

**Information
on the Services Provided by ERSTE BANK HUNGARY ZRT.**

in harmony with Act CXXXVIII of 2007 on Investment Businesses and Commodities
Exchange Service Providers

and the Rules of the Activities Which They May Engage In (hereinafter referred to as "IBA")

Meeting its obligation set forth in the legal rule referred to above, ERSTE BANK HUNGARY ZRT. (Head office: 1138 Budapest, Népfürdő u. 24-26., Mail address: Budapest 1933, activity licence number: I-2061/2004, Central telephone number: 06 40 222-221, E-mail: uszolg@erstebank.hu) (hereinafter referred to as the **Bank**) hereby provides the following information for its Customers and prospective Customers:

I. Basic information on the Bank

The activities of the Bank are supervised by the State Financial Supervisory Authority (1013 Budapest, Krisztina krt. 39., Central mail address: 1535 Budapest, 114. Pf. 777. /hereinafter referred to as the "Authority"/); date and number of activity licence: 26 August 2004, I-2061/2004.

The Bank provides its services in accordance with its Business Rules Relating to Investment and Supplementary Investment Services as in force (hereinafter referred to as the **Business Rules**), the product information brochures relating to the various transaction types and its relevant general agreements entered into with its Customers.

Liaison

Customers may use the following languages in liaising with the Bank verbally:

- Hungarian,
- English,
- German;

The Bank primarily concludes contracts in Hungarian, as well as in English if specifically requested.

The Bank's Customers may contact the Bank and may initiate transactions primarily by telephone and fax, Internet-based e-mail and, if the Customer is authorised thereto, with the aid of the inter-bank Reuters dealing system and the Swift system.

The Customers of the Bank's Treasury Directorate may contact the Bank at the following addresses and numbers:

Mail address 1138 Budapest, Népfürdő u. 24-26.

Telephone: 36-1-237-8200

Fax: 36-1-237-8210

By e-mail sent to the Bank's electronic mail system:

treasury.info@erstebank.hu

Swift message address: GIBAHUHB

Reuters dealing code: EBHU

The Bank's Treasury Directorate enters into ad hoc transactions and agreements with its Customers via the following contact addresses and numbers:

Telephone: 36-1-237-8200

Swift message address: GIBAHUHB

Reuters dealing code: EBHU

The Bank's Customers may contact the Bank in connection with its Custodian Services via the following contact addresses and numbers:

In person: 1138 Budapest, Népfürdő u. 24-26. (only by prior telephone agreement)
Mail address: 1138 Budapest, Népfürdő u. 24-26.
Telephone: 373-2842, 373-2843, 373-2844, 373-2845
Fax: 373-2829
SWIFT: GIBAHUHB (MT 500 message types)

The Bank accepts the instructions of its Customers at the following addresses and numbers:

In person: 1138 Budapest, Népfürdő u. 24-26. (only by prior telephone agreement)
Mail address: 1138 Budapest, Népfürdő u. 24-26.
Telephone: 373-2842, 373-2843, 373-2844, 373-2845
Fax: 373-2829

In the absence of a separate agreement, the Bank only opens e-mail messages verifiably received by the closing time of the Bank's official opening hours. The Bank treats messages received beyond the above time as having been received on the following day.

II. Rules of the operation and activities of the Bank

Reports on the services provided by the Bank for the Customer (confirmations and account statements)

In the course of its activities, the Bank prepares reports on the investment services and supplementary services provided by the Bank for its Customers with the frequency and timing stated in the general agreement, in accord with the type of the given transaction, with the contents and in the form which are characteristic thereof.

Accordingly, the Bank's Treasury Directorate informs the Customer of the execution of transactions on a single occasion, within the period of time reckoned from the execution of the transaction as determined in the Bank's Business Rules or in the given general agreement, in the manner and form stated therein, by stating the most important data of the transaction constituting the subject-matter of the agreement.

The Bank's Treasury Directorate only fulfils any ad hoc agreements entered into with its Customers on the basis of its general agreements within the framework of own-account trading, and serves its Customers accordingly.

