



## TERMS AND CONDITIONS FOR INVESTMENT BANKING SERVICES

This Terms and Conditions for Investment Banking Services shall form an inseparable part of the General Terms and Conditions of BNP PARIBAS, Hungary Branch (hereinafter: the "Bank") and they are collectively applicable to the investment banking services provided to its Customers.

In accordance with the Article 25 of Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions, BNP Paribas via the Banque de France as the competent supervisory authority of the state where established - notified the Hungarian Financial Supervisory Authority (HFSA) as of the date of 3<sup>rd</sup> August 2006 the establishment of a branch on the territory of the Republic of Hungary, which was registered by HSFA under reference number 22188/8/200.

The supervisory authorities of the Bank's activities: Banque de France (registered seat: FR-75001 Paris, 31 rue Croix-des-Petits-Champs, website: [www.banquedefrance.fr](http://www.banquedefrance.fr)) and the Hungarian Financial Supervisory Authority (HSFA) (registered seat: H-1013 Budapest, Krisztina krt. 39, postal address: 1535 Budapest, 114. Pf.: 777 ; website: [www.pszaf.hu](http://www.pszaf.hu)).

On the basis of the branch licence and according to the respective agreements concluded with its Customers, BNP Paribas licensed to provide to its Customers the following investment banking services:

- (a) dealing on own account or on Customer account in the following:
  - (i) foreign exchange
  - (ii) forward financial transactions and options
  - (iii) foreign exchange- and interest-rate transactions
  - (iv) transferable securities;
- (b) participating in issuing securities and in providing related services full range management of securities deposits, safe custody of securities and related services as complementary investment services, holding of securities accounts, holding of Customer account, investment consulting;
- (c) advisory services to corporates on capital structure, business strategy and related questions; advisory and other services relating mergers and acquisitions, acquisition of shares through public offers and related service, investment loans of such corporates;
- (d) deposit custody, deposit handling.

According to the provisions of Directive 2004/39/EC on markets in financial instruments („MIFID”) and the Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities („Bszt”), the Bank shall classify its Customer as „retail Customer”, „professional Customer”, or „eligible counterparty” on the grounds of defined criteria of the categorization of Customers, and by the information available to the Bank. The Bank shall provide the Customer with information in accordance its categorization.

The Bank shall conclude a Framework Agreement with the Customer for investment services in accordance with the MiFID/Bszt categorization applicable to the Customer. Signing of a framework agreement drafted centrally by BNP Paribas (hereinafter referred as Framework Agreement) between the Bank and Customer will be the precondition to providing investment services to the Customer. The Framework Agreement includes all the general conditions applicable to the investment services provided to the Customer.

In accordance with the Framework Agreement, individual contracts shall be concluded concerning the above mentioned activities. The Bank shall conclude transactions primarily with Customers, who keep their bank account at the Bank.



BNP Paribas may accept and act upon, without further enquiry, any instruction given, or believed in good faith to be given, by the Customer or on its behalf whether such instructions are oral, in writing, by telex, telephone, facsimile or through a computer based system. BNP Paribas may rely on the instructions of any person who is a person designated or authorised by the Customer to give instructions to BNP Paribas, and the Customer agrees to notify BNP Paribas in writing of the full name of any such person. Notwithstanding the clause above, BNP Paribas may require, and the Customer shall provide, evidence of the authority of any person acting, or purporting to act, for the Customer or on its behalf.

The Customer acknowledges that the merits or suitability of any transaction, security or instrument to its particular situation will be independently determined by it in the light of its own investment objectives and including consideration of the legal, tax, accounting, regulatory, financial and other related aspects thereof. In particular, the Bank owes no duty to the Customer (except as required by applicable regulations) to exercise any judgement on the Customer's behalf as to the merits or suitability of any transaction, security or instrument. The Bank will inform the Customer on risks associated to the deals in accordance with the Customer's MiFID/Bszr categorisation, which will be acknowledged by the Customer by signing the Framework Agreement.

