arising from contracts concluded by the Fund member during the period of membership while pursuing its brokerage, trading (own account), portfolio management, custody and safekeeping, securities and cash account maintenance activities.
5. The Fund may represent an investor in settlement negotiations or liquidation proceedings on the basis of a mandate received from the investor entitled to indemnification.
6. The insurance provided by the Fund does not cover any claim of
 - 6.1. the state,
 - 6.2. centrally financed bodies,
 - 6.3. companies which are 100 per cent state-owned in the long term,
 - 6.4. municipalities,
 - 6.5. institutional investors,
 - 6.6. mandatory or voluntary deposit insurance, institutional protection, Investor Protection Fund or Guarantee Fund of Pension Funds,
 - 6.7. separate public funds,
 - 6.8. investment firms, exchange members or commodity exchange service providers,
 - 6.9. financial institutions defined in the Banking Act,
 - 6.10. the MNB,
 - 6.11. any person who holds a managerial position in a member of the Fund, a person who has an employment or other work-related legal relationship with a member of the Fund and their close relatives, and
 - 6.12. an enterprise or natural person and its controlled company and, in the case of a natural person owner, the close relative of such person, holding a direct or indirect participation or voting right of five percent or more in a member of the Fund
 and the claims of their foreign equivalents.

The grounds set out in Clauses 6.11 to 6.12 shall exclude indemnification if they existed during the period from the conclusion of the contract giving rise to the claim for indemnification to the date of submission of the claim for indemnification, or for a part of that period, in respect of the Company as a member of the Fund which is subject to the indemnification proceedings.

7. The insurance provided by the Fund does not cover any claim arising from a transaction where the court has finally and conclusively determined that the source of the investment was a criminal offence.

The insurance provided by the Fund does not cover monetary claims arising from transactions in currencies other than the euro or the legal tender of a member state of the European Union or the OECD.

8. Payments from the Fund

- 8.1. The Fund's obligation to indemnify shall arise in the event that a court orders the liquidation of a member of the Fund.
- 8.2. Within fifteen days of the publication of the liquidation order, the Fund shall inform investors of the possibility to claim indemnity by means of a notice on the website operated by the Supervisory Authority and on its own website. The Fund shall publish the first day when a claim may be submitted, the method of claiming and the name of the entity making the payment. The first day for the submission of the claim shall not be later than the 30th day following the publication of the liquidation order.
- 8.3. Indemnity shall be determined on the basis of the request of the investor. The Fund may determine the form of the request. The request may be submitted by the investor within one year from the first day when the claim may be submitted. If the investor has been unable to submit his/her request within the time limit for an excusable reason, the request may be submitted within 30 days of the obstacle being removed.
- 8.4. The Fund will pay the Investor entitled to indemnification up to a maximum of twenty thousand euros per person and per Fund member in aggregate. The indemnity paid by the Fund shall be one hundred per cent up to HUF 1 million, above HUF 1 million ninety per cent of the amount above HUF 1 million.
- 8.5. In determining the amount of indemnity, all the secured claims of the investor against the Fund member not handed over by the Company as a member shall be aggregated.
- 8.6. If the insured claim relates to the release of securities, the amount of indemnity shall be determined on the basis of the average price of the one hundred and eighty days preceding the date of the commencement of the liquidation. The price to be taken into account shall be the average price on the stock exchange or in over-the-counter trading. If the security has not been traded during this period, the price on which the indemnity is based shall be determined by the Fund's management board. By fixing the price, the investor shall be put in the same position as if he had sold the security at the time the liquidation commenced.
- 8.7. In the case of a claim in foreign currency, the amount of indemnity paid in foreign currency and the limit pursuant to sub-clause 8.4 shall be determined at the official exchange rate published by the MNB on the commencement date of the liquidation proceedings, irrespective of the date of payment. Currencies not quoted by the MNB shall be taken into account on the basis of the arithmetic mean of the highest and lowest foreign exchange selling rates for the relevant currency published by domestic credit institutions.
- 8.8. If a member of the Fund has a claim against the customer arising from investment service activities which has expired or which will expire before the payment of the indemnity, it shall be included in the investor's claim when determining the indemnity.
- 8.9. The Fund shall pay indemnity in cash.
- 8.10. In the case of a jointly owned securities, the limit of indemnification set out in sub-clause 8.4 shall be calculated separately for each person entitled to indemnification who is registered with the Company. Unless otherwise agreed in the contract, the amount of indemnity shall be paid to the investors in equal shares. The amount of indemnity paid in the case of a jointly-owned securities shall be added to the amount of indemnity payable in respect of any other claim of the indemnitee.

- 8.11. If the indemnitee provides the contract on which the insured claim is based and the data necessary to prove entitlement, and if the records kept by the Fund member are available, the Fund shall be obliged to decide on the investor's request for indemnification within ninety days of the date of submission of the request at the latest.
- 8.12. In the case of agreement between the investor's claim supported by a contract and the Fund member's record, the Fund shall award indemnity to the extent of such agreement and shall ensure payment of the amount due to the indemnitee without delay, but not later than ninety days from the date of the award. In particularly justified cases, the time limit for payment may be extended once, subject to the prior approval of the Supervisory Authority, for a further period of not more than ninety days. The date of payment shall be deemed to be the date on which the investor first can have access to the amount of indemnity determined.
- 8.13. The Fund shall also pay indemnity under the conditions laid down in this Act if the investor cannot be indemnified as described above, but proves his/her claim by a final court decision. In this case, the investor may submit a claim within ninety days of the date on which the decision becomes final, accompanied by the decision substantiating the claim.
- 8.14. If the Fund is only able to ensure the fulfilment of the indemnification obligation in accordance with the above deadlines by borrowing, the Government shall undertake direct suretyship for the borrowing in order to ensure the funds for indemnification, subject to Section 33 (3) of Act XXXVIII of 1992 on Public Finance.
8. The claim shall be transferred from the Customer to the Fund up to the amount of the indemnity paid by the Fund.

