

*Amended and restated*

# General Terms of Business

Number and Date of the Authorization Issued by the Hungarian Financial Supervisory  
Authority:

III/73.059/2000.

14 August 2000

III/73.059-4/2002.

20 December 2002

This General Terms of Business shall be effective on:

**1 August 2013**

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## I. GENERAL PROVISIONS

eBrokerhouse Ltd. (Place of Business: Szabadság tér 14, H-1054 Budapest, Hungary ) as an investment service provider (hereinafter referred to as: 'eBrokerhouse Ltd.' or the 'Company'), performs its business activities as investment service provider pursuant to the provisions of Act CXX of 2001 on the Hungarian Capital Market (hereinafter the 'Capital Market Act'), and Act CXXXVIII of 2007 on Investment Service Providers, Commodity Exchange Companies and the Rules Governing the Activities of Such Companies (hereinafter the 'Investment Services Act'). This General Terms of Business contains the general terms and conditions of the Customer contracts concluded between the Company and resident and non-resident economic organizations, other legal persons and natural persons relating to the performance of the services described in this General Terms of Business.

### 1 Scope of this General Terms of Business

These general terms and conditions are an integral part of the trading agreement to be entered into with Customers, even in the absence of specific contractual provisions in this regard. The provisions of this General Part are controlling in relation to all aspects regulated by this General Terms of Business.

The Parties may only deviate from the provisions of this General Terms of Business and the standard agreements attached hereto as Annexes by entering into an agreement, as long as such agreement is not contrary to the applicable laws and this General Terms of Business and the regulations of the clearing houses. The definitions used in this General Terms of Business are consistent with the definitions defined under Act CXX of 2001 ("Capital Market Act") and Act CXXXVIII of 2007 on Investment Service providers and Commodity Dealers, and on this General Terms of Business Governing their Activities ("Investment Service Act"). This General Terms of Business shall be valid until the deadline authorized by the Hungarian Financial Supervisory Authority (hereinafter the "Supervising Authority") or until such authorization is withdrawn.

In case a Customer signing an agreement in relation to a specific transaction or enters into the trading agreement on the Company's website – if such agreement contains contractual conditions referring to this General Terms of Business, – then the conclusion of said agreements shall also be deemed the Customer's acceptance of the terms and conditions of this General Terms of Business.. If the specific agreement between the Company and the Customer contains provisions contrary to the provision of this General Terms of Business, then the conditions described in the (trading) specific agreement shall be controlling.

Issues not regulated by the trading agreement concluded between the Company and the Customer shall be regulated by this General Terms of Business, or other related regulations of the Company, which are available to the Customer on the Company's website; in lack of this, the provisions of the Hungarian Civil Code on contracts, Act CXX of 2001 on Capital Markets, and Act CXXXVIII of 2007 on Investment Service providers and Commodity Dealers, and on this General Terms of Business Governing their Activities, shall be controlling.

## 2 The Legal Status of the company and the resolutions authorizing its activity

The Company for the purpose of this General Terms of Business: is a service provider performing investment and ancillary investment activities.

The Company was registered by the Budapest Metropolitan Court acting as the Court of Registration under registration no: 01-10-044141.

The Company performs its activity pursuant to authorizations no. III/73.059/2000 and III/73.059-4/2002 issued by the Hungarian Financial Supervisory Authority (Hungary, 1013 Budapest, Krisztina krt. 39).

## 3 Publication of this General Terms of Business

3.1. The Company ensures an opportunity to each Customer to review and study the contents of this General Terms of Business even before a contractual relationship is concluded between the Customer and the Company.. To this end the Company makes available this General Terms of Business to its Customers and potential Customers for review at the Company's place of business located at the following address: H-1054 Budapest, Szabadság tér 14. This General Terms of Business may be examined by anyone at the above location during office hours, and or on the Company's website ([www.iforex.hu](http://www.iforex.hu), [ebrokerhaz.hu](http://ebrokerhaz.hu) ) at any time.

3.2 The Company may unilaterally amend this General Terms of Business; however, such unilateral amendments shall only enter into force after the Company Directors have accepted it and after it has been made available to the Customers, for inspection and review pursuant to the provisions of Section 3.1. The Company shall inform its Customers about the amended conditions of the General Terms of Business on its website [www.iforex.hu](http://www.iforex.hu) , [ebrokerhaz.hu](http://ebrokerhaz.hu) . The Customer is obliged to regularly monitor the amendments made available on the Company's website; the Company is not liable for any loss or damage suffered by the Customer as a result of the Customer's failure to comply with this provision.

3.3 The Customer shall have 7 (Seven) days following the date the unilateral amendments are made publicly available by the Company on its website to issue a statement that in light of the new amendment(s) the Customer no longer intends to maintain a contractual relationship with the Company and no longer wishes to be bound by the terms of the trading agreement. . If the Customer fails to issue such written statement or complaint within the above mentioned deadline, then the Company shall deem such omission by the Customer as an acknowledgment of the amendment of this General Terms of Business and shall deem such omission as the Customer's acceptance of such amendments to be binding on the Customer.

