



ANNOUNCEMENT

regarding the customer classification practice of Erste Bank Hungary Zrt. for the purposes of the investment services provided via the Treasury Directorate and the Custody Department

(Date of entry into force: 31 January 2008)

The effect of the Announcement expressly does not extend to the investment and supplementary investment services mediated by Erste Bank Hungary Zrt. (hereinafter referred to as the “**Bank**” or “**EBH**”) as the agent of Erste Befektetési Zrt. or to the staff members of the Bank involved therein.

1. Legal background:

In the interest of the development of an effective and standardised European capital market, the European Parliament and the Council issued a Directive on 21 April 2004 under No. 2004/39/EC (Markets in Financial Instruments Directive, that is, “**MIFID**”, together with the rules of implementation, “MIFID system”), for the implementation of which a number of measures have been adopted.

In implementation of the MIFID system, the Hungarian Parliament passed Act CXXXVIII of 2007 on Investment Businesses and Commodities Exchange Service Providers and the Rules of the Activities They May Pursue (hereinafter referred to as “**IBA**” or “legal rule”).

The purpose of the MIFID system is to simultaneously maintain efficiency on the market and to provide the highest possible level of **investor protection**. Investor protection focuses on the **quality and extent of the information supplied** in the course of the provision of investment services. The service provider

is obliged to provide the above information in a **differentiated manner, specifically tailored to the various investor groups** with different levels of knowledge, expertise and objectives.

2. General principles

The Bank is obliged to classify its customers and partners (hereinafter referred to as **customer classification**) in each instance prior to the provision of investment services for the first time and, in specified cases, of supplementary investment services (hereinafter collectively referred to as “investment services”), before the general agreements relating to the provision of investment services are signed, as set forth in the present Announcement. The Bank is also obliged to notify the customer of the result of its classification and to keep records of the results of its classification procedures.

This classification will determine the level of information provided for the customer and the treatment of the customer in respect of the various financial instruments during the entire term of the customer relation until the customer or the Bank initiates the alteration of the classification.

Following the entry into force of the present Announcement, no investment services may be provided on the basis of those new general agreements in connection with which the Bank has not classified the prospective customer.

3. Customer classification

3.1. Customer and customer categories

Customer: for the purposes of the present Announcement, the person who uses the investment services or supplementary investment services under IBA provided by the Bank’s Treasury or Custody Department. A person or organisation who or which uses investment and supplementary investment services mediated by the bank as the agent of Erste Befektetési Zrt. expressly does not qualify as a customer.

Customer categories: 1. professional customer,
2. acceptable partner
3. retail customer

A single customer may fall into different customer categories in respect of his/her/its individual general agreements.

3.1.1. Professional customer:

A professional customer is a customer who has the experience, knowledge and expertise necessary for the adoption of its own investment decisions and the assessment of the risks involved therein.

A given customer may qualify as a professional customer:

- a.) Based on statutory classification, automatically, the forms of operation determined therein and priority institutions (Professional Customer I) and, in the event of the fulfilment of the statutory criteria, priority enterprises (Professional Customer II);
- b.) At the customer's own initiative if the conditions determined by law are satisfied (Professional Customer III).

Appendices Nos. 1 and 2 contain a list of the customer types which qualify or may qualify as professional and the criteria of re-classification as professional customer.

3.1.2. Acceptable partner

As part of the provision of certain investment services determined by law, based on its own decision, the Bank is entitled to record and treat customers otherwise qualifying as professional customers, with regard to the characteristics of customers, as acceptable partners. Appendix No. 1 contains a list of the organisations which may be classified as acceptable partners from among professional customers.

The Bank regards all credit institution customers for whom it provides own-account trading as an investment service as acceptable partners in the course of the provision of these investment services.

3.1.3. Retail customer

All customers who do not fall into either of the above two customer categories on the basis of the classification procedure qualify as retail customers.

For the purposes of all general agreements, the Bank automatically classifies as retail customers all customers in respect of whom there is no proof that they should be classified into another customer category (professional or acceptable partner) and unless the customer expressly requested his/her/its re-classification.