The Bank informs its Customer of the composition and quantity of his/her custody portfolio with the regularity and in the manner determined in the Business Rules. At the Customer's request, the Bank provides an account statement as referred to above in respect of any date or period. In the absence of an agreement to a different effect, the Bank prepares account statements on every business day when there is a credit or debit on the Customer's securities account or customer account. At the same time, the Bank only sends a separate notice with respect to these movements at the Customer's request submitted in the manner determined in the custody agreement, against a separate fee. In the absence of the Customer's specific request, the Bank sends a statement of the balances of the accounts at the end of the year.

Protection of financial assets and funds of Customers

The Bank manages its Customers' assets with due and proper care, with the proviso that it has formulated and will formulate its internal procedures relating to the services provided by it in harmony with the statutory provisions in such a way as to protect the financial assets and/or funds (hereinafter collectively referred to as **assets**) of its Customers.

The Bank is a member of the Investor Protection Fund (hereinafter referred to as "IPF"), which serves to provide partial compensation for any pecuniary loss sustained by investors in the event of the Bank's insolvency.

Those investors may expect compensation from IPF who entered into a valid contract for any of the insured activities with a member of IPF in cases where the investment service provider is unable to issue to them the assets transferred to the investment service provider's possession on the basis of the said contract and recorded in their names (securities, funds).

According to the relevant legal rules, the insurance provided by IPF extends to contracts entered into for the acceptance and forwarding of orders, the execution of orders for customers, own-account trading, portfolio management, the safekeeping and registration of financial assets, the keeping of the related customer accounts, custodian services, the keeping of the related securities accounts, the registration of securities in the case of physically printed securities and the keeping of customer accounts.

A rule of law excludes a certain range of legal entities from the insurance provided by IPF (e.g. institutional investors, local municipalities, business associations in permanent one hundred per cent state ownership, etc.), as well as the employees and owners of the investment service provider concerned and the close relatives thereof from among private individuals. Other than the persons excluded from compensation by law, all investors (legal entities, unincorporated associations and natural persons) who are unable to obtain their claims come under the effect of compensation.

Over and above statutory protection, the Bank makes special efforts to protect the assets of its Customers, in particular, in the event of the use of investment services carrying higher-than-usual customer risks.

A so-called Stop-loss order given by the Customer on an ad hoc basis, provided that the general agreement concluded with the Customer provides for such orders, serves to preserve the value of the derivative instruments of Customers which carry greater-than-usual risks. The significance of a Stop-loss order lies in its capacity to limit and determine in advance the maximum loss sustainable by the Customer. By accepting Stop-loss orders and monitoring them continuously, the Bank attempts to minimise the risks and losses of its Customers.

III. Rules of management of customer assets or assets due to the Bank's customers

In managing the financial assets and funds of Customers, the Bank proceeds with due and proper care, as may be expected of an investment service provider, in accordance with the requirement of prudent and safe operations.

The Bank ensures the segregated management of the financial assets and funds which are owned by or are due to customers from financial assets and funds which are owned by or are due to the Bank or other customers, in a way which permits the protection of property rights.

The Bank may not dispose, as its own, of financial assets and funds which are owned by or are due to Customers and are managed by the Bank, and ensures that Customers are, at any time, able to dispose thereof, with regard to the provisions set forth in the relevant agreement.

The Bank is only entitled to use the financial assets or funds of Customers in the manner and in the cases determined by law.

Financial assets or funds constituting the property of or due to a Customer may be transferred to the management of third parties (sub-custodian) in connection with the Bank's custodian services. The Bank uses the services of Hungarian or international clearing houses as well as Hungarian or foreign investment service providers as sub-custodians.

The Bank is responsible for the sub-custodian's actions as if the Bank itself had proceeded. Following from this, in the event of the insolvency of such third party as sub-custodian, the Bank owes liability.

In the event of the use of a sub-custodian, the financial assets or funds owned by or due to a Customer may be placed on a collective account. At the same time, in the absence of the Customer's express prohibition, there is no need for the Customer's consent to the

placement by the Bank in sub-custody with a clearing house providing custodian services of the securities placed in custody with the Bank.

As part of its custodian services, the Bank keeps physical securities in individual storage or on a "fungible" basis, while dematerialised securities are recorded on consolidated securities accounts. In the event of fungible storage, the Customer as the holder of securities only has a claim in respect of the quantity of securities placed in physical custody or recorded on an account, without a claim for individual denominations or serial numbers. As a result, in the event of the physical release of securities or securities account receivables, the Customer may not demand specific denominations or serial numbers but may only lay a quantitative claim to the given series.