The Bank shall apply the provisions of the Best Execution Policy in all cases, when the Bank executes, receives or transfers Customer's orders concerning financial instruments being under the scope of Annex C of the MiFID Directive. The Best Execution Policy shall apply to all Customers of the Bank except Customers classified as 'eligible partners'.

The Bank shall agree with the Customer on the language of communications at the establishment of the business relationship, which might be the Hungarian or the English language.

The Bank may use tied agent in order to facilitate the investment services and ancillary services provided to Customers and prospective Customers. Should the Bank use a tied agent, the Bank shall be fully liable for the activities of the tied agent. The Bank publishes the name and address of the tied agents and the investment service or ancillary service, which are subject to such intermediary services.

## I. TRADING ON OWN ACCOUNT OR ON CUSTOMER ACCOUNT

The Bank shall trade on own account regarding the aforementioned financial products.

The settlement of the deals will be made for the Customer – unless the parties agree otherwise – on the bank account or on Customer account held with the Bank at latest on the date defined in the agreement or on the date defined in the Business Conditions of the Bank. The Bank shall be entitled to debit the bank account or in lack of that the Customer account of the Customer with the amount due and payable by the Customer (fees, costs, losses (if any)).

The Bank draws the attention of all investors when entering into a business relationship that trading with financial instruments involves high risks; and no profit can be guaranteed during the trading of financial instruments and there is also the risk of excessive losses. The above are due to risks that are associated with the high and unforeseeable volatility of financial instruments and the Bank perform the administration of Customer's orders with its utmost care and professionalism.

### 1. Dealing on own account

The Bank shall execute own account transactions with the Customer according to the conditions of the contract between the Parties.

A contract may only apply to homogeneous securities of the same type; agreements on different type of securities may only be covered in separate contracts.

It shall be considered as a serious breach of contract if the Customer fails to meet a security deposit or purchase price payment obligation within the time specified in Business Conditions, in the contract or a demand based on the above.

### 2. Rules of dealing with certain specific financial products

#### *2.1. Dealing with derivative products and other financial instruments*

The Bank deals exclusively with corporate Customers, credit institutions, insurance companies and investment funds in derivative products and other financial instruments except transferable securities, collective investment schemes units and certain money market instruments.



For such derivative dealing the Bank shall enter into frame agreements with the Customers (ISDA 1992 or ISDA 2002 based agreements, EMA frame agreement in individual cases). In lack of frame agreement, exceptionally "Long Form Confirmation" can be concluded. The Bank shall conclude such frame agreements and "Long Form Confirmations" in English and on the basis of the English law.

Deals shall be concluded on the phone or by electronic means. Confirmation of deals shall be in the manners as required by the frame agreement.

Should the parties agreed so, settlement of deals shall be made through netting (position netting by offsetting) or through gross settlement.

'Position netting by offsetting' shall mean the conversion of liabilities and receivables originating from a deal into a single net liability or receivables by any offsetting method recognized in the market of the given financial instrument in consequence of which the liability or receivables shall represent only the resulting net amount.

Due to the associated risks, the deals in derivative products require from the Customer prior detailed financial, legal, accounting and tax analysis. The Customer must in each case independently analyse and consider the risks of the derivative product. In the course of dealing in derivative products the Bank shall not act as an advisor. Thus the Customer may not refer to the discussions, written correspondence with the Bank relating to derivative products as an advice.

The Bank shall not be liable for losses incurred to the detriment of the Customer resulting from derivative deals made by the Customer with the Bank. The risk of losses resulting from such deals shall consequently be borne exclusively by the Customer.

The Bank as agent shall not be subject to liability in the case of proceedings in accordance with the Customer's instructions.

For dealing in derivatives the Bank requires the Customer to duly sign a Risk Revealing Statement in accordance with its MiFID categorisation in the format provided by the Bank.