## 4 The Scope of Business Activities of eBrokerhouse Ltd.

(The definitions in this Section 4 are definitions determined by law; thus, the Parties may not deviate from these definitions by means of contract.)

4.1 eBrokerhouse Ltd. has the required licenses for the following investment service activities and ancillary investment service activities

- Receiving and executing of orders
- Implementation of orders in favor of the client

- portfolio management
- custody of financial assets with the relating record keeping and customer account management
- advisory and other services relating to capital structure, business strategy and mergers and acquisitions
- investment analysis

#### 4.2 Investment Service Activities carried out by eBrokerhouse Ltd.:

##### 4.2.1 Receiving and executing of orders (5 § (1) a) Investment Service Act);

#### 4.3 Ancillary Investment Service Activities carried out by eBrokerhouse Ltd.:

- custody of financial assets with the relating record keeping and customer account management
- investment analysis (5 § (2) f) Investment Service Act)

#### 4.4 In addition to the investment services and ancillary investment service activities, eBrokerhouse Ltd., only performs activities described under 8 § (5) of the Investment Service Act as follows:

##### 4.4.1 Intermediating payment services relating to Customer account management.

#### 4.5 The Subject of the investment services and of ancillary investment services performed by the Company shall be exclusively financial instrument defined in the Investment Service Act 6. §

### 5 The Contractual Relationship between the Company and the Customer

#### 5.1 Agreement in relation to investment and ancillary investment services:

5.1.1 The Company shall perform the investment and ancillary investment services for the Customer only based on and in the frame of the trading agreement between the Company and the Customer. The Company is not obliged by law to accept any offer or order. The Company is not obliged by law to accept any offer or order for the execution of individual orders, even if, it entered in to a separate framework agreement with the Customer in relation to a given transaction type. Therefore, the Company, based on its freedom to contracts, is free to decide whether to accept or reject the Customers offer to enter into an agreement. The Company shall not bare any liability for damages arising from the here described decision.

5.1.2 The precondition in relation to the provision of services described under Sections 4.1.1. – 2 and 4.2.1., 4.3.1., of this General Terms of Business, state that the Customer must enter into the online trading agreement with the Company, which agreement also contains provisions relevant to the opening and maintenance of the customer account.

#### 5.2 Customer due diligence, customer identification:

The Customer due diligence rules provided in this Section 5.2., are statutory, the parties may not deviate from them by entering into an agreement to the contrary.

5.2.1 The Customer is the person who avails him or herself of the services regulated by the Investment Service Act.

5.2.2 Identification at the time of establishing and during the business relationship:

The Company, at the time of establishing the business relationship or at the time of the execution of transaction order(s) in the amount of HUF 3,600,000 or more, shall, pursuant to the relevant laws on prevention and combating of money laundering, record in writing, the data in relation to the Customer, the Representative, the Authorized agent, the person authorized to dispose over the amount, further at the time the benefit becomes available, the Beneficiary (hereinafter, "Identification"). The company will also perform an identification procedure in all cases prescribed by law or if the agreement or any provision is to be signed by an Authorized representative of the Customer or by a Representative of a Customer, being a legal entity other than a natural person, who has not been identified previously.

The Customer, Representative or Authorized Agent, for the purpose of Identification, is obliged to present or provide to the Company the official personal identification documents and other official documents prescribed by the applicable laws. The Company is entitled to accept, in accordance with Section 5.2.4.6., the result of a customer due diligence performed by another service provider.

If the Company is unable to perform the customer due diligence, it must refuse to establish the business relationship; in case of existing business relationship the Company must refuse execute any transaction order; such order must be suspended until the customer due diligence is complete.

5.2.3 During the identification procedure the Company is to record the following data:

5.2.3.1 Minimum data to be recorded in case of natural persons:

- Surname and first name, (surname at birth);
- Address;
- Citizenship;
- Type and number of the identification document;
- In case of foreign citizens: address of residence in Hungary.

During enhanced customer due diligence, as in case of establishing business relationship with persons at distance, the following additional data must be recorded (maximum data):

- Date and place of birth;
- Mother's maiden name.

5.2.3.2 In case of legal persons, or any association without a legal personality the minimum data to be recorded is as follows:

- Name, and abbreviated name form;
- Address of registered office or of the Hungarian branch in case of companies having their registered office abroad;

- In case of a legal person, registered by the court of registry, the company registrations number, in case of other legal person the number of the resolution or the registration number in relation to its formation (registration, recording);

In case of enhanced customer due diligence the following additional data must be recorded (maximum data):

- Main activity;
- Name and position of the representatives;
- Identification data of the delivery agent.
- 

#### 5.2.3.3 The minimum data to be recorded in case of the beneficiary:

- Surname and first name, (surname at birth);
- Address;
- Citizenship;

The Company – at its own discretion – may also request the following data:

- Type and number of the identification document;
- In case of foreign citizens: address of residence in Hungary;
- Date and place of birth;
- Mother's maiden name.

#### 5.2.4 The Company, during the customer due diligence, shall request the Customer to present the following documents:

##### 5.2.4.1 Natural persons:

- the document issued by the Hungarian authorities certifying Hungarian citizenship and the address; or
- passport or official personal identification document of foreign natural person, provided that, such document authorizes the foreign natural person to reside in Hungary or any member state of the European Union or a document verifying the right to reside or residence documents.