Any third party proceeding on behalf of the Bank ensures the segregated management and registration of the financial assets and funds owned by or due to Customers from the financial assets and funds of the Bank and such third party.

The law governing certain agreements entered into by the Bank with sub-custodians may, in some cases, not be Hungarian law, in deviation from the agreements entered into with Customers.

At the same time, this circumstance has no impact on the fact that the Hungarian rules of law continue to govern the rights and obligations of Customers.

Security obligations of the Bank's Customers in the event of services attached to derivative products used via the Treasury Directorate

If the Bank prescribes the provision of security in the given agreement, the Customer is obliged to provide security for the Bank in connection with the service used for the purpose of covering his/her obligations which may arise from the individual agreements towards the Bank as at any time and the risks which may arise from the individual transactions.

The Bank only agrees to enter into an individual contract on the basis of a general agreement entered into with a Customer if the Customer has sufficient funds with the Bank in the form of a limit approved by the Bank or the value of assets accepted by the Bank.

The Bank only accepts the assets specified by it as security, in particular, securities and deposits, by blocking the assets constituting the Customer's property on a segregated account. Simultaneously with the blocking of the assets constituting the subject-matter of security, the Customer cedes the right to dispose of these assets to the Bank until the cessation of the security right.

Following from the nature of a security deposit, the Bank may become entitled to use (draw upon) the security for the purpose of directly satisfying its claims against the Customer, up to the full amount of such claims and the incidental charges thereon. The security right ceases if the Parties have settled their claims upon the expiry or cessation of the transaction serving as the basis of the security or if the totality of the Bank's claims has been satisfied directly from the security and the Bank incurs no further claim in connection with the underlying legal relationship.

The Bank assumes the obligation to manage the assets serving as security with due and proper care and agrees to collect the yields and interest of the assets serving as security at the due date thereof and to credit the same onto the Customer's account kept with the Bank. This obligation of the Bank ceases once the assets serving as security have been drawn upon.

Security obligations of the Bank's Customers in the case of custodian services

The Bank is entitled to offset any of its claims existing on the basis of a custody contract entered into with the Customer against any of the Customer's liabilities. The Bank is further entitled to debit its due claim related to the custody contract from any of the Customer's accounts kept with the Bank. The Bank has a lien up to the amount of its claims arising from the custody contract (fees, charges, commissions) in respect of the securities recorded on the Customer's securities account and the balance of the customer account as at any time.

IV. Information on transactions committed to contracts, their risks and financial instruments involved in transactions

In the case of the financial instruments related to the services provided by the Bank's Treasury Directorate, in particular, structured investment instruments and derivative products, there is a chance that the yield obtained will be lower than expected or a capital loss may be incurred.

These financial instruments carry greater-than-usual risks which arise from the specific feature that their yields are not guaranteed and that the extent of a possible transaction loss may exceed several times the amount of the principal placed.

At present, the Bank's Treasury Directorate provides investment services for its Customers in connection with a number of different financial instrument groups, to which the following general agreements are attached:

- General Securities Purchase Agreement,
- General Agreement for Individual Treasury Investment Transactions,
- General Agreement for Purchase Agreements Relating to Derivative Products;

There is a detailed description of the available products as at any time in the product brochures which are accessible at the Bank's website at (<http://www.erstebank.hu>) under the "Treasury" menu item.

Typical risks of markets

The foreign exchange, money and capital markets behind FX¹ and interest derivative products and the complex products created therefrom are the world's most advanced and (most) liquid international financial markets.

The ongoing interest of the large number of market players ensures an almost continuously ample level of liquidity – tight price brackets on both sides – and practically round-the-clock opening hours. The OTC² markets covering the entire world permit ongoing trading due to the large number of international players, and although each market has its specified opening hours, trading is, even if against lower liquidity, continuous, not including bank holidays. Commercial and investment banks and investment funds are the most important market players.