As a general rule, the Bank shall be entitled to close the deals concluded but not yet performed (the Customer's open position) if in the judgement of the Bank this is necessary to prevent, mitigate the loss that may be incurred due to the given deal. If in line with the individual agreement concluded by the Bank and the Customer the Bank may request the provision of collateral, especially provision of collateral deposit and/or further information to prevent or mitigate the loss, the Bank is not entitled to close the Customer's open position before the deadline given to the Customer to provide collateral, deposit or information.

The Bank is entitled to terminate the frame agreements concluded with the Customer at any time with at least 15-day prior notice, or with the period of notice defined in the frame agreement.

## *2.2. Forward foreign exchange rate deals*

The conclusion of individual exchange rate deals shall be made on the telephone or by electronic means; the Customer shall place orders by telephone or through an agreed electronic system. The contract becomes effective following an oral agreement; however, the Bank shall send the Customer a confirmation in writing. All exchange rate deals must be confirmed by the Customer in writing as well by the end of the official banking business hours on the day of conclusion of the deal. The exchange rate deal shall be considered as concluded even in lack of any written confirmation by the Customer. The effective date of conclusion of the deal shall always be the day of the oral agreement or the agreement made by electronic means.

The detailed conditions of forward foreign exchange rate deals shall be laid down in the form of a frame agreement concluded between the Bank and its Customer; exceptionally if the Bank and the Customer agree in the signing of a frame agreement but it was not concluded yet than the conditions shall be laid down in a Long Form Confirmation. If the Customer fails to return the duly signed agreement on the conclusion of a forward deal within fifteen (15) banking days from its receipt, the Bank shall be entitled to close the Customer's open positions and to debit the amount of the loss resulting from the forward exchange rate deal on any accounts of the Customer held with the Bank.

The Bank shall settle forward deals in accordance with the following methods dependent on the choice of the Customer:

### a) Settlement with physical delivery

In accordance with this method of settlement, the Bank shall physically deliver to the Customer the amount that originated to the benefit of the Customer from the exchange rate deal.

The Customer is allowed to choose the physical delivery settlement only if the foreign exchange receipts related thereto are received by the Bank and the foreign exchange payments are channelled through the Bank.



Regarding the settlement with physical delivery, the Parties may agree that the Bank transfer the amounts due to the Customer to the account of the Customer held with the Bank on the given value date (expiry or closing) following the payment of the amounts due to Bank by the Customer. However, if the Customer fails to pay the amounts due to Bank on the expiry at the latest by 3 p.m. Budapest time, the Bank will withdraw from the deal and the Bank will not perform the delivery. The Customer will be liable to pay the Bank for all losses incurred due to the cancelled deal.

b) Settlement of the exchange rate difference (netting) through a spot deal:

The Customer may also choose the method of netting settlement, in which the settlement of the exchange rate deal is made by a spot deal on expiry/closing.

The Customer shall conclude forward foreign exchange rate deals at its own risk and responsibility. Due to their nature forward exchange rate deals ultimately involve unforeseeable risks that cannot be prevented despite the most thorough procedures. There is the possibility of considerable profits, but also the possibility of losses (even of considerable loss). Conditional instructions, such as instructions relating to the limitation of loss (stop loss order) or the prevention or reduction of loss on behalf of the Customer may be inadequate for this purpose to such extent that the Customer exempted from the risk as the market conditions may even make impossible the execution of such instructions.

Due to the associated risks, the foreign exchange rate deals require from the Customer prior detailed financial, legal, accounting and tax analysis. The Customer must in each case independently analyse and consider the risks of the exchange rate deal. In the course of dealing in forward exchange rate deals the Bank shall not act as an advisor. Thus the Customer may not refer to the discussions, written correspondence with the Bank relating to the forward exchange rate deal as an advice.

The Bank shall not be liable for losses incurred to the detriment of the Customer resulting from exchange rate deals made by the Customer with the Bank. The risk of losses resulting from such deals shall consequently be borne exclusively by the Customer.