3.2 Re-classification of customers – Procedure of re-classification, treatment in deviation from classification

Already classified customers may be re-classified into a different customer category at the Bank's initiative or at the customer's request.

3.2.1. re-classification at Bank's initiative

The Bank may only carry out the following re-classifications unilaterally, at its own initiative:

- it may re-classify customers originally classified as acceptable partners as professional or retail customers if the conditions for classification as acceptable partner no longer exist, or
- the Bank automatically re-classifies a customer previously classified as professional at the customer's request as retail customer if
 - a) the customer withdraws his/her/its previous application for re-classification in writing,
 - b) the customer notifies the Bank of changes, as a consequence of which the conditions determined in Appendix No. 2 to the present rules no longer exist,
 - c) changes come to the attention of the Bank, as a consequence of which the conditions determined in Appendix No. 2 to the present Announcement no longer exist.

3.2.2. re-classification at Customer's request

a.) A retail customer may be re-classified as a professional customer (Professional Customer III) at the customer's express written request if:

- it satisfies at least two of the conditions set forth in Appendix No. 2,
- the customer stated in the application whether he/she/it requests re-classification as a professional customer in respect of the entire legal relationship, or if not the entire legal relationship, in respect of which general agreements on the basis of which transactions/financial instruments may be concluded/traded,
- by handing over the information under Appendix No. 3, the Bank informed the customer of the differences between the rules applicable to professional customers and retail customers and the consequences thereof, and the Bank has at its disposal the Customer's declaration under Appendix No. 3 committed to writing to the effect that the customer has understood and accepted the information.

A retail customer may, at any time, without stating his/her/its reasons, withdraw his/her/its application under paragraph a) in writing.

b.) An acceptable partner may request the Bank to re-classify it as a professional customer either on a general basis or in respect of transactions or financial instruments coming under certain agreements.

In the event of a customer application aimed at the re-classification of an acceptable partner as a retail customer, as a general rule, the Bank no longer agrees to provide further investment services for the customer.

c.) A customer falling into Professional Customer I category may, at any time, initiate its re-classification as an acceptable partner.

3.2.3. Retail treatment of professional customer

At the express request of a professional customer, the Bank may provide the same conditions for the professional customer as for a retail customer in an agreement committed to writing which must, on a mandatory basis, state that the customer qualifies as a professional customer and the rules applicable to

retail customers are applied to it at its own request as well as the transactions/financial instruments under the general agreements which are governed by the rules applicable to retail customers.

4. Rules relating to the procedure of classification

4.1. Date of classification of customer

The Bank classifies prospective customers intending to use investment services following the entry into force of the present Announcement prior to the conclusion of the general agreement and classifies them, as a result of its customer classification procedure, into one of the customer categories listed in Clause 3.1.

Customers who already have general agreements at the time of the entry into force of the present Announcement must be classified on a mandatory basis prior to the use for the first time of investment services following the entry into force of the present Announcement but by 30 June 2008, at the latest.

No classification is required if it relates to a transaction to be concluded on the basis of a general agreement already in force, and in respect of the general agreement the customer has already been classified.

4.2. Process of classification

The Bank classifies customers automatically upon the initiation of the contractual relationship, prior to its actual coming into being, on the basis of the data and information placed at its disposal. The Bank is obliged to inspect the customer's declarations and the documents placed at its disposal with due and proper care and to make its decisions to the best of its professional knowledge.

A pre-condition of the signing by the Bank of a general agreement relating to investment services is that the Bank receive the information necessary for the customer's classification from the customer and carry out the customer classification.

The Bank does not investigate the veracity of the information supplied by the customer; the customer owes civil and criminal law liability for supplying false data.

Customers who do not supply the required information are automatically awarded the retail classification.

4.4. Automatic review in case of professional customers and acceptable partners

4.4.1 If it verifiably comes to the Bank's attention (based on a written report filed by the representative(s) authorised to represent the company) that a material change has occurred in the circumstances of the professional customer/acceptable partner, on account of which it is necessary to change the customer classification, the Bank re-classifies the customer unilaterally, without delay, and informs the customer thereof in writing.