4. Provisions on avoiding conflicts of interest

A. Conflicts of interest can occur between customers and

- a) the Company,
- b) employees of the Company,
- c) other customers of the Company,
- d) persons acting as intermediaries under an intermediary agreement with the Company,
- e) third parties from whom the Company accepts various inducements or to whom the Company pays various inducements

in providing securities and other services, mainly in the following areas:

- a. provision of investment credit
- b. investment analysis and financial analysis
- c. portfolio management
- d. advice and services on capital structure, business strategy and related matters, and mergers and acquisitions
- e. recording and transmission of orders
- f. execution of orders in favour of customers
- g. dealing on own account
- h. custody

and in particular

- a. from relationships that
 - a.a exist between the Company and the issuers of the financial instruments (e.g. some employees hold a position with the issuer)
 - a.b exist between the issuers of financial instruments and our Company (e.g. our own customers),

and

- b. from the relationship between the Company and the issuers of financial instruments as a result of the fact that
 - b.a the relevant issuer is a subsidiary of the Company, or
 - b.b the Company has a direct or indirect holding in the institution that issues financial instruments.

In addition, a conflict of interest may arise if the Company

- (a) participates in issues carried out by institutions issuing financial instruments,
- (b) provides credit or guarantees to the relevant issuers of financial instruments,

- (c) participates in the preparation of the financial analysis of the financial instrument issuing institutions,
- (d) makes or receives a payment to or from the relevant institution issuing the financial instrument,
- (e) cooperates with the relevant financial instrument issuing institution; or
- (f) has a joint subsidiary/shareholding with the issuer of the financial instrument, whether direct or indirect,
- (g) takes and transmits orders and deals on own account for the product underlying the financial instrument, as well as performs market making functions for the same financial instrument,
- (h) provides securities or other services through the use of intermediaries under an intermediary agreement with the Company.

B. Conflicts of interest may also arise if the Company or certain persons within our Company

- a. has/have information that is not publicly available at the time of a transaction with a customer,
- b. take(s) advantage of incentives for certain financial instruments, e.g. analysis, advice, proposal or execution of orders.

C. In order to avoid as far as possible all these conflicts of interest, our Company has an organisation in which the tasks are properly separated.

Our Company and our employees are required by law to provide securities and related ancillary services in an honest, diligent and professional manner in the best interests of our customers and to take all reasonable steps to avoid conflicts of interest.

In order to achieve this goal, our Company has set up a Compliance unit, which is primarily dedicated to taking the following measures:

- a. defining and separating confidential areas with so-called "Chinese walls", i.e. virtual or actual barriers to restrict the flow of information,
- b. setting rules for transactions carried out by our staff,
- c. in addition to the rules set out in point (b), establish additional, stricter trading rules for any of our employees who may have a conflict of interest in the performance of their duties,
- d. maintaining a watch or blacklist of financial instruments where conflicts of interest may arise.

Transactions with financial instruments on the watch list are only allowed under the conditions set out in our compliance policy, and transactions with funds on the blacklist are prohibited

- a. we continuously monitor the trading of employees,
- b. we act in accordance with the execution principles and the instructions of our customers when executing orders,
- c. we have mandatory internal rules on the acceptance of gifts and other benefits in place, in particular for staff involved in the preparation of the financial analysis
- d. we train our staff

D. If, in certain specific cases, our Company assesses that conflicts of interest cannot be avoided through the aforementioned organisational separation or through its own Compliance unit, this will be brought to your attention by its customer-facing staff, in accordance with the principles set out above.

E. The Company shall define in a policy the procedures and measures to prevent, detect and manage conflict of interest situations that may result in potential damage to the Customer.

5. General rules on the execution of transactions

The execution of transactions, including the rules on the sending of the trading confirmation and/or the notification of execution after the conclusion of the transaction, is governed by the Terms and Conditions of Business and the Internet Trader Regulations on the one hand and the Execution Policy annexed to the Terms and Conditions of Business and the Internet Trader Regulations on the other hand. Please study these documents in detail before making any investment decision.

This Execution Policy sets out the possible execution venues and the criteria that influence the choice of the execution venue and the procedure in which the service provider will make its decision on the basis of these criteria in order to execute the orders in the most favourable way for the Customer. By signing the Framework Agreement defined in the Internet Trader Regulations, the Customer gives an explicit instruction to execute through the Financial Service Provider as defined in the Internet Trader Regulations as the execution venue. Erste Befektetési Zrt. shall not be made liable for the actions of the Financial Service Provider.

Please note that if you instruct our Company to execute a transaction other than in accordance with this policy, such instruction may prevent our Company from executing the transaction in the manner most favourable to the Customer.

6. Rules of the management of financial instruments and funds owned by or payable to the customer and the prospective counterparty

6.1. Assets managed by third party

In providing its services, the Company is entitled to engage authorised third parties, in particular KELER Zrt., members of the ERSTE Bank Group, foreign custodians in the case of foreign securities and deposit certificates.

The sub-custodians other than KELER Zrt. and ERSTE Bank Group members are listed in the "Notice on sub-custodians engaged by Erste Befektetési Zrt." in effect from time to time (<http://ersteinvestment.hu/hu/hirdetmenyek.html>).

- Under the *Internet Trader Regulations*, the Financial Service Provider and the sub-custodian: Saxo Bank A/S, Philip Heymans Allé 15, DK-2900 Hellerup, Denmark (Company No.: 15731249)
Additional sub-custodians:
ERSTE Group Bank AG

6.2. For securities purchased in Hungary

Erste Befektetési Zrt. shall, at all times, assume a liability for securities purchased in Hungary and held in custody with a third party (custodian) in Hungary. These securities are held in a client (customer) account with KELER Zrt. and ERSTE Bank Hungary Zrt. on a collective basis. In the course of this record keeping, the rights of the customers are not prejudiced, as Erste Befektetési Zrt. is able to show the holdings of securities of its customers at any time broken down by customer in accordance with the legal requirements.