The Bank as an agent shall not be subject to liability in the case of proceedings in accordance with the Customer instructions.

The Bank shall be entitled to close the deals concluded but not yet performed (the Customer's open position), if, according to the Bank, this is necessary to prevent, mitigate the loss that may be incurred due to the given deal.

If in accordance with the individual agreement concluded by the Bank and the Customer, the Bank may request the Customer to provide collateral, especially provision of collateral deposit and/or further information to prevent or mitigate the loss, the Bank is not entitled to close the Customer's open position before the deadline given to the Customer to provide collateral deposit or information.

The Bank may terminate the frame agreements concluded with the Customer without reasoning at any time with at least 15-day prior notice unless agreed otherwise in the frame agreement. The Bank may also terminate by notice with immediate effect the individual or frame agreements concluded with the Customer in accordance with the General Business Terms and Conditions or in the cases as defined in the individual agreements.

This Terms and Conditions shall form an inseparable part of the individual and frame agreements, laying down the detailed conditions of the forward deals (or in lack of such agreement shall be part of the forward deals concluded) and shall be valid until withdrawal.

## II. INVOLVEMENT IN THE ISSUANCE OF SECURITIES AND RELATED SERVICES

On the basis of a separate mandate, the Bank undertakes the organisation and administration of public- or closed issuance of bonds, shares, commercial bonds and other securities. The Bank offers related services e.g. to prepare or organise the preparation of prospectus or issuance plans in the name of the Customer. Unless otherwise agreed the Bank shall not be liable for the success of the issue beyond the extent of its appropriate performance in administration of the issue.

An issuer and the Bank shall hold joint and several liabilities for compensation for damages caused to the owner of the securities due to misleading contents of the prospectus and concealment of any information. This fact is to be indicated in the prospectus. The prospectus shall contain specific information concerning the person who/that is held liable for the contents of the prospectus or any part of it, including the name and address of this person and his role in the offering procedure. A signed declaration of liability shall be annexed to the prospectus by all persons being liable as detailed above. This liability will remain in effect for five years from the publication of the prospectus.



In case that the prospectus is amended during the period of subscription, the investor, who subscribed or purchased any securities before the announcement of the amended prospectus, may withdraw from the contract within fifteen (15) days of the publication of the amendment if such amendment adversely affects the market opinion on the securities. In the case of a withdrawal by an investor, the issuer and the Bank shall indemnify the investor jointly and severally for all of his costs and damages connected with the subscription or purchase. The allocation must not be carried out during the period of fifteen days following the publication.

In the event that HFSA has withdrawn the approval of the publication of the prospectus, the issuer and the Bank shall repay the amount paid up at the subscription within fifteen (15) days. The issuer and the Bank shall hold joint and several liabilities to indemnify the investor for his costs and damages connected with the subscription or purchase.

### **III. ADVISORY AND RELATED SERVICES TO CORPORATIONS ON CAPITAL STRUCTURE, BUSINESS STRATEGY AND RELATED QUESTIONS; ADVISORY AND OTHER RELATED SERVICES REGARDING MERGERS AND ACQUISITIONS**

The Bank undertakes upon separate mandate to provide complex business analysis regarding the above business issues. The Bank undertakes upon separate mandate to organize corporate acquisitions. The Bank may use external experts as well if required.

### **IV. DEPOSIT CUSTODY, DEPOSIT HANDLING**

On the basis of contracts concluded with the Customer the Bank shall:

- open and hold securities deposit accounts, on which it shall register and, in the case of such order of the Customer handle the securities that may be recorded on such accounts;
- provide ancillary services connected with the deposit service (cutting of coupons, collection of dividend/interest etc.);
- open and hold in exceptional cases a Customer account, on which it shall record in a separated manner the receipts of the Customer originating from investment operations;

In general the Bank shall perform deposit custody, deposit handling and securities account holding for Customers, who keep their bank accounts at the Bank.