The liquidity of the individual part markets may vary greatly and there may be significant temporary fluctuations even on markets with the highest liquidity. The changeability of prices serves to measure the atmosphere on the market; in the event of normal trading conditions, the development of prices, interest rates and yields is ongoing, however, in the event of unexpected news or events, the changeability of prices may increase significantly. The changeability of prices typically increases outside the usual opening hours of the individual markets and the bracket of purchase and sales prices broadens.

Risks of complex and derivative products

The value of financial derivative products depends not only on the price fluctuations of the underlying product, for instance, currency rate, reference interest rate, etc., but also on the changes in the conditions on the markets which are only indirectly related to the market of the underlying product. The correlation between the financial components of the base market and the financial components related indirectly may be positive or negative feedback, depending on the specific market and product, and therefore, in the case of such complex products, we must, in every instance, reckon with risks in excess of the risks of the base market.

Typically, the base market risks of futures transactions are accompanied by base risks, while the risks of option products depend, in addition to the base market risks, primarily on the conditions which may be tied to the changeability of the market.

Financial risks of derivative products

¹ Foreign Exchange transaction: Transactions relating to the prompt conversion of foreign exchange.

² Over the Counter: a generally less regulated market outside standardised exchange trading.

As part of the investment services provided by the Bank's Treasury Directorate, it is possible to gain or lose the price fluctuations of open positions of high value against relatively low margins/security in the case of some financial instruments – derivative products. Consequently, the gain or loss may amount to several times the margin supplied by Customers to the Bank.

Derivative products carry higher-than-usual risks as several times the base market price changes may appear as price fluctuations in relation to the margin requirement.

That is, in the course of capital leverage derivative transactions, the Customer may lose his/her margin which he/she provided for the Bank in the interest of the creation and maintenance of the given position.

In addition, if the price fluctuations of the instrument constituting the subject-matter of the given transaction are contrary to the Customer's position, the Bank is entitled to oblige the Customer to provide additional margin as necessary for the maintenance of the given position.

If the Customer fails to provide these instruments serving as security within the time limit determined in the individual general agreements, the Bank may liquidate the Customer's position. Liquidation may cause the Customer to sustain a loss and the loss may reach or exceed the value of the instruments placed as security. Therefore, the Bank may oblige the Customer to pay further amounts, over and above the margin deposited.

That is, in the case of derivative products, the loss of the transaction may exceed the value of the margin necessary for the conclusion of the given agreement.

V. The Bank's conflict of interests policy

Section 110 of the Investment Services Act requires credit institutions engaged in investment service activities or providing supplementary investment services **to adopt the measures determined by law for the purpose of avoiding, uncovering and managing any conflict of interests that may be detrimental to Customers.** To this end, Erste Bank Hungary Zrt. (hereinafter referred to as the **Bank**) lays down its policy, procedural rules and applicable measures designed to avoid and to manage conflicts of interests in a set of Rules Regarding Conflicts of Interests as determined by law (**Conflict of Interests Policy**).

1. Purpose of conflict of interests policy

The purpose of the Bank's conflict of interests policy is to identify the **circumstances** which lead or may lead to a conflict of interests or clashing interests in the case of the given investment service activities or supplementary services which **may result in detrimental consequences for Customers**, and the Bank's conflict of interests policy further contains detailed **procedural rules** and **measures** which are designed to manage the conflicts of interests so identified.

Situations constituting a conflict of interests that may result in a potential disadvantage for Customers **may emerge** between the following persons and organisations:

- a) the Bank's customers (or specific groups of customers) and the Bank,*
- b) the Bank's customers (or specific groups of customers) and the Bank's senior officers and employees, and*
- c) between the Bank's customers (specific groups of customers).*

2. Personal scope of conflict of interests policy

The personal scope of the conflict of interests policy extends to the following persons and organisations:

- the Bank's employees,
- the Bank's senior officers,

- outsourcing agencies providing services on the basis of an outsourcing agreement entered into with the Bank and their employees,
- agencies and organisations providing mediation services on the basis of an agreement for mediation services entered into with the Bank and their senior officers and employees,
(the above persons hereinafter collectively referred to as **Stakeholders**)
- and the Bank's customers and specific customer groups.

It is the duty of the head of the Bank's organisational unit entering into/signing contracts with organisations providing outsourced services or mediation services to disclose the present conflict of interests policy to their employees.