4.4.2. If the Bank becomes aware of a change in the customer's circumstances in any other way, the staff members responsible for classification are obliged to request the customer concerned to issue a declaration with immediate effect. The Bank decides on the customer's re-classification on the basis of the declaration.

5. Provision of information in connection with classification

5.1. Provision of information on result of classification

5.1.1. The Bank informs prospective customers in writing, prior to the conclusion of any general agreements, as to the category, from among the customer categories set forth in Clause 3.1, into which the Bank classifies them as a result of its customer classification procedure and the consequences thereof with respect to them.

5.1.2. Customers holding general agreements relating to investment services and/or supplementary investment services already prior to the entry into force of the present Announcement will be notified in writing following the entry into force of the present Announcement but by 30 June 2008, at the latest.

5.2. Provision of information on the possibility and consequences of re-classification

Simultaneously with the information stated in Clause 5.1, the Bank informs customers in writing of the possibilities and consequences of re-classification.

A. Professional customers

I. Customers automatically qualifying as professional (Professional Customer I):

- a) investment business,
- b) commodities exchange service provider,
- c) credit institution,
- d) financial enterprise,
- e) insurer,
- f) investment fund and investment fund manager as well as collective investment company,
- g) risk capital fund and risk capital fund manager,
- h) private pension fund and voluntary mutual insurance fund,
- i) organisation engaged in clearing house activities,
- j) central depository,
- k) employer pension service provider institution,
- l) all other enterprises recognised as such by the State where their head offices are located,
- m) priority institution,
- n) stock exchange,
- o) central contracting party and
- p) all other persons and organisations whose principal activity is the investment activity, including business units established for special purposes.

priority institutions are:

- a) governments of EEA states,
- b) local and regional municipalities of EEA states,
- c) ÁKK Zrt. and organisations responsible for managing the state debts of EEA states,
- d) National Bank of Hungary, central banks of EEA states and European Central Bank,
- e) World Bank,
- f) International Monetary Fund,
- g) **European Bank for Reconstruction and Development** , and

h) all other international institutions of a financial nature which were established on the basis of an international agreement or inter-state convention.

II. In the event of the fulfilment of the statutory conditions, priority enterprises qualify as professional customers (Professional Customer II)

Priority enterprises are enterprises which satisfy at least two of the following conditions at the time of their classification:

- a) a minimum balance sheet grand total of twenty million euros,
- b) a minimum net sales revenue of forty million euros,
- c) minimum equity of two million euros,

as stated in their latest audited individual accounting reports, converted at the official foreign exchange rate quoted by the National Bank of Hungary at the turning dates of their balance sheets.

III. On request, a retail customer may be classified as a professional customer (Professional Customer III) who satisfies at least two of the conditions stated in Appendix No. 2 at the time of his/her/its classification.

B. Acceptable partners

All organisations and persons specified in paragraphs A/I-II of the present Appendix may be treated as acceptable partners for the purposes of the following investment services and the related supplementary investment services, with the exception of paragraphs A/I. o-p) (all other persons and organisations whose principal activity is the investment activity, including business units established for special purposes):

- Acceptance and forwarding of orders,
- Execution of orders for customer, and
- Own-account trading.

Criteria of re-classification of retail customer into professional customer on request

At the customer's request, a retail customer may be classified as a professional customer if the customer satisfies at least two of the following conditions at the time of the classification.

a) conducted at least ten transactions quarterly on average in the one year preceding the day of the application individually worth forty thousand euros calculated at the official foreign exchange rate quoted by the National Bank of Hungary on the day of the execution of the transaction or transactions worth four hundred thousand euros in total during the course of the given year,

b) the customer's total portfolio of financial instruments and deposits exceeds five hundred thousand euros calculated at the official foreign exchange rate quoted by the National Bank of Hungary on the day preceding the submission of the application,

c) continuous employment for at least one year or employment or any other work-related legal relationship of at least one year within the five years preceding the date of the examination of the conditions, and holding a position or fulfilling responsibilities with an/a

ca) investment business,

cb) commodities exchange service provider,

cc) credit institution,

cd) financial enterprise,

ce) insurer,

cf) investment fund manager,

cg) collective investment company,

ch) risk capital fund manager,

ci) private pension fund,

cj) voluntary mutual insurance fund,

ck) organisation engaged in clearing house activities,

cl) central depository, or

cm) employer pension service provider institution,

cn) central contracting party,

co) stock exchange,

which presumes knowledge of the financial instruments and investment service activities featured in the agreement coming into being between the investment business and the customer.