The fees for deposit custody/deposit handling/account holding are laid down in the List of Conditions of the Bank. The payment of the fees shall be due to meet the terms defined in the List of Conditions or in the individual contracts. The Bank shall be entitled to change unilaterally the fees defined in the List of Conditions with prior notification of the Customer. The amendment of the List of Conditions shall cover all deals, contracts concluded even without any special amendment of the given contract following the date of amendment. The Bank shall be entitled to charge the Customer the fee and cost of extraordinary commissions.

The present Business Conditions shall form the integral part of each agreement between the Bank and the Customer relating to deposit custody, deposit handling, securities deposit account and securities account as well as Customer account holding. Notice of termination and amendment to contracts shall be in writing.

#### 1. Deposit of securities

The Bank shall not accept deposit custody and deposit handling of non-dematerialised securities in form of certificate.

#### 2. Securities account

On the basis of a written agreement concluded with the Customer the Bank shall open and hold a securities account to record and handle the dematerialised securities owned by the Customer. The Bank shall open one securities account for the Customer for each type of securities.

The securities account shall bear the name of the holder. Only those who have submitted their signature specimen on the Bank's printed signature card form are entitled to dispose over the securities account.

The Bank shall send a statement of account to the Customer on each transaction performed on the securities account. Upon the request of the Customer and at the cost of the Customer the Bank shall provide immediate information on the balance, turnover of the securities deposit account of the Customer.



The Bank shall receive debit orders relating to the securities account on each banking day in the business hours. The Bank shall accept debit orders for same day execution if received by the cut-off time as indicated in the List of Conditions applicable to CIB Customers unless other cut-off time is agreed in writing with the Customer. Orders arriving later on shall be executed by the Bank at the later date as indicated on them by the Customer, or in lack of such instruction, it will be executed on the following banking day.

Any amendments to the Agreement shall be in writing.

The Bank may terminate the securities account by 30-days prior notice if should the Bank abandon its activity, or should the Customer fail to pay the fees of the account in spite of repeated notice by the Bank.

The Customer may also terminate the securities account at any time in writing by notice with immediate effect. The termination by notice shall, however, be only effective if a new account holding entity was appointed by the Customer. The exhaustion of the securities account does not terminate the securities account.

### 3. Blockage

The Bank shall transfer to a blocked securities sub-account all securities, charged by right to a third party on the basis of legal regulations, court order or authority or on the basis of contract.

The Bank shall indicate on the sub-account the legal title of blockage – i.e. notably bail, lien, court deposit, action of claim, execution proceedings – and the person being the beneficiary of the blockage.

The Bank sends an account statement on the sub-account to the account holder, to the person registered as the beneficiary, furthermore, to the court, bailiff, or other relevant authority. The same procedure shall also be followed in the case of the cancellation of the registration of entitlement.

The securities may only be released from the sub-account if the circumstance giving reason for blockage has ceased to exist. In such case the Bank shall immediately transfer the securities back to the securities account.

If during the term of the blockage the account holder is entitled to sell the securities, the Bank shall take measures for the securities to be credited – with the indication of the circumstance giving reason for blockage – on the blocked securities sub-account connected to the securities account held to the benefit of the new account holder.

If the person being the beneficiary of the blockage certifies that he/she/it has acquired the ownership of the securities, the Bank shall immediately transfer the securities to the securities account indicated by the new owner.

### 4. Customer account

Exceptionally the Bank shall hold a Customer account on the basis of a written agreement concluded with the Customer. Cash transactions exclusively related to the investment services provided by the Bank may be settled on such Customer account.

The condition of disposal over the Customer account is that the Customer provides the Bank with its duly signed signature card form.

The Bank shall receive debit orders relating to the Customer account on each banking day in the business hours. The Bank shall accept debit orders for same day execution if received by the cut-off time as indicated in the List of Conditions applicable to CIB Customers unless other cut-off time is agreed in writing with the Customer. Orders arriving later on shall be executed by the Bank at the later date as indicated on them by the Customer, or in lack of such instruction, it will be executed on the following banking day.