The range of outsourced activities, the organisations engaged in outsourced activities and the list of mediators used by the Bank are contained in the appendices to the Bank's Business Rules regarding investment and supplementary investment services as in force. (The Bank does not use the services of mediators at this point in time.)

3. Subject-matter of conflict of interests policy

The effect of the conflict of interests policy extends to all **investment services and supplementary investment services** provided by the Bank as well as to the management of all conflicts of interests and interest clashes emerging in connection with these services which **may have a detrimental consequence for Customers.**

Therefore, the present conflict of interests policy **does not cover** the management of conflict of interests situations

- which do **not** emerge in connection with the provision of investment services or supplementary investment services, or
- which **do not or cannot cause a disadvantage to Customers.**

4. Circumstances causing conflicts of interests

All interest clashes with detrimental consequences for Customers or conveying the threat thereof **shall be treated as conflicts of interests** which may emerge within the boundaries of the provision of investment and supplementary investment services.

Circumstances of this nature may emerge in particular

- when the Bank or a Stakeholder obtains a profit or avoids a loss to the Customer's detriment,
- when the Bank or a Stakeholder has an interest in the result of the service provided for the Customer or in the transaction executed on the Customer's behalf, which interest is different from the Customer's interest in the result,
- when the Bank or a Stakeholder favours, for any reason, the interests of another customer or customer group over the best interests of the given Customer,
- when the Bank or a Stakeholder has an interest in the same transaction as the Customer,
- when the Bank or a Stakeholder receives or will receive an incentive in the form of money, goods or services from a third party, over and above and in excess of the commission or fee customarily due for the service.

5. Management of conflicts of interests

5.1. In the course of the management of conflicts of interests, our Bank shall satisfy the following statutory requirements at all times (Section 110(4) of the Investment Services Act).

To this end, the Bank shall develop its organisational system and procedures as follows:

- a) shall regulate the information flow between employees performing duties in connection with investment services and supplementary investment services in a verifiable manner, in a such a way as to prevent the causing of any loss to customers in consequence of possible interest clashes,

b) shall maintain specific monitoring in respect of employees performing duties in connection with investment services and supplementary investment services on behalf of and for customers whose interests may clash or who may represent a conflict of interests in any other form or manner, including cases where a conflict interests emerges between activities pursued on behalf and for the benefit of the customer and a transaction to be executed for the investment business's own account,

c) shall exclude a direct relationship or correlation between the remuneration of employees who perform duties in connection with investment services and supplementary investment services that may generate a conflict of interests,

d) shall prevent persons with no duties related to the provision of investment services or supplementary investment services from influencing employees who perform such duties in any way,

e) shall prevent the emergence of obstacles to the monitoring of conflicts of interests that may emerge in the course of the fulfilment by employees performing duties in connection with investment services or supplementary investment services of other duties to be performed parallel therewith or in consequence thereof.

5.2. In the interest of compliance with the statutory requirements above, **our Bank is required to implement the following measures** to prevent the development of and to manage any conflicts of interests:

a) appointment of a manager who is responsible for compliance with the provisions of the relevant legal rules and the maintenance of harmony between the internal rules and the provisions of the relevant legal rules (**Compliance Manager**),

b) drafting a set of **Compliance Rules** in accordance with the statutory regulations which shall contain the following, inter alia:

- rules for the prevention of insider training and the manipulation of the market,
- rules related to the personal business activities of senior persons and employees,
- ongoing monitoring of employee trading,
- transactions prohibited for senior persons and employees and keeping a Check and Prohibition List in the interest of verifying compliance therewith,
- identification and due separation of units and areas managing confidential information with the aid of information dividing lines, both physically and virtually (so-called „Chinese walls“),

c) creating rules relating to the acceptance of gifts and other advantages and enforcing them on a mandatory basis,

d) drafting a remuneration policy which also ensures that persons potentially involved in conflicts of interests may not have a direct impact on or influence over one another's remuneration,

e) providing training for employees on an ongoing basis which helps staff members recognise, avoid and, if necessary, uncover any conflict of interests,

f) by meeting its statutory obligations, the Bank shall require its customers to complete an adequacy test in connection with its investment services and supplementary investment services, the purpose of which is to assess the customer's knowledge of and experience regarding investment services so that the Bank may recommend appropriate transactions and financial instruments to the customer.