Securities held in custody in Hungary are subject to the Hungarian law.

6.3. For securities purchased abroad

Erste Befektetési Zrt. assumes liability at all times for securities purchased abroad and held in custody with a third party (custodian) abroad. These securities are held in collective custody with a foreign custodian. In this record keeping, the rights of the customers are not prejudiced, as Erste Befektetési Zrt. is able to show the holdings of securities of its customers at any time broken down by customer in accordance with legal requirements.

Securities held in custody abroad are subject to foreign laws and customs.

6.4. Third party insolvency rules

Erste Befektetési Zrt. shall be liable to its customers in the event of insolvency caused by the negligence of a third party (custodian) as if it had been caused by its own negligence.

6.5. Rules on deposits with the Company and certain restrictions on cash withdrawals, execution of transfer and credit transfer orders

6.5.1 In respect of accounts within the scope of the (general) Terms and Conditions of Business

The Customer may dispose of certain securities deposits with the Company or, in the case of cash withdrawals and upon prior notification to the Company, of the following:

Securities deposits:

The Customer shall notify Erste Befektetési Zrt. of the physical withdrawal of securities deposits at least five business days prior to the withdrawal, by 12 noon CET (Central European Time).

Cash:

The Customer shall notify the Company of any cash withdrawal exceeding HUF 500,000.00 (five hundred thousand forints) at least by 11:30 CET on the opening day prior to the withdrawal.

If the cash withdrawal takes place at our agent network units, the terms and conditions of the cash withdrawal will be those set out in their notices.

Transfer and credit transfer orders

The Customer may submit his/her credit transfer and HUF transfer orders to be debited on the same day to the Company no later than 14:30 CET on the day in question. Thereafter the Company will attempt to execute the order received by the Company no later than the next banking day.

The Customer may submit to the Company a transfer order in EUR, USD with same day debit no later than 12:00 CET on the day in question. Thereafter the Company will attempt to execute the order received by the Company no later than the next banking day.

The Company shall attempt to execute the Customer's transfer order initiated in a currency other than HUF, EUR, USD with same day debit no later than the banking day following the receipt of the order.

6.5.2 In respect of accounts within the scope of the Internet Trader Regulations

6.5.2.1 Transactions executed in the Internet Trader are recorded in a separate account, the Internet Trader Account, which has limited functionality compared to the general account maintenance relationship. However, the Customer must also have a Default Account for the entire duration of the Internet Trader Framework Agreement, as this is necessary for the execution of the cash and securities transactions related to the Internet Trader Account. The rules of the Default Account are not governed by the Internet Trader Framework Agreement and not by the Internet Trader Regulations, but by the framework agreement between the Customer and Erste under which the Default Account is opened as well as by the (General) Terms and Conditions. Consequently, the provisions of Clause 6.5.1 shall apply *mutatis mutandis* to the Default Account.

6.5.2.2 The Internet Trader Account is an account solely for the settlement and recording of transactions executed on the relevant online platform, related fees and charges, debits and credits, as well as the collateral related to transactions entered into on the online platform.

6.5.2.3. The Company reserves the right to debit certain fees and expenses related to the services of the online platform provided from time to time and the resulting transactions on the online platform and taxes related to transactions entered into on the Internet Trader Account from the Default Account designated in the Internet Trader Framework Agreement and not from the Internet Trader Account. The Customer shall make sufficient funds available for these charges in the Default Account specified in the Internet Trader Framework Agreement

6.5.2.4. Restrictions on the use of the Internet Trader Account:

- Currencies registered in the Internet Trader Account cash account may only be transferred to the Default Account, unless there is a reason to exclude the transfer due to a lack of funds or the operation of the Online Platform.
- The securities registered in the Internet Trader Account may only be transferred to the Default Account, unless there is a reason to exclude the transfer due to a lack of collateral or the operation of the Online Platform.
- No open position registered in the Internet Trader Account can be transferred, nor to the Default Account defined in the Internet Trader Master Agreement.

6.5.2.5 The Internet Trader Account and its sub-accounts may be maintained in the currencies specified in the Internet Trader Announcement.

6.5.2.6 Collateral for the Internet Trader Account can only be provided by transferring funds from the Default Account. The period open for transfer is set out in the Internet Trader Notice for the relevant online platform.

6.6. Rules on the payment of dividends

If dividends are paid to an individual, dividend tax shall be deducted under the tax rules in effect. Different rules apply depending on whether the dividends are paid by a Hungarian or a foreign issuer.

In the case of dividends paid on securities of a Hungarian issuer, the payer is that issuer. Certain declarations required for tax deduction and payment of the dividends must be made directly to the issuer, but certain information must be provided to our Company, which will forward it to the issuer (e.g.: tax identification number).

In the case of dividends paid by a foreign issuer, if they are credited to an account held with our Company, our Company is considered a payer and is also subject to tax withholding (advance tax) under the effective legal provisions. This may also apply if the foreign issuer has deducted tax/advance tax under foreign regulations and/or double taxation treaty.

Please note that in the case of dividends paid by a foreign issuer or otherwise from abroad, the dividends may be credited after the advance tax payable by our Company has been assessed.

6.7. Other tax issues

If our Company qualifies as a payer under the law, it is required to withhold and pay to the tax authority advance tax, tax and other contributions as provided by law. This will be evidenced by the account statements sent to you on the one hand and by the tax certificates and other confirmations sent to you under the legislation on the other hand.

In the case of payments in foreign currency, the conversion rules under Act CXVII of 1995 on Personal Income Tax (Personal Income Tax Act) apply to the settlement of your tax liability. This means that the exchange rate applicable under the law may differ from the rate actually applied, resulting in a gain/loss different from the actual gain/loss.

Please note that our Company is also obliged to provide information to the tax authority in the cases specified by law. This information is provided on the basis of our records.

For other tax issues, please refer to the (General) and Internet Trader Regulations.