##### 5.2.4.2 In case of legal persons, or any association without a legal personality, official document, less than 30 days old, certifying:

- the Court of Registration has registered the domestic economic organization or the domestic economic organization has submitted its registration request; in case of sole proprietors the relevant business license has been issued or the request for such license has been submitted by the sole proprietor to the General Notary Office of the given district.
- in case of a domestic legal person, if its registration at an authority or a court is required for its formation, that the registration has been completed;
- in case of foreign legal person or foreign association without a legal personality, that the registration or recording of the given entity has already occurred in compliance with the laws of the country of origin;



- prior to the submission of a registration request to the court of registration, competent authority or court, the Memorandum of Association and of the Articles of Association (which ever is applicable) of the legal person or of the association without a legal personality (founding documents, articles of association). In this case, the legal person or the association without a legal personality is obliged to certify that the registration or recording has been completed by producing the relevant official document within 30 days following its registration by the court of registration, competent authority or court; and the service provider is obliged to record the company's registration number or any other registration number.
- In case of documents issued by foreign authorities the Company is entitled to request the Customer to have the document super legalized by Hungarian diplomatic representative in the foreign country where the given document was issued, or by submitting a copy of the document affixed with an Apostille pursuant to Law-Decree No. 11 of 1973 on the publication of the Hague Convention of 5 October 1961 Abolishing the Requirement of Legalization (super legalization) for Foreign Public Documents.

5.2.4.3 If the Customer fails to appear in person for identification and personal identification verification purposes:

For personal identification verification purposes the Customer is obliged to submit a legalized copy of the document described in Sections 5.2.4.1. and 5.2.4.2. The legalized copy of the document is sufficient for the purpose of identification and personal identification verification if (1) the legalized copy was prepared and certified by a Hungarian consular officer or by a notary public or (2) if a Hungarian consular officer or a notary public certifies that the copy is identical to the original document or (3) if the copy is prepared by an authority authorized by the country where the original document was issued to prepare legal copies and, unless otherwise specified by international treaty, the signature and the stamp of this authority on the legalized copy is super legalized by a Hungarian consular officer.

Until the personal identification or submission of the authenticated copies of the identification documents the Customer may fulfill its due diligence obligation by way of submission of the documents proving its identity and residence, the instrument certifying its account, and the fully completed statement required by eBrokerhouse Ltd. via fax or electronic way permitted by eBrokerhouse Ltd. (including but not limited to the 'Upload Documents' option on the Online Trading Platform). eBrokerhouse Ltd. shall accept as certifying instrument the Customer's bank statement and any other official instrument issued by the service provider managing the certifying account that includes especially the Customer's name, bank account number, the date and place or any other instrument that shall prove undoubtedly the open of the account until the personal meeting or the submission of the authenticated identification documents.

A Customer, acting as a representative of a legal person or of an association without legal personality, in addition to the above, is also obliged to sufficiently verify the right to act as a representative.

5.2.4.4 Documents in foreign languages:

If the Customer provides a document in a foreign language to the Company for the purposes of Identification or to certify the right to act as a representative, then the Company is entitled to request the official Hungarian translation of the given document, or to have it translated, with the Customer's consent, at the Customer's expense.

#### 5.2.4.5 Verifying the validity of the documents

The Company is liable for damages arising from incorrect translation of a forged or falsified document only in case of gross negligence.

#### 5.2.4.6 Customer due diligence performed by other service provider:

The Company is entitled to perform Identification by accepting the results of the customer due diligence performed by another service provider pursuant to Act CXXXVI of 2007 on the Prevention and Combating of Money Laundering and Terrorist Financing.

Even if the Company accepts the results of a customer due diligence performed by another service provider, it is still entitled to request the documents described in Section 5.2.4. or their certified copies to be handed submitted by the Customer.

#### 5.2.5 Reporting of the identification data and the real beneficiary:

5.2.5.1 Based on the documents described in Section 5.2.4., following identification, the Company, pursuant to the always applicable laws on the prevention and combating of money laundering, shall register the data (hereinafter the "identification data").

5.2.5.2 During the customer due diligence, the Customer is obliged to issue a written statement to the Company in relation to the person in whose interest the customer order is given or who is entitled based on instruction, affiliate undertaking, agency relationship, authorization or trust or other legal title to dispose over the financial benefits resulting from transaction orders. The statement in relation to the beneficiary may also be made on a general basis, in which case the Customer is also obliged to make an individual statement in relation to the beneficiary, if in case of a given order the person of the beneficiary is different from the person indicated in the general beneficiary statement.

5.2.5.3 If, during the term of the agreement concluded with the Customer, any doubt should arise in relation to the identity of the beneficiary, the Company is entitled to refuse to conclude further agreements and may refuse to execute orders until the Customer complies with the Company's request for a written statement. Damages arising from the Customer's failure to make the written statement shall be born by the Customer.