6. Procedure in case of a conflict of interests

The Compliance Department shall be responsible for drafting the Bank's Rules Regarding Conflicts of Interests, creating an organisational structure in accordance therewith and monitoring the relevant processes as an independent unit.

Based on the rule of thumb, conflicts of interests are monitored **on the basis of the declarative principle; the person involved in a conflict of interests himself/herself must report such conflict of interests** to the Compliance Department in writing, without delay.

Additionally, it is the **duty of all bank employees** to report any conflict of interests that they may experience to the Compliance Department in writing, without delay.

The Compliance Department shall record any conflict of interests events reported on the basis of notices and enquiries received from the organisational units and process hosts concerned and shall investigate whether they caused the customer any disadvantage. The Compliance Department shall send the result of its investigation to the Human Resources Directorate if the investigation uncovered facts that may fall within the competence of the Human Resources Directorate.

If the Compliance Department establishes the existence of a conflict of interests that may result in detrimental consequences for a customer, it shall initiate the implementation of immediate measures, in particular, in the interest of restricting the flow of information between those involved in the conflict of interests and achieving improved control over the persons concerned and the relevant processes.

In the interest of the above, the Compliance Department shall keep continuous records of the investment services and supplementary investment services in connection with which circumstances causing conflicts of interests as defined in Section 4 may emerge.

VI. Costs and fees of the services provided by the Bank

Payment obligations and methods of payment

As part of the services provided by the Bank. Customers may incur cost and fee payment obligations in accordance with the relevant general agreement or ad hoc agreements, including the costs resulting from the acquisition or holding of the given financial instruments (instruments intended to be acquired) and the fees and costs arising from the given contractual legal relationship, or the establishment, maintenance and performance thereof.

In the case of custodian services, in the absence of an individual agreement, the fees charged to Customers, which also depend on the form of appearance and type of securities, are stated in the Bank's schedule of fees as in force (List of Terms and Conditions, Custodian Services in respect of Securities Issued in Hungary) which may be accessed at the Bank's website at (<http://www.erstebank.hu>) under the "Treasury" menu item.

The custody fees are due as stated in the relevant contract and are payable by the Bank's Customers against invoices, within the time limit stated therein. Fees may be paid at the Bank's cash desk or by transfer. The Bank is entitled to debit the Customer's account up to the amount of the custody fees payable.

Foreign exchange and currencies, determination of conversion rates for the purposes of the transactions of the Treasury Directorate:

In the course of the provision of the Bank's services, the foreign exchange or currencies which may constitute the subject-matter of transactions are specified in the general agreements and in the individual agreements concluded on the basis thereof.

As a general rule, the services provided by the Treasury Directorate are settled in Hungarian forints. Customers may, on a case-to-case basis, request the settlement of a transaction in the currency in which the profit/loss was originally generated, provided that the Bank keeps an account for the given Customer in the given currency.

If the profit/loss arising from the ad hoc agreement is not directly generated in the currency requested by the Customer on an ad hoc basis and is less than the equivalent of EUR 25,000, the Bank converts the profit/loss arising from the ad hoc agreement at the foreign exchange-HUF account conversion mean rates quoted by the Bank on the day of settlement. If the profit/loss arising from the settlement is an amount of foreign exchange in excess of

EUR 25,000, as part of the settlement, the Bank quotes an individual exchange rate for the Customer for the settlement day of the ad hoc agreement.

Foreign exchange and currencies, determination of conversion rates for the purposes of the Bank's custodian services:

In the course of the provision of the Bank's custodian services, the foreign exchange or currencies which may constitute the subject-matter of transactions are specified in the given custody agreement and in the schedule of fees relating to custodian services or, in the absence thereof, are determined in the Business Rules.

Deduction of taxes by the Bank, taxation

The Bank wishes to take this opportunity to draw its Customers' attention to the fact that the following information relating to the settlement of taxes and the relevant taxation consequences may only be precisely assessed on the basis of the individual circumstances of the given customer, and may change in the future.