Please note that the above documents contain general information on what you need to know about tax. Before making your decision, please seek detailed information on the taxation of capital market transactions, the legal conditions relating to tax issues and consult your tax advisor, as tax conditions can only be assessed in light of the investor's individual circumstances. Tax laws and their interpretation may change and our Company cannot be held liable for the consequences thereof.

Dividends, yields, interest and other benefits paid in cash on foreign securities are paid to the Customer, as a rule, on a net basis, in accordance with the relevant Rules of KELER Zrt. For the calculation of the net amount, the foreign account manager uses the highest tax rate according to the general current practice, so that the amount less the tax calculated according to this tax rate is paid to the Customer. The Company shall have no duty or responsibility to deduct and reclaim the excess tax.

Please note that foreign custodians do not take Hungarian tax rules into account, so tax deductions may happen to exceed the tax rate prescribed by Hungarian law, or that dividend tax may happen to be charged on securities deposited in a long-term investment account.

Only the customer may initiate a claim for a refund of tax in excess of the amount of tax specified in Hungarian law, either from the issuer or from the tax authority of the country where the tax was withheld. Erste Befektetési Zrt. is not entitled to reclaim the tax and therefore cannot provide any assistance in this regard. In such cases, please contact a tax advisor.

In addition, please note that dividends income from shares that are not listed on a stock exchange in any EEA member state is subject to additional social security contributions tax.

7. Information about the transaction set out in the contract and the financial instrument involved in the transaction

7.1 Information on risks, market operation

Future returns on investments cannot be predicted with any accuracy. It is possible that the market environment may be more favourable or less favourable than expected, that unexpected news or events may affect our investments in unforeseeable ways, and that we may realise higher or lower returns than we expected, or even incur losses. These uncertainties are the risk of our investments.

The risk of investing can be divided into two parts:

- Market risk from fluctuations in the market as a whole, and
- The individual risk arising from the volatility of each investment.

Market risk arises from economy-wide risks affecting all investment vehicles and companies, and is influenced in particular by

- growth of the economy (global, national, regional)
- business confidence
- inflation
- the interest rate environment
- the balance of public finances
- uncertainty about expectations for the future
- etc.

The individual risk arises only from the risks surrounding the investment instrument or company, which is influenced in particular by the

- operational efficiency
- increase
- market share
- current and expected future results of the relevant instrument
- the competence
- strategy of management
- etc.

The extent of the risk of an investment instrument is indicated by the volatility of its price. Volatility is the degree of fluctuation, the frequency of fluctuations of the exchange rate. The higher the amplitude of the fluctuation or frequency of changes in the exchange rate, the higher the volatility and risk of the investment.

Please note that there is a risk that you may lose the entire amount invested or, depending on the type of transaction, that you may need to provide additional funds or margin. Please consider this risk factor in any case before placing your orders and concluding your transactions!

The main risks associated with each type of transaction, including the risks associated with exchange-traded and over-the-counter, spot and derivative transactions, are set out in the annexes to the Terms and Conditions of Business and the framework agreements with our Company, as well as in the official documents of the product (e.g. the prospectus) and, where available, in the information material for each product, which we ask you to carefully review in order to make a responsible investment decision.

7.2. Information on specific markets, financial instruments

The main sites providing information on certain markets and financial instruments (European, Asian, American), where you can also find information on the liquidity and volatility of certain markets and financial instruments.

<https://www.erstemarket.hu/>

Hungary

- www.portfolio.hu
- www.eco.hu
- www.tozsdeforum.hu
- www.charcenter.hu
- www.napi.hu

When trading on the BÉTa Market, the actual trading days (periods) may differ from the trading days used on foreign markets. Therefore, if there is no trading on a foreign stock exchange for the security in question, the relevant day (period) will not be considered a trading day (period) on the BÉTa Market, irrespective of the general trading period and days. The Company cannot be held liable for the consequences of this.

The currency of settlement on the BÉTa Market may differ from the original currency of the securities in question (settlement on the BÉTa Market is typically in Hungarian forint), with the result that securities traded on the BSE Market are recorded in their original currency and certain payments on securities (e.g. dividends) are also paid in the original currency. The Company cannot be held liable for the consequences of this, including exchange rate risk, the risk of currency conversion and tax risk.

The prices of securities available on the BÉTa Market, even if they are settled in a different currency, are not necessarily the same as the current prices available on other markets, with the result that the customer cannot claim any losses that may result therefrom.

Securities traded on BÉTa are cleared through KELER in accordance with the rules set out in its relevant regulations, which are available at www.keler.hu. Given that in the event of trading on BÉTa Market, securities listed there are also admitted to other markets, the success of clearing on the BSE Market - in addition to the KELER-guaranteed clearing system - also depends to a large extent on whether securities traded on the BÉTa Market are cleared abroad. Therefore, in certain cases, late settlement or default may occur, which is a market risk, and the Company is not responsible for the consequences arising therefrom.

Based on the preceding paragraph, if a transaction concluded on the BÉTa Market cannot be settled for reasons inherent to the customer (e.g. in the event that the customer entered into the opposite transaction on another market but the settlement of the opposite transaction does not take place by the settlement deadline for the BÉTa Market), the customer shall be liable to pay all costs incurred by the Company in connection with this (including lending costs, default fees and costs under the rules of KELER and the BSE, and the fees and costs indicated in the Company's fee schedule).

In the event that the customer wishes to enter into opposite direction (buy/sell) transactions on different markets, additional costs may be incurred in order to clear and hedge on different markets (e.g. transfer costs, reporting and other administrative costs). The fees for this are set out in the Company's fee schedule, which the Company is entitled to debit from the customer's account with the Company.

7.3. Deposit requirement or similar liability in respect of a financial asset

The relevant provisions are set out in the (General) Terms and Conditions of Business and the Margin and Collateral Notice, and in the case of transactions within the scope of the Internet Trader Regulations, in the Internet Trader Regulations. Please read these carefully before making your decision.