Transfers from the Customer account may be made exclusively to the Customer's bank account or Customer account. The withdrawal of cash in excess of the amount of HUF 2 million from the Customer account is subject to prior notification. The Customer shall notify the Bank of such intent to the Bank's cashier's desk with at least one banking day's prior notice.

The Bank shall notify its Customer of each movement in the account by a statement of account. Upon request of the Customer and for the cost of the Customer the Bank shall provide immediate information on the balance and turnover of the Customer account.

The exhaustion of the Customer account shall not terminate the Customer account. The Customer may terminate by notice the Customer account at any time even with immediate effect. The Bank may terminate it with 15-day prior notice by without reasoning. The Bank may terminate the Customer account by notice with immediate effect, if the Customer fails to pay the fees of account holding in spite of notice by the Bank or for reasons as set forth in the General Business Terms and Conditions of the Bank.

Any amendments to the Agreement shall be in writing.





In case of termination of the Customer account the Bank shall transfer the closing balance of Customer account to another bank account designated by the Customer or if failing that it shall pay the amount in cash or via postal transfer to the Customer on the next business day following termination.

## V. COMMUNICATION

Orders may be given by fax, SWIFT and telephone exclusively if there is Special Agreement between the Bank and the Customer.

The Bank shall record telephone conversations directed to the conclusion of Transactions(s) by digital means. The authenticity of such recordings cannot be contested by the parties later on. The Bank shall keep such recordings for six (6) years from the date of the instruction of a given deal. If not agreed otherwise, during this period the Customer may raise protest or a claim established thereon. This deadline involves the forfeiture of right and in case of default the Customer cannot excuse itself. In case of a reported claim the Bank shall keep the recording until the resolution of the dispute and upon the request of the Customer it shall make a copy of the record available to the Customer. Records will be reproduced if requested so by the Customer or by the Bank. All such reproductions should be well documented.

Records may be reproduced only in the Bank's premises. Users of such records must not abuse reproduction of the records. All users are responsible for avoiding abusing of the records.

After the six-year period, - with regard to the statutory limitations - the Bank is no longer obliged to keep the recording and entitled to delete them. Both the Customer and the Bank shall be entitled to use the relevant recording, but exclusively in court procedures that are associated with disputes originating from a given deal.

In case of agreement(s) concluded/Order(s) given by phone the Bank will not examine the originality of such Order(s), but it shall consider the Order(s) as given by person(s) authorised thereto. The Bank is not obliged to check the instructions of the Customer; consequently the Bank is not responsible for the instructions given by the Customer.

The Bank shall not be made responsible for delayed execution of Order(s), instruction(s), or non-appropriate execution of Order(s) if the defect and/or default, is verifiably due to a communication failure (including the technical failure of the internal communication system of the Bank), or if the defect and/or default is due to reasons falling outside of the sphere of the Bank.

Upon the Bank's request the Customer shall confirm without delay the agreement(s)/transaction(s) in writing or by via fax.

For recording, use, handling and deletion of recordings of execution Order(s), instruction(s) given by the Customer in subject of services other than investment services or any other type of transaction the above rules shall apply.

## VI. SUSPENSION OR WITHDRAWAL OF LICENCE, PORTFOLIO TRANSFER

BNP Paribas shall be entitled to terminate or suspense its investment or ancillary investment services and assign its contractual obligations originated from its investment Customer portfolio to another investment service provider, if its operating licence is wholly or partially suspended, restricted or its licence is wholly or partially withdrawn . The assignment of BNP Paribas' contractual obligations is subject to the permit of HFSA, which shall not however require the consent of the Customer.

Budapest, 10 July 2014

BNP PARIBAS, Hungary Branch

## Appendices

APPENDIX 1: MiFID information package

APPENDIX 2: Standard contract forms