

Dear Customer,

We wish to inform you that, as a result of the EU Directive 2014/65/EU and EU Regulation 600/2014/EU on markets in financial instruments (hereinafter MiFID2), significant modifications will be made in the Hungarian legislation to be applied in the supply of investment services from 3 January 2018. MKB Bank Zrt. (hereinafter Bank) has prepared the following information on the most important changes affecting its Customers and requests declarations from its customers in a number of topics.

Please read this information carefully and return the attached declarations to us in order to be able to continue using our investment services seamlessly in the changed legislative environment.

The Bank will provide prior and subsequent information in relation to investment services according to your choice. In that regard, please return to us the declaration included in Annex 1 of this information by using any of the following channels:

- By post, sent to the following address:

MKB Bank Zrt, Értékpapír, Fizetési és Treasury Műveletek Igazgatóság (Securities, Payment and Treasury Transactions Directorate), H-1821 Budapest

- Via e-mail, addressed to EBOpenzugy@mkb.hu
- By submitting it in any branch

The list of our branches is available on our website: www.mkb.hu

Rating and classification of Customers (MiFID questionnaire)

According to MiFID2, it is still important for the Bank as an investment service provider to have accurate and up-to-date information about its Customers in order to be able to provide them adequate services in relation to transactions and financial instruments.

From 3 January 2018, the Bank will ask the authorised company representative to complete the appropriateness test and the suitability test, required from Customers that are legal persons (legal persons refer to all customers that are not natural persons) for using investment advisory services. The Bank will examine the result of the test(s) completed by the company representative in relation to investment advisory services and execution of orders prior to the execution of any transaction or supply of any service.

If you completed your MiFID test more than one year ago or if there have been any changes in the information provided there or if you have not yet completed a MiFID test, please request the completion of a (another) MiFID test. You can complete the test with your personal advisor or corporate relationship manager at the Bank's branches or, if you have NetBankár access, through the electronic banking channel.

Management of proxies

The Bank does not use an appropriateness test for individuals proceeding in the name of legal persons in the use of investment services. With regard to legal person Customers, the Bank makes its customer responsible for ensuring that the individual authorised to enter into deals in the name of the legal person is in possession of at least the experience and knowledge specified by the company representative.

In the annex of the Treasury Framework Agreement with legal persons,¹ designed for such purposes, the Bank lists the individuals authorised to enter into deals in the name of the legal person Customer for financial instruments falling within the scope of the framework agreement and accepts orders for securities transactions from individuals authorised to have access to the consolidated securities account and customer account.

IMPORTANT From 3 January 2018, legal person Customers will be able to execute transactions for financial instruments which, or the underlying financial instruments of which, are traded at a trading platform (stock exchange, regulated market, multilateral trading facility (MTF), organised trading facility (OTF)) only if they have a legal entity identifier code (LEI code). Without a LEI code the Bank cannot accept any order for such instruments. If you already have a LEI code, please make sure that it is valid and that you have informed the Bank about it. If you are a legal person Customer and do not have a LEI code yet, please contact your relationship manager to learn what to do.

We hereby advise our Customers with a Treasury Framework Agreement or a framework agreement for standardised stock exchange futures transactions **that the LEI code must be renewed annually**. A derivative transaction can only be established with Customers who have a valid LEI code.

You can check your LEI code status online at www.openleis.com.

Prior information obligation

The Bank will prepare and provide the Customer a suitability report prior to the implementation of any transaction within the framework of investment advisory services irrespective whether or not the investment advice leads to an actual transaction. Depending on your choice, the suitability report can be provided on paper or on a different long-term data medium (e.g., via e-mail).

If, following the investment advice, the Customer intends to enter into a transaction through a telecommunications device (e.g., phone), on which the suitability declaration cannot be provided in advance, you can postpone the transaction until you learn about the contents of the suitability report.

Whenever an order is placed on the phone, the Bank will request the Customer on each occasion to declare whether or not they wish to exercise the right to postpone the transaction or if the Customer has a Treasury Framework Agreement, in which case they can make a declaration, valid until withdrawn, to collect the suitability report after the transaction. You can make the declaration by completing Annex 2 of this information and return it to any of our contact points indicated above.

¹ Treasury Framework Agreements for OTC derivative and individual spot FX transactions

Customers using investment services must be informed in advance on the expenses of the acquisition, maintenance and liquidation of the investments and on the impact thereof on the return. Customers may request prior information on fees and expenses by choosing the attached declaration No. 1. Following prior registration, you can study the preliminary cost calculation most conveniently on the Bank's website on the page dedicated to information on costs, by using the code required for access, but you can also ask the Bank to send it to you electronically (via e-mail or another electronic channel provided by the Bank) or on paper. Please also note that if you opt for information to be provided on paper, using investment services available on the phone or in electronic channels may be difficult, because you will only be able to use the services after receiving information by post, which therefore can cause a significant delay.

Registration of communication with Customers

From 3 January 2018, investment service providers will have to record telephone conversations and e-mail messages exchanged in relation to certain investment services, also including those which will not lead to an actual transaction. In addition, preparing records of relevant personal discussions with customers will also be compulsory. Telephone conversations concerning customer orders and electronic communication must be recorded in order to improve investor protection and market supervision as well as legal certainty and is also in line with the EU Charter on Fundamental Rights. Consequently, we hereby inform all our distinguished Customers that telephone conversations and exchanged e-mail messages that actually or potentially result in a transaction will be recorded.

Execution policy

From 3 January 2018, the Bank will adequately inform its Customers and make available for them its execution policy laying down the rules for the most favourable execution of orders for Customers. The Bank will provide information on its 5 greatest-volume execution platforms in the form of a public notice each year. The execution policy also provides for an option to execute orders outside the trading platforms (stock exchange, regulated market, multilateral trading facility (MTF), organised trading facility (OTF)). Execution outside the trading platforms requires your consent, which the Bank will request within the framework of the individual deal.

Thanking for your co-operation, we shall remain sincerely yours,

MKB Bank Zrt.

Budapest, 27. November 2017