7.4. Dealing in foreign currency for investment services on own account

If you use an investment service through our Company, our Company will enable you to take advantage of its currency conversion service in relation to that service. Given that, you will have the opportunity to make currency conversions in respect of the funds held in your cash account in relation to your sales, purchases or orders in order to ensure that you have the appropriate amount of foreign currency available for settlement or the amount of foreign currency required for sales. This foreign currency conversion service is available at our registered seat and through our Internet trading systems that provide this service. The currency conversion service is not available elsewhere in our network of agents.

We provide this currency conversion service up to the following limits for the following currencies, for larger amounts and/or other currencies, we reserve the right not to enable conversion. Please take this into account when concluding a transactions:

- EUR 100.000 per day or
- USD 150.000 per day or
- GBP 50.000 per day

Each trading day, same-day conversions are possible until 16:30, while later value-day conversions are possible until 17:30, so orders that are placed after this time will be converted on the next trading day as a value day.

Please note the above deadlines if you require or have the possibility to convert foreign currency in connection with the investment service.

Our company provides only foreign currency conversion services in the context of this activity.

The detailed rules for this service are also set out in the Terms and Conditions of Business and the Best Execution Policy.

8. Rules on the pairing of transactions based on orders related to an account with the Company

The Company shall only pair transactions and perform the pairing procedure for transactions based on orders related to cash, securities and securities custody accounts kept with it in accordance with this Chapter and shall not be obliged to use any other pairing method and procedure.

8.1. Pairing

The Company uses the following pairing methods:

- FIFO - first in first out - i.e. the earliest entry at any given time is matched with the current instrument sold
- LIFO - last in first out - i.e. the last entry at any given time is paired with the current instrument sold
- HIFO - highest in first out - i.e. the entry with the highest price at that moment is paired with the instrument sold at that moment
- LOFO - Lowest in first out - i.e. the entry with the lowest price at that time is paired with the instrument sold at that moment
- Manual - customer-defined pairing other than the above pairing methods

The Customer has the option to choose the pairing method:

- per transaction, when the transaction is entered,
- in general terms in advance - which the customer can modify or withdraw at any time
- in the case of a general election for a particular transaction, when that transaction is concluded

In the event that the customer does not provide for it, the customer will be deemed to have opted for LIFO. The same applies in case of revocation of the election.

Please note that our Company reserves the right not to pair transactions on the stock exchange and, in accordance with tax legislation, our Company will provide the Customer with a list of the cost prices of transactions entered into with our Company during the year in question, which will be made available within the statutory deadline.

In the case of transactions within the scope of the *Internet Trader Regulations*, the Customer is entitled to determine which of his/her transactions should be closed in the trading system by entering the

corresponding order or, in the case of orders not given electronically, by giving an explicit instruction to that effect. If the Customer does not give an order to close his/her positions electronically and does not indicate which positions are to be closed, the Company is free to determine which position is to be closed within the parameters of the order. In all other cases, including in particular automatic position closures and compulsory liquidations in trading systems, the Company will apply the compulsory stock pairing method used by the Financial Service Provider, on which the Company will provide information upon request.

8.2. Changing the pairing

In the event that the customer wishes to modify the pairing method defined above after the conclusion of the contract, he/she will have the possibility to do so:

- for interest income, until the last day of the month in which the interest income accrues
- in the case of transactions providing a base for the Exchange Gains Tax defined in the Personal Income Tax Act, until the settlement date of the transaction executed under the contract.

If the customer wishes to change the pairing method specified at the time of conclusion of the contract, the provisions of the Terms and Conditions of Business on contract modification and the provisions of the Company's current Fee Schedule shall apply.

9. Rules for end-of-day consolidated transaction execution reports

We hereby inform our Customers of the transactions and orders on which the Company will send a report as part of the end-of-day consolidated transaction execution notification. This type of notification is not available for transactions that fall within the scope of the Internet Trader Regulations.

The notification of execution sent contains a detailed confirmation of the following transactions and their data:

- Purchase and redemption of units with day T settlement
- Purchase and redemption of units with day T+n settlement
- Execution of orders for shares listed on the Budapest Stock Exchange
- Details of the execution of orders for and sale & purchase of OTC shares
- Execution of orders for certain shares listed on foreign capital markets
- Execution of orders for instruments listed on the Budapest Stock Exchange futures market
- Details of the sale and purchase of domestic and foreign government securities and bonds and the execution of orders for the same
- Execution of orders for instruments quoted on OTC futures (interbank) markets
- Some information on securities lending
- Currency exchanges with the involvement of the Bank
- Initiating transfers, crediting securities, blocking and unblocking
- Initiation of credit transfers, transfer orders, payment on due date, cash in and out, blocking and unblocking

In order to access the service, the Customer is required to provide the Company with a valid e-mail address and, if it is required for the service, a fax number, and to communicate his/her request to his/her broker or in the branch network of ERSTE BANK Hungary Zrt. The terms and conditions of the service shall be governed by the contract entitled "Supplement to the Framework Agreement for Notifications by Erste", annexed to the Company's Terms and Conditions of Business, and by the Company's Terms and Conditions of Business, which the Customer accepts by ordering the service.

Unless expressly provided otherwise in this Chapter, the definitions of terms referred to in this Chapter shall be governed by the provisions of the above referenced agreement, the Framework Agreement (Consolidated Agreement), the Framework Agreements and the Company's Terms and Conditions of Business.

10. Suitability and appropriateness assessment

Before entering into a transaction, our Company is legally obliged to assess whether the transaction you wish to enter into is suitable for you, depending on the service you are using, and whether it is appropriate for your knowledge, risk tolerance and objectives. Our Company will ascertain your suitability/appropriateness on the basis of its assessment in this regard. This may take the form of a questionnaire, an assessment of the answers to the questions in the questionnaire and/or an assessment of the information known to our Company.

We have product governance procedures in place to identify in sufficient detail the potential target market and the type or types of customers whose needs, characteristics and objectives are compatible with the financial instrument, and to determine within the suitability and appropriateness assessment which products or services may be suitable or appropriate for you.