In the case of **resident customers** for the purposes of taxation qualifying as **natural persons**:

If our Customers obtain an income from yields or dividends in connection with the custodian services provided by the Bank, the Bank does not deduct the tax payable on the income but merely effects financial performance and credits the net amount received from the actual payer, following its deductions, onto its Customers' accounts. Customers are informed of the gross amounts and of the grounds for and amounts of any deductions by the actual payer.

If the Bank credits interest onto its Customers' accounts in respect of their securities recorded with the Bank, in accordance with the legal rules in force, the Bank as payer deducts the interest tax. The interest earned shall be credited onto and the applicable interest tax shall be debited from the Customer's account designated for the purpose, or in the absence thereof, the Customer's bank account.

If the Customer sells securities recorded on his/her account kept with the Bank, the Bank establishes the tax (tax advance) payable on his/her income of capital gains at the time of payment, deducts the same from the proceeds of the sale and then credits or pays the net amount so calculated onto the Customer's account or to the Customer. In his/her tax return, upon determining the income derived from the fiscal year's capital gains, the Customer may enforce the part of the value used for the acquisition of the securities and the incidental costs attached to the securities which the payer (Bank) did not take into consideration.

Customers are required to meet any further obligations as defined in the Hungarian statutory regulations related to taxation as in force.

In the case of **resident customers** for the purposes of taxation **not qualifying as natural persons**:

Customers not qualifying as natural persons are obliged to meet their tax payment and declaration obligations in accordance with the Hungarian tax regulations applicable to their business activities as in force.

In the case of **non-resident customers** for the purposes of taxation qualifying as **natural persons**:

The incomes of non-resident natural persons derived from a payer (Bank) coming under the statutory obligation of deducting tax and tax advance, in particular, any interest income (hereinafter referred to as "taxable income"), are governed by the following:

1. The payer (Bank) establishes, deducts and pays the tax from the amount paid in respect of a non-resident natural person's taxable income. The payer deducts the tax under the relevant international convention if the foreign person or the person proceeding on his/her behalf submits the certificates and declarations under paragraph 3 by the date of the payment.

2. No tax is to be deducted, declared or paid if, according to an international convention, the foreign person verifies his/her status for tax purposes.

3. A copy of the certified Hungarian translation of the deed issued by the foreign tax authority, or international organisation for the verification of entitlement to tax exemption, serves to verify the foreign status for tax purposes (hereinafter referred to as "status certificate"). A foreign person's tax status must be verified every fiscal year even if there has been no change in the person's status since the submission of the previous status certificate. A foreign person hands over to the Bank his/her status certificate prior to the date of the first payment in the fiscal year or, in the event of a change in his/her status, prior to the date of the first payment following the change. The Bank as payer keeps the status certificate. If a domestic investment service provider provides its services as cross-border services, the service provider may accept in verification of the non-resident status the document of the user of the service which serves to verify his/her identity and on the basis of which it is possible to establish the citizenship of the user of the service, and the given person's declaration regarding his/her status with full probative force.

In the case of a non-resident natural person Customer, if there is an agreement on the avoidance of double taxation between Hungary and the Customer's country of residence, tax is deducted at the rate stated in the agreement in the event of the existence of a status certificate and a beneficiary declaration. In the absence of an agreement, tax must be established at the rate stated in the Hungarian statutory regulations as in force.

In the case of **non-resident customers** for the purposes of taxation **not qualifying as natural persons**:

In the case of these customers, the Bank must proceed on the basis of the agreements on the avoidance of double taxation as in force at the time of payment. The status of the customer must be verified. If there is no agreement on the avoidance of double taxation with the Customer's country of residence, the rate applicable to resident taxpayers under the Hungarian statutory regulations governs. At present, this rate is 0% in the case of enterprises.

VII. Other

The present Information summary only serves orientation purposes and does not qualify as an offer or advice of any kind; it further does not qualify as an invitation which intends to encourage any investment or any transaction to be concluded with the Bank.

For further information related to the above and the detailed terms and conditions of the fees and costs charged for the various services, please contact your customer manager in person or the staff members of the Bank's Treasury Directorate or Custody Department or call **Erste Corporate TeleBank on the 06-40/222-223** telephone number or visit the Bank's Internet website at the following address:

<http://www.erstebank.hu>

ERSTE BANK HUNGARY ZRT.

Last updated: on the 21st day of the month of April 2012.