5.2.5.4 The Company shall only accept orders from the Customer, Representative or Authorized Agent after Identification.

5.2.5.5 The Customer is obliged to immediately inform the Company about any change in the Identification data provided to the Company by the Customer. The failure to comply with the obligation to provide information is a material breach of contract and all damages resulting from such breach shall be born by the Customer.

5.2.5.6 The Company is entitled to perform or supplement the customer due diligence at any time in the cases prescribed in the laws of Hungary. The Company is obliged to refuse to conclude any agreements or to perform any financial operation if the Customer,

Representative or Authorized Agent fails to present the personal identification documents laid down by law or fails to give the documents to the Company at the time of the conclusion of the agreement or if the Customer otherwise prevents the Identification, included here the prevention of Company's receipt of the results of a customer due diligence performed by another service provider, or fails to make a statement in relation to the beneficiary or fails to make a repeated owner's statement upon the Company's request.

5.2.5.7 eBrokerhouse Ltd. shall not be responsible for any legal consequences resulting from the execution of forged or falsified orders, if the forged or falsified nature of such orders could not be determined even with due care.

5.2.5.8 The Customer being a resident in a foreign country is obliged to give a written statement in relation to whether pursuant to the governing law of his/her country, he/she is a priority public official, if, yes, the public task he/she performs must also be described. eBrokerhouse Ltd., may verify the validity of the above statement in any register available based on the applicable laws or in any publicly available register. In case of a foreign priority public official the business relationship may only be established and the transaction order may only be executed, after it is approved by the manager appointed for this purpose in the internal regulations of eBrokerhouse Ltd.

### 5.3 Data protection and money laundering laws

5.3.1 The Company shall handle the personal data of the Customer pursuant to the provisions of the applicable laws.

5.3.2 The purpose of handling and processing the personal data of the Customer is the performance of the agreement between the Customer and the Company, and to ensure that the Company is able to provide the outmost information possible relating to services provided by the Company to the Customer included here are the rights and obligations of the parties. Therefore, the purpose of data handling and processing in particular is for the Company to provide investment and ancillary investment services to the Customer and the performance of claims in relation to money and investment products. The purpose of handling and processing the Customer's personal data with Customer's informed consent may be any other purpose related to the performance of the services, particularly to improve the efficiency of the services and to send electronic advertising or to conduct market research addressed to the Customer.

5.3.3 Definition of the data handled by the company:

All data qualifying as securities-secret or the personal data of the Customer, which have been made available to the Company by the Customer and all information learned by the Company in relation to data described as securities-secret by the applicable law and or facts, data, circumstance or other information qualifying as personal data.

5.3.4 Duration of data handling:

The duration of the legal relationships between the Company and the Customer, and the period following the termination of the legal relationship during which the Parties are entitled to enforce claims against each other; furthermore, the period during which the

Company is obliged, pursuant to the applicable law to maintain, handle and process such data.

5.3.5 The Company is entitled to transfer the Customer's personal data and to use a data processor in relation to such data in compliance with the applicable provisions of the relevant law.

5.3.6 Data handling is:

any operation or operations in relation to personal data, such as, collection, recording, organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction or the prevention of further use. The preparation of photographic, audio or video recordings is also considered data handling.

5.3.7 Data processing is:

the performance of technical tasks related to data handling operations irrespective of the methods, means and location of use.

5.3.8 The Customer is aware that based on the rules prescribed by the laws on money laundering, the Company qualifies as a service provider subject to the identification obligation (and data collection) and other related obligations, pursuant to the applicable laws. The Customer is obliged to stay informed about its own obligations prescribed by the applicable laws on money laundering and to comply with such obligation in relation to the Company as well. The Company hereby informs the Customer that if the effective law(s) on money laundering prescribe a restriction on transaction in relation to the Company, then the Company is obliged to comply with such restriction. The company hereby excludes all liability for damages arising from this.

5.4 The rules on representation

The Customer acknowledges that in light of the technical characteristics of the Online Trading Platform and the nature of transactions concluded based on the online trading agreement, eBrokerhouse Ltd., will not accept any authorization given to a third party by the Customer for the right of disposal in relation to the online trading agreement.

5.5 The use of intermediary

5.5.1 The Company while acting on behalf of the Customer, may only use a third party intermediary, with the explicit consent of the Customer or if it is required by the nature of the order. The Company is also entitled to use an intermediary without the Customer's explicit consent.

5.5.2 The Company is fully responsible for the acts of the intermediary, as if the Company acted itself, unless, the Customer selects the third person whose intermediation is required for the execution of the order. In this case the Company is not liable, if, during the performance of the agreement related to the order, the Company provides appropriate information and control during the whole term of the contract to the third person in relation to the execution of the order.

5.5.3 The Company is entitled to use an agent without the Customer's explicit consent. The agent shall act in the name of Company; the agent shall obtain rights and undertake obligations on

behalf of the Company. The agents of the Company are listed in the appendix attached hereto. If the company uses the services of an agent to perform certain transaction, then the Company shall be liable for the performance of the agent as if the Company acted itself.

- 5.5.4 The agent may not use any intermediaries. The Company is obliged to indemnify the Customer for any damage caused by the agent during the performance of its agency activities.
- 5.5.5 The Company may use the services of an intermediary for the purpose of executing the order, also when such measure is required to protect the Customer against damages.
- 5.5.6 The Company's use of an agent or an intermediary for the execution of an order does not result in the Customer's increase costs, and it does not modify the deadlines.