The results of the study show the following options:

Product transaction/ MiFID categories	Category 0 (low and moderate risk)	Category 1 (medium and high risk)	Category 2 (substantially high risk)	Category 3 (extremely high risk)
Products / Transactions	Hungarian government bonds	Products/transactions within MiFID category 0	Products/transactions + within MiFID categories 0 and 1	Products/transactions + within MiFID categories 0, 1 and 2
	Mutual funds (Low, Moderate risk funds)	Other government securities	Warrant (turbo warrant)	Call for options
	Fixed rate Erste Bonds	Other investment units (Medium, substantial, high risk funds)	Option to buy	Futures
		Bonds	Leveraged ETF	Investment loan
		Structured securities	hedge fund	
		Structured product		
		Share		
		Certificate (index, bonus)		
	Portfolio management			

Please note that it is in your own interest to fill in the Questionnaire truthfully and to provide our Company only with true information about you, as this will also form the basis of the relationship between our Company and you. Our Company is entitled to assume that the answers you provide in the Questionnaire and the information you otherwise provide are true and accurate.

Please also note that the assessment will be based on the general assessment system applied by our Company. Thus, if there is any change in the information provided in your answers, please notify our Company immediately and complete a new questionnaire. Our Company is not responsible for any consequences resulting from failure to do so.

However, if it comes to the official knowledge of our Company that any information does not reflect the truth due to a change in circumstances, our Company has the right to unilaterally reassess the result. Official knowledge shall be understood in particular to mean a final court judgment or final official decision which comes to the attention of our Company.

Where an authorised representative acts on behalf of and for the benefit of the Customer, the Customer's suitability and appropriateness assessment shall prevail, irrespective of whether the result of the suitability and appropriateness assessment would be different if the authorised representative were assessed provided that where the suitability assessment is carried out for a natural person representing a natural person Customer or a legal person Customer requesting to be treated as a professional counterparty falling within the scope of Section II of Annex II of Directive 2014/65/EU, then the financial situation and investment objectives of the legal person or, in the case of a natural person, of the underlying Customer, and not of the authorised representative, should be assessed. Knowledge and experience shall relate to the natural person's authorised representative or the person authorised to execute transactions on behalf of the underlying customer. The Company shall not be liable for any consequences arising therefrom.

We are obliged to provide you with a **suitability statement** after we have provided you with investment advice, but before the transaction takes place, explaining how the investment advice we provide is suitable for your objectives and personal circumstances. In the case of service by recorded telephone conversation, our Company may also forward the suitability statement to you after the transaction has

been concluded. Our Company will still grant you the option to request that the conclusion of the transaction be postponed in order to receive the suitability statement.

Please also note that in the event that you wish to enter into a transaction in respect of which it cannot be ascertained that it is suitable and appropriate for you because our Company has not received an appropriate declaration from you in relation to the financial instrument or service in question, in particular your knowledge and experience of the main point of the transaction, the characteristics of the financial instrument and the risks involved (whether because you have not completed a Questionnaire or the result of the Questionnaire is that the transaction is not suitable for you), but you expressly request to enter into this transaction, our Company has the right to refuse to execute the transaction and our Company is not responsible for the consequences of the inappropriateness and unsuitability of the service and financial instrument for you.

11. Other rules of contacting our Company

In the case of transactions subject to the general Terms and Conditions of Business, general communication with our Company will, as a main rule, be in Hungarian, with the possibility of oral communication in other languages, in particular English or German. Formal notifications are generally sent by our Company to its customers in Hungarian. For notifications in other languages, please contact our Company in advance.

Please note that for the trading systems within the scope of the Internet Trader Regulations, information is available in several languages (e.g. English, German), but not in Hungarian, or not in all cases, and the language of trading may be different from Hungarian. The same rules apply to official notifications. For all possible transactions, please note that you may be able to obtain information about certain financial instruments only in a language other than the language of contact and that our Company may not be able to provide you with the information in the language you have requested. Please take this into account when making your investment decision.

The manner and means of contacting you, the way in which your orders are received and accepted, are set out in our relevant terms and conditions of business. Please read these provisions carefully before making your decision to place an order.

12. About investment recommendations and analytical materials prepared by the Company that do not constitute an investment recommendation

12.2 Persons involved in analyses, their positions:

József Miró	- Strategy
Orsolya Nyeste	- Macro Analyst
András Nagy	- Equity Analyst
Nicholas Kiss	- Equity Analyst
Annamária Szócs	- Assistant

12.3 Sources

Where the Company has relied on a specific source in making an investment recommendation or an advertisement that does not qualify as an investment recommendation, the investment recommendation will make a reference to it. If the investment recommendation or advertisement does not indicate a source, the Company did not rely on a specific source in making the investment recommendation. The information contained in any publication is based on sources believed to be reliable by Erste Befektetési Zrt., but the Company does not warrant or assume any responsibility for the same.

12.4 Issuer opinions

If the issuer has been informed when the investment recommendation is made, this will be indicated in the investment recommendation. If the investment recommendation does not indicate that the issuer has been informed, the issuer has not been informed at the time of making the investment recommendation. If, in respect of an investment recommendation, the issuer has been informed and the issuer has made a comment on the basis of that information, the investment recommendation shall state whether or not the issuer's comment received has been taken into account in the preparation of the investment recommendation. If the investment recommendation does not contain any reference in that respect, then the issuer will be deemed not to have commented on the investment recommendation sent to it until the finalisation of the drafting of the recommendation.

12.5 Analysis methodology

The investment recommendation shall indicate the methodology used to value the financial instrument or its issuer and to determine the likely target price of the financial instrument. Proprietary methodology means the use of a mixture of certain methodologies known for investment recommendations or the use of a methodology that does not fall within the scope of any known methodology.

12.6 Validity

In all cases, publications that constitute investment recommendations or advertisements are only valid at the time of their appearance. The date of first appearance of the publication shall be indicated in the publication. Changes to the contents of the analyses or publications constituting advertisements shall be made mutatis mutandis upon changes in the circumstances contained therein, and therefore the Company shall not give or send any notice of any specific withdrawal or change of the contents of the analyses or the said publications.