**Agreement
on the Treatment of a Professional Customer as Retail Customer
in the Course of the Provision of Investment Services**

The present agreement was entered into by Erste Bank Hungary Zrt. (head office: 1138 Budapest, Népfürdő u. 24-26.; company register number: Cg. 01-10-041054; represented by as "Bank"), on the one hand, and, on the other hand, by

..... (head office:
..... company register number:
.....; represented by
..... as "Customer"),
at the place and date written herein below:

1. The Parties hereby declare that the Customer and the Bank have entered into the following general agreements relating to the provision of investment services and supplementary investment services:
 - a.) General Securities Purchase Agreement dated¹:
 - b.) General Agreement for Individual Treasury Investment Transactions dated:
 - c.) General Agreement for General Purchase Agreements Relating to Derivative Products:
2. The Parties hereby establish that for the purposes of all investment and supplementary investment services provided and all transactions concluded on the basis of the agreement(s) under paragraphs 1. a) / b) / c)² and the financial instruments involved therein, pursuant to Act CXXXVIII of 2007 on Investment Businesses and Commodities Exchange Service Providers and the Rules of the Activities Which They May Engage In ("IBA"), the Customer **qualifies as a professional customer, however, at the Customer's express request, the Bank will apply the rules governing retail customers in respect of its person.**
3. For the purposes of the investment and supplementary investment services provided on the basis of the agreement(s) listed in Clause 1 and not mentioned in Clause 2, the Customer will continue to qualify as a professional customer.
4. In matters not regulated in the present agreement, the Bank's Business Rules Relating to Investment and Supplementary Investment Services and the provisions of any other agreements entered into by and between the Bank and the Customer will govern.

Dated in Budapest, day month year

.....
[names and titles of authorised
representatives]
Erste Bank Hungary Zrt.

.....
[names and titles of authorised
representatives]
Customer

¹ Dates of all general agreements in force to be stated.
² Delete as appropriate.

1. Information on the differences between the Retail Customer and Professional Customer statuses for the purposes of investment and supplementary investment services

In general, a professional customer is a customer who has the experience, knowledge and expertise necessary for the adoption of its own investment decisions and the assessment of the risks involved therein. All other customers who do not have such experience in the realm of investment services and transactions qualify as retail customers.

As a consequence, in serving its Professional Customers, the Bank has a lower level of and less detailed obligation to provide information in connection with the investment and/or supplementary investment services to be used than in the case of Retail Customers.

Prior information to be provided for professional customers:

- development of prices during the period which precedes the conclusion of the contract for financial instrument
- the fact that, as a result of the transaction relating to the given financial instrument, financial commitment and further related obligations, including any conditional commitment, the customer may have to reckon with an additional payment obligation over and above the costs of the acquisition of the financial instrument.

At the same time, the information provided need not cover any further items of information listed in the relevant legal rule, such as, inter alia, the risks of the financial instrument, including information on the essence and effects of capital leverage and the warning relating to the possible loss of the entire invested amount; information on the market situation of the financial instrument or, for instance, the volatility of the price of the financial instrument or any restrictions on access to the market, etc.

2. Application and Declaration with respect to classification as professional customer for the purposes of Investment Services

I, as a person authorised to represent (company name/name:), (head office/address:....., company register number³:), hereinafter referred to as the "Customer"⁴, hereby declare that I have understood and acknowledged the above information provided by the Bank with respect to the differences between the statuses of retail and professional customers, and also in the light of the above information, I hereby expressly request the Customer to be treated as a professional customer in respect of all general agreements entered into by the Customer.

Dated in

Official⁵ signature:

³ To be deleted in case of private individual.

⁴ To be deleted in case of private individual.

⁵ To be deleted in case of private individual.