## 5.6 Cooperation, Information

### 5.6.1 Contact Language:

- 5.6.1.1 The official contact language between the Company and the Customer, unless the parties explicitly agree otherwise, is Hungarian. Upon Customer's request, in cases and situations determined in the relevant agreement, the Company is entitled to issue certain notifications and information in other foreign languages with the understanding that even in case of notices sent in different languages only the notifications issued in the Hungarian language are deemed official. The concepts used in the notifications and the information issued in other foreign languages must be consistent with the provisions of this General Terms of Business.
- 5.6.1.2 In certain cases the information in relation to given markets and financial instruments and related documents are only available in languages other than the contact language and the Company is unable to ensure their availability in the language requested by the Customer. In this case, up on the explicit request of the Customer, when this situation exists, the Company will inform the Customer about it. If the requested information, irrespective of the Customer's notification in this regard, is not available in the contact language, the Customer must make an investment decision by taking this into consideration. The Customer shall be responsible for any consequences of such investment decision and the Company's liability is excluded in this regard.

### 5.6.2 The Rules of mutual exchange of information and cooperation

- 5.6.2.1 The Company and the Customer in accordance with their obligation to cooperate shall without delay inform each other about any material circumstances, facts, arising in relation to the transaction; questions posed to each other in relation to the transaction shall be answered in due time and the Parties shall immediately notify each other about possible changes, errors and omissions. The Parties will inform each other without delay about change in their name, representative and any other change in relation to their person or legal status which is material in relation to the transaction. Damages arising from the failure to comply with this obligation shall be born by the breaching Party.
- 5.6.2.2 The Customer is not entitled to transfer its claims arising from the agreements concluded with the Company, to a third party, without notifying the Company.

5.6.2.3 If the Customer, prior to the conclusion of the sale and purchase agreement in relation to securities or during the lasting legal relationship between the parties, gives unreasonable or unprofessional instructions to the Company, the Company is obliged to inform the Customer in this regard and must inform the Customer about the status of the given securities market. If the Customer insists on the instructions, then all damages arising from the execution of the transaction shall be born by the Customer.

5.6.2.4 The Company must immediately inform the affected Customers, if any of its activities are partially or fully suspended or limited, its license is partial or full withdrawn or any other extraordinary situation occurs. The Company is not obliged to issue a notification in relation to the occurrence of the extraordinary situation if the circumstances of such situation are available to the public in the printed press or via electronic media.

5.7 The disclosure obligation prior to establishing the business relationships

The rules in this Section 5.7., are based on law and the Parties may not deviate from them by separate agreement.

5.7.1 The Company prior to entering into the agreement in relation to investment services activities, in consideration of the rules on public notification, informs the retail Customer about:

5.7.1.1 the Company's name, registered office and other contact details;

5.7.1.2 the languages to be used by the Customer during contact with the Company;

5.7.1.3 the method and means of contact with the Customer, included here the method and means of sending and receiving of an order;

5.7.1.4 the number of the authorization authorizing the Company to perform investment services and ancillary investment services, about the name and the mailing address of the supervisory authority issuing the authorization and in case of use of a tide agent about this fact and the names of the EEA-member state in which the tide agent is registered;

5.7.1.5 the frequency, the timing and the type of the reports in relation to the investment services or the ancillary investment services performed for, or provided to the Customer;

5.7.1.6 in case of handling of the Customer's financial instruments or cash, the summary of means ensuring protection for these instruments, included here information in relation to the investor protection system available to the Customer and its operation;

5.7.1.7 the summary description of the conflict-of-interest policy described under 110 § (1) of the Investment Service Act;

5.7.1.8 the general rules regarding execution of Customer orders pursuant to the elements described under 63 § (1) a)-c) of the Investment Service Act, pursuant to 63 § of the Investment Service Act on execution policy.

5.7.1.9 in relation to handling of financial instruments held for or belong to the Customer:

- if the financial instruments held for or belong to the retail Customer could be handled by a third party acting in the name of the Company, then the Company must provide information about this possibility, and about the obligation of the investment enterprise

based on the laws in relation to third party liability applicable at the place of the third party's registered seat, and the possible consequences to the Customer in case such third party becomes insolvent.

- if based on the law of the country where its registered seat is located or the third party's register seat is located, the financial instruments held for or belong to the retail Customer may be placed on the collective account under the control of a third party, the Company shall inform the Customer of this opportunity and will clearly describe the associated risks;
- if the law of the country where its registered seat is located or the laws of the country where the register seat of the third party acting in t name of the Company is located does not authorize the separate handling of the financial instruments held for or belong to the retail Customer and the financial instruments that belong to Company or the third party acting in its name, the company shall inform the Customer in this regard;
- if the financial instruments held for or belong to the Customer are placed on an account in relation to which the laws are different from the law governing the agreement between the Customer and the Company, the company shall inform the Customer in this regard;
- the Company shall inform the Customer about the security obligation and the setoff rights in relation to the financial instruments held for or belong to the Customer, or, if applicable, the similar obligation or right of the depository in relation to the same financial instruments or cash.