12.7 Disclosing the relationship with the issuer

In its non-advertising analytical materials, the Company will indicate the relationship between the Company and the Issuer appearing in the relevant investment recommendation that is deemed material to the recommendation with the following notations.

"Shareholding exceeding 5%" means that the Company or an affiliate of the Company has an ownership interest in the issuer that exceeds 5% of the issuer's share capital.

"Market-leading position" means that the Company or an affiliate is the market leader in the issuer's financial instruments or provides liquidity to the issuer

"Material financial interest" means that the Company or an affiliate of the Company has a material financial interest in the issuer.

"Participation in a public offering" means that the Company or an affiliate of the Company has participated in a public offering of the issuer's financial instruments during the 12 months preceding the date of the investment recommendation.

"Investment service relationship" means that the Company or an affiliate of the Company has had a contractual relationship with the issuer for the provision of investment services or has paid consideration under an agreement previously entered into in the twelve months preceding the publication of the investment recommendation,

"Engagement for Investment Recommendation" means that the Company or an Affiliate has a contractual relationship with the Issuer to make an investment recommendation.

12.8 Compliance rules

The Company has a Conflicts of Interest Policy and a compliance unit as set out in the Terms and Conditions of Business, as well as appropriate procedures for the rules on the flow of information. Please remember to review the executive summary on the avoidance of conflicts of interest.

The compliance rules of the Company and its affiliates do not permit persons involved in the preparation of an investment recommendation to have an ownership interest in the financial instruments of the issuer for which they are preparing an investment recommendation. The remuneration of persons involved in the preparation of an investment recommendation is not linked to investment transactions executed by the Company or its affiliates.

If the persons involved in the preparation of the investment recommendation acquires ownership of the securities issued by the issuer before the securities were admitted to trading, the investment recommendation shall state the date of acquisition, quantity of the securities and the consideration paid by the natural person.

12.9 The planned frequency of updating investment recommendations and publications that constitute advertisements:

Daily reports: the Company normally publishes daily reports every business day, but does not undertake any obligation to ensure the daily appearance of such publications.

Quarterly reports: the Company normally publishes these on a quarterly basis, but does not undertake any obligation to ensure that these publications appear with that frequency.

Occasional analyses and publications: all publications which do not indicate a frequency are considered occasional publications, which may be one-off publications or publications that may be followed by a further publication in that subject matter, but the planned frequency cannot be determined

The Company may change the scope and planned frequency of publications at any time, discontinue existing publications or decide to publish new ones at any time at its sole discretion.

13. Restrictions on investors

13.1 U.S. person

Erste Befektetési Zrt. informs its Customers that when purchasing certain securities and/or other financial instruments, it is recommended that they familiarise themselves with and review the provisions of the U.S. Securities Act of 1933 and the U.S. Investment Company Act of 1940 (hereinafter referred to as "U.S. laws"), in particular, but not exclusively, the concept of who is a U.S. Person and, where applicable, consider the purchase. The U.S. regulations impose restrictions and prohibitions on persons who are U.S. Persons, their proxies, agents and representatives, and on the purchase of securities or other financial instruments for the account or benefit of U.S. persons. The rules also apply to U.S. residents and to cases where the amount used to purchase securities or other investment instruments is from a person who is a U.S. Person. Restrictions and prohibitions may also apply to securities and other investment instruments if an order is placed for their transfer to a U.S. Person, to the U.S. or in any other manner that would cause the securities or other investment instruments to be subject to registration under U.S. laws. Hedging transactions not entered into in accordance with the provisions of U.S. laws may also be subject to prohibitions and restrictions.

We ask our Customers to notify Erste Befektetési Zrt. immediately if they are aware that they may qualify as a U.S. Person under U.S. laws. Erste Befektetési Zrt. shall not be liable for any damage arising from failure to give notice pursuant to this paragraph.

Subject to the aforementioned U.S. laws, Erste Befektetési Zrt. has decided as a matter of business policy that it will **no longer enter into** business relations with persons who qualify as a so-called U.S. Person, in particular, but not exclusively, with U.S. citizens and/or individuals who are U.S. residents, companies registered and/or domiciled in the U.S.

Customers who already have a contractual relationship with our Company are requested to carefully study the relevant investment documents, in particular their prospectus and management regulations, before placing an order, with particular attention to any investment restrictions and prohibitions, if they are aware that they may qualify as a so-called U.S. Person under U.S. laws.

Erste Befektetési Zrt. recommends that Customers contact an expert with knowledge of U.S. laws for detailed information on the laws referred to in this notice, as Erste Befektetési Zrt. is not in a position to provide legal advice on Hungarian or, in particular, foreign law.¹

Erste Befektetési Zrt. shall not be liable for any damage to Customers arising from certain foreign legal regulations, including but not limited to U.S. laws.

13.2 Canadian address/residence

Please note that, as a matter of policy, our Company will **no longer do** business with private individuals who are Canadian residents or legal entities that are incorporated in Canada.

¹ The issuer of the (legal) opinion should also assess the fact that there is a US subsidiary in the international Erste group (in particular with regard to the so-called Volcker Rule).

14. Transparency on the integration of sustainability risks

In accordance with REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on disclosures in the financial services sector related to sustainability, our company hereby discloses the following:

- how to integrate sustainability risks into their investment decisions and
- the results of the assessment of the likely impact of sustainability risks on the returns of the financial products offered by the Company

also

- how to integrate sustainability risks into their investment advice; and
- the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products on which they provide advice

in detail in a document available on the "Sustainability" page of the website of the Company (www.erseinvestment.hu): <https://www.ersteinvestment.hu/hu/fenntarthatosag.html>.

IV. Fees, charges

The fees and charges charged by our Company in the context of the investment service or ancillary service provided to the customer are set out in the applicable Fee Schedules and supplements (collectively, the "Fee Schedule") in effect from time to time. In the event that the total price is not quantified, the Fee Schedule shall contain the method and basis of calculation.

The Fee Schedule is available on our website (www.ersteinvestment.hu, www.hozamplaza.hu, www.portfolioglobal.hu)*, from our customer service and our network of agents.

** each website is available to Customers from the start of the relevant service*

If a currency conversion is required for the execution of a transaction and/or the acceptance of an order by our Company or if the account cannot be maintained in the currency received, the rules applicable in this case are set out in the relevant terms and conditions of business, including the rules on the exchange rate to be applied for conversion.

Please note that if your account does not have the appropriate currency for the transaction, a separate order is required for conversion, or if you do not have the necessary funds, but have the necessary collateral in a financial instrument (e.g. investment note, shares, government securities), an additional order is required for the sale of that instrument.

Please note that a transaction in a financial instrument specified in the contract may give rise to costs or tax liabilities that are not paid through our Company.

Please note that our Company may also charge the additional fee set out in the Fee Schedule for the settlement of amounts payable by foreign clearing houses and custodians (e.g. foreign dividends, interest) and for the settlement of opposite transactions of the same financial instrument on different markets, taking into account the additional administrative and service charges related to this.

V. Information on investment advisory services

Given the fact that the investment advice provided by the Company is not based on an extensive analysis of different asset classes and that a significant part of the financial instruments recommended is limited to financial instruments issued or offered by entities that have close links or other legal or economic relationships, such as contractual relationships, with the investment firm, which carries the risk of impairing the independence of the advice, the Company **provides only non-independent (so-called tied) investment advice** to its Customers.

The Company does not provide a prospective counterparty or customer with a regular assessment of the suitability of the proposed financial instruments.

The nature of the relationship with the issuer or service provider of the financial instruments that the Company may offer in the context of non-independent (tied) investment advice may be classified as follows:

- a) instruments produced by the Company e.g. derivatives, structured products offered by the Company

- b) products produced by companies closely related to the Company, such as Erste Group members, e.g. the products of Erste Alapkezelő Zrt., Erste Asset Management GmbH, Erste Bank Hungary Zrt., which are sold or distributed on the basis of an agreement
- c) the Company has a contractual relationship with the (not closely linked) undertaking concerned, including a distribution agreement for the sale of the products, e.g. distribution of units of investment funds which are not members of the group (e.g. AEGON, Hold Fund Manager, foreign partners)
- d) the Company has a distribution agreement with the Government Debt Management Agency for retail government securities
- e) the Company may also, without any connection to the issuer or provider of the financial instrument, ensure the acquisition and sale of the financial instrument as execution of an order given by the Customer at the place of execution as provided for in the Execution Policy.

VI. Incentives

Our Company accepts various incentives (e.g., fees, sales commissions, underwriting discounts) from third parties (e.g., other investment firms and issuers) in connection with the sale of securities, the amount of which typically depends on the volume of sales.

The level of incentives (other than normal commission and fees) received by our Company from third parties is as follows:

- fees received from investment fund managers for the investment funds sold, typically based on an amount between 50 % and 85 % of the total management fee per portfolio not associated with any actual activity effectively linked and proportionate to the distribution (frequency of calculation of fees: monthly/quarterly).
- the fee received in connection with the sale of bonds issued by the various counterparties (typically Erste Group Bank AG and Erste Bank Hungary Zrt.), the basis for calculating the fee is the fee from the issuer, typically on a total nominal value, in accordance with the case-by-case distribution fee agreement (frequency of calculation of fees: monthly).
- fee received in connection with certain treasury products (typically spot and futures foreign currency transactions), the fee is calculated on the basis of the total turnover of the types of transactions included in the contracts with each counterparty, fee rate: 0-1%, as agreed with the counterparty (frequency of calculation: monthly)
- in the case of private placements, the issuer's fee for the sale of the bonds, depending on the volume sold, in accordance with individual fee agreements (frequency of fee calculation: according to individual agreements)
- intermediary fee received from the issuer on the sale of Structured Products, calculations are based on 75% of the revenue realised by the issuer (frequency of calculation: monthly)
- a brokerage fee from our institutional partner contracted to provide the Internet Trader service, calculations are based on 20-50% of the fee income from the fees advertised in the Internet Trader fee schedule (frequency of fee calculation: monthly)

In all cases, the third-party incentives described above, linked to the sale of various financial instruments, are designed to improve the quality of the services provided to customers.

Annex:**Related announcements of our company:**

- Margin and Collateral Notice
- Notice on the introduction of new framework agreements
- Notice on sub-custodians engaged by Erste Befektetési Zrt. apart from KELER Zrt. and ERSTE Bank Group
- Notice on deposits with Erste Befektetési Zrt. and certain restrictions on cash withdrawals, transfers and credit transfers
- Notice on the end-of-day consolidated transaction execution report
- Notice of pairings
- Notice - Transaction limits for the investment loan and the range of instruments that can be bought from for investment credit
- Notice on the data required for identification
- Notice on investment packages offered by Erste Befektetési Zrt.
- Erste Premium Service Notice
- Erste World Notice
- Erste Private Banking Notice
- Erste Private Banking Plus Notice
- Erste Private Banking Notice - Individuals and businesses among the wealth management clientele of BNP Paribas Hungarian Branch
- Notice on the provision of a reference portfolio-based portfolio management service (DPM service)
- "Restriction of investors" Notice
- Notice on the application by Erste Befektetési Zrt. of the obligations arising from Act XIX of 2014 on the promulgation of the Agreement between the Government of Hungary and the Government of the United States of America on the Promotion of International Tax Compliance and the Implementation of the FATCA Regulations and on the Amendment of Certain Related Acts
- Notice on the application by Este Befektetési Zrt. of the obligations arising from the law on certain rules of international administrative cooperation in relation to taxes and other public charges (Common Reporting Standard - CRS)
- Online Notice
- Portfolio Online Stock Exchange Internet notice

The latest list of our notices in effect: <http://ersteinvestment.hu/hu/hirdetmenyek.html>