5.7.1.10 the risks associated with financial instrument including an explanation of leverage and its effects, the Company hereby informs the Customer of the risk of losing the entire investment;

5.7.1.11 the market position of financial instruments

5.7.1.12 the situation of the financial instruments market;

5.7.1.13 the volatility of the price of such financial instruments and any limitations on the available market for such instruments;

5.7.1.14 the margin requirements or similar obligations;

5.7.1.15 the essence of any interaction where the risks associated with a financial instrument composed of two or more different financial instruments are likely to be greater than the risks associated with any of the components;

5.7.1.16 the guarantee including sufficient detail about the guarantor and the guarantee to enable the retail Customer to make a fair assessment of the guarantee.

5.7.1.17 the total price to be paid by the Customer in connection with the acquisition and maintenance of the financial instrument, with the drawing up, maintenance and discharging of the agreement on the investment service or ancillary service provided by the Company, including all related fees, commissions, charges and expenses (broken down according to financial instruments and transactions), including the orders given under a framework

agreement , and all taxes whether deducted by or payable via the investment service provider (hereinafter the "total price");

5.7.1.18 where any part of the total price is to be paid in or represents an amount of foreign currency, an indication of the currency involved and the applicable currency conversion rates and costs;

5.7.1.19 the other rules related to payment or method;

## 5.7.2 Appropriateness Test

5.7.2.1 The Company, prior to entering in to the agreement, pursuant to the Investment Service Act examines if the offered investment instrument and or the type of transaction is suitable, according to the provisions of the Investment Service Act, appropriate for the Customer in light of the Customer's knowledge of the market and risk tolerance. To enable the Company to determine if the given instrument/transaction is suitable for the Customer, pursuant to the Investment Service Act, the Company is obliged to obtain the Customer's statement in relation to:

- the essence of the order being the subject of the agreement;
- the characteristics of the financial instrument concerned in the transaction;
- and in particular the risks related to these;
- the Customer's related knowledge and experience, in order to be able to determine whether the Company is truly offering the appropriate transaction or financial instrument to the Customer.

5.7.2.2 In the frame of the compliance test the Company:

- determines the types of service, transaction and financial instrument with which the Customer or potential customer is familiar;
- examines the nature, volume, and frequency of the Customer or potential customer transactions in financial instruments and the period over which they have been carried out; and
- examines the level of education, and profession or relevant former profession of the Customer or potential customer for the purpose of making an assessment;

5.7.2.3 The Company is not obliged to perform a compliance test if the Customer is:

- an acceptable partner; or
- a professional;

5.7.2.4 The Company hereby informs the Customer that if the Customer fails to provide a statement or provides an incomplete statement in relation to the matters mentioned in Section 5.7.2.2, then the Company will not determine the suitability of the given transaction and financial instrument.

5.7.2.5 If, during the performance of the compliance test, in the opinion of the Company the given transaction or financial instrument is not suitable for the Customer or if its suitability can not



be determined in accordance with the first paragraph, the company shall inform the Customer in this regard.

- 5.7.2.6 If the Customer, despite the above warning, insists on the execution of the order, then the Company will do so at the Customer's risk and expense, or the Company may, at its own discretion, refuse to execute the order.
- 5.7.2.7 The Company reserves the right to request the Customers' statements described in Section 5.7.2.2., in form of a consolidated questioner, which shall form the basis of the classification. During the appropriateness examination the Customer may provide the statements by completing the questioner via the Online Trading Platform, which at the same time serves as the Customer's acceptance of the provisions of this General Terms of Business.
- 5.7.2.8 The Customer is not entitled to make the statements necessary for classification through a representative, with the understanding that in case of a legal person the legal representative (thus, registered in the trade registry and recorded as the Customer as signatory and legal representative) of the Customer shall be entitled to make the relevant statements, in a manner that the statements are related to the Customer he/she represents. If the Customer fails to follow this procedure then the statements will not serve as the basis of the classification. The Company is not responsible for the consequences arising from this.
- 5.7.2.9 The Customer may request the company for a re-classification. In this case the rules on classification are applicable, with the understanding that the results of the new classification shall become effective when this new classification is registered by the Company's central system.
- 5.7.2.10 The Customer is obliged to immediately notify the Company, in writing, if any of the answers provided, due to change in its circumstances, no longer reflect the truth. The Company is not liable for any consequences resulting from the Customer's failure to do so. The Customer accepts that otherwise the Company is entitled to assume that the answers provided in the test are true and accurate.
- 5.7.2.11 The Company is entitled to unilaterally re-categorize the results if it learns from official sources that the Customer's statement/statements is/are not true. The Company will inform the Customer about the re-classification. Until proven otherwise the re-categorized results shall be controlling in relation to the legal relationships between the parties. In this case, a final and binding decision of a court or an authority shall be deemed as official knowledge.
- 5.7.2.12 In case of re-classification, always the last result registered by the Company, shall be deemed to govern the relationships between Parties. The re-classification does not affect the ongoing transactions.
- 5.7.2.13 The Company examines risk tolerance also by informing the Customer about the most well known risks associated with the main type of transactions; this must be considered by the Customer when concluding a given transaction, and the Company reserves the right to request further statements in relation to the general risk tolerance of the Customer.
- 5.7.2.14 If the Customer signed a risk disclosure notice in relation to the given type of transaction, then the Customer acknowledges that the given type of transaction is in line

with the Customer's knowledge of the market of the given type of transaction and with the Customer's risk tolerance. However, in addition to this, the Company is entitled and, pursuant to certain provisions of the Investment Service Act, obliged to request additional statement from the Customer in this regard.

5.7.2.15 The Customer, by signing the risk disclosure notice in relation to a given type of transaction, also declares that the given transaction is suitable for the Customer's financial circumstances and that the Customer has compared the risks associated with the given type of transaction with its financial circumstances and in light of this, the Customer maintains positions in relation to the given type of transaction and concludes further transactions. The Customer gives this statement while being aware that it is impossible to discover and know all the risks associated with any type of transaction; and thus, when the Customer makes the statement, the Customer also considers that the Customer's own financial circumstances and the Customer's risk tolerance will not be affected if unexpected or unknown risk elements occur.

5.7.2.16 If the Customer provides a written statement concerning his/her risk tolerance, then the Company is not obliged to examine other circumstances of the Customer's risk tolerance; and thus, hereby excludes its liability in relation to the Customer's risk tolerance.

5.7.2.17 If the Company, based on Section 5.7.2., considers the Customer's suitability and or risk tolerance insufficient and based on this refuses to enter into the agreement, then the Company hereby excludes all related liability.

5.7.2.18 The Company based on the relevant provisions of the Investment Service Act in the frame of examining the Customer's appropriateness may request:

- the Customer's written statement of his financial situation; documentary evidence to support the statement; or
- the Customer to disclose any relationship with other investment service providers or commodity dealers.

5.7.2.19 The Company is not subject to the above obligation if the Customer:

- is an acceptable partner;
- is a professional or;
- if, pursuant to the Investment Service Act, the Company has an opportunity and at its discretion it is not necessary.

## 5.8 The Customer Classification Procedure

The Company, based on the provisions of the Investment Service Act, categorizes the Customers in accordance with the below criteria, and the below provisions regulate the transition between the categories.

### 5.8.1 Customer categories used by the Company

- Acceptable partner

- Professional customer
- Retail customer

### 5.8.2 The Acceptable Partner

Those Customers are included in this category, related to whom there is reason to believe that they have professional and market knowledge, skills, experience and accordingly risk tolerance with respect to certain financial products, transactions.

The acceptable partner is an undertaking, with which the Company may enter into business transactions for the execution of an order and/or for own-account trading and/or for receiving and forwarding transactions in the name of the customer, without the necessity to comply with the reporting and contracting obligations (eg. best execution principle, customer classification) with respect to such transactions or ancillary services directly related to such transactions.

Acceptable Partners are:

- investment service providers;
- commodity dealers;
- credit institutions;
- financial enterprises;
- insurance companies;
- investment funds, investment fund managers, collective investment companies;
- venture capital funds and venture capital fund managers;
- private pension funds and volunteer mutual insurance funds,
- entities acting as clearing house,
- central depositories,
- stock exchanges,
- employer pension providing institutions,
- any other undertaking recognized as professional customer by the laws of the jurisdiction of its registered seat,
- so-called important undertaking,
- important institutions, and
- undertaking recognized as such by the laws of the jurisdiction of its registered seat.

**Including:**

**Important Undertakings:**

An important undertaking is a company that complies with at least two of the below requirements: the following aspects mentioned in the last single audited financial reporting and calculated by the official **exchange rate** published by the National Bank of Hungary on the balance sheet date:

- the balance-sheet total is at least EUR 20 million,
- the net turnover is at least EUR 40 million,
- the equity is at least EUR 2 million.

#### **Important Institutions**

- Government of any EEC member state,
- local or regional authority of any EEC member state,
- ÁKK Zrt. or an institution managing the public debt of any other EEC member state,
- the National Bank of Hungary, the national bank of any EEC member state and the European Central Bank,
- the World Bank,
- the International Monetary Fund,
- the European Investment Bank, and
- any other international financial institution founded by means of international treaties,
- or by means of intergovernmental conventions.

#### 5.8.3 Professional Customers:

Each acceptable partner, provided that the Company provides investment services in the name of the Customers for activities out of the scope of the execution of orders and/or own-account trading and/or receiving and forwarding orders.

#### 5.8.4 Retail Customer:

Retail customers are customers that do not qualify as acceptable partners or professional customers.

#### 5.8.5 Customer classification rules:

5.8.5.1 The Company shall categorize each customer during the account opening procedure in accordance with the customer categories mentioned in Section 5.5.4.1. Should the Customer not comply with the requirements mentioned in Sections 5.5.4.1.1., and 5.5.4.1.2., such customer will be deemed a retail customer as the default category. The Company shall notify the customer about the customer classification procedure.

5.8.5.2 The Customer is entitled to demand the modification of its default customer category. The Customer has this possibility to the extent and by the means set out in Section 5.8.6., but

only if an agreement is concluded with the Company in this respect. The modification becomes effective on the date when it is entered into the Company's central database regardless whether the Customer initiates the mentioned alteration at the Company's registered office or in some other location (e.g. within the network of agents).

5.8.5.3 The Company reserves the right to re-categorize the customer in accordance with Section 5.8.5.4., if it officially learns the following:

- the customer who has been re-categorized as a professional customers does not comply with the requirements of the re-classification;
- the professional customer does not have the indicators set out by law;
- in case of professional customers and acceptable partners who do not comply with the requirements necessary to be categorized in the given category, pursuant to the applicable law (e.g. the withdrawal of the activity license).

5.8.5.4 The Company reserves the right to re-categorize Customers in a different category as set out above, but only in a manner leading to a higher level of customer protection, and the customer receives more comprehensive information:

- an acceptable partner is treated as a professional or as an individual customer, within the limits determined by law.
- a professional customer is treated as an individual customer.

5.8.5.5 Furthermore, the Company reserves the right, without amending the classification, to apply certain rules applicable to professional and acceptable partners to individual customers as well.

5.8.6 Conditions of re-classification based on Customer request.

The Company ensures interoperability to Customers between customer categories with the following conditions:

5.8.6.1 Professional customers may be re-categorized to individual customers in general and for certain type of transactions. The re-classification can occur in general and for type of transactions and after the re-classification the rights and obligations applicable to the professional/retail customer shall be applicable to such customer.

5.8.6.2 Re-classification of an acceptable partner to a professional and retail customer may occur exclusively in case of important institutions and important undertakings. In this case the re-classification may occur in general or for a specific type of transaction. After the re-classification the rights and obligations applicable to the professional/retail customer shall be applicable to such Customer.

5.8.6.3 Retail customer may be re-categorized to professional customers in general or for type of transactions, but only if the following requirements are fulfilled:

Retail customers may not be categorized as acceptable partners!

At least two of the following criteria must be fulfilled:

- the customer has carried out transactions, worth at least forty thousand euros each or four hundred thousand euros in total for the year, or its equivalent in another currency as translated by the official National Bank of Hungary exchange rate in effect on the day of transaction, at an average frequency of, at least, ten per quarter over the preceding year;.
- the size of the customer's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds five hundred thousand euros or its equivalent in another currency as translated by the official National Bank of Hungary exchange rate in effect on the day preceding the day of submission of the request,
- the client works or has worked in the financial sector under contract of employment or any other form of employment relationship for at least one year within a preceding period of five years at:
  - a) an service provider;
  - b) a commodity dealer;
  - c) a credit institution;
  - d) a financial institution;
  - e) an insurance company;
  - f) an investment fund manager;
  - g) collective investment fund;
  - h) venture capital fund manager;
  - i) a private pension fund;
  - j) a voluntary mutual insurance fund;
  - k) a body acting as clearing house;
  - l) a central depository;
  - m) employer pension providing institutions;
  - n) a central counterparty; or
  - o) at a stock exchange;

in a professional position, which requires knowledge of the financial instruments and investment service activities envisaged in the relationship of the investment service provider and the customer.

- The customer sends a written statement to the Company concerning its request for re-classification, including the statement that it accepts to waive the advantages offered by the rules applicable to retail customers and that it is aware of the consequences arising from the loss of such a protection. Moreover the customer is obliged to inform the Company about all changes which might influence its classification as professional customer. The Company

cannot be held liable for any consequences deriving from the Customer's failure to act accordingly;

- The customer enters into a written agreement with the Company regarding re-classification.

#### 5.9 Refusal of entering into a contract

The provisions set out in this Section 5.9., are based on legal requirements and the Parties cannot deviate from them by means of contract.

##### 5.9.1 The Company *is not obliged* to accept the Customer's contracting offer especially if:

- the Company has doubts at any time during the contractual relationship concerning the identity of the beneficiary and in this case the Company is entitled to refuse to enter into any further contracts or to perform any unilateral instruction until the Customer complies with the written request to prove the true identity of the beneficiary;
- the known circumstances of the Customer might negatively influence the opinion of other Customers in relation to iFOREX Ltd's business activity;
- the Customer is unable to verify the availability of cash or investment product coverage required for the specific order;
- The Customer requests to perform an order on a foreign stock exchange or a regulated market, or the order can be performed only on a foreign stock exchange or a regulated market, where the Company cannot perform such order in the absence of proper Business Partner qualifying as an investment service provider or in the absence of any partner or subcontractor that provides clearing services;
- The Customer intends to include an unrealistic exchange rate in the order.

##### 5.9.2 The Company may *refuse* to enter into an agreement, and to execute an order, and shall notify the Customer about the unlawful circumstances, if:

- the order involves insider trading or market manipulation;
- the order violates laws, the regulations of the regulated market or an equivalent third country exchange market, clearing house, a body providing clearing or settlement services, central counterparty or central depository;
- the Customer refused to identify him/her self or to cooperate in an identification procedure, or if the identification procedure fails, or the identification is not credible for any other reason; or
- unable to obtain the information necessary to carry out the fitness test, or the Company, based on the fitness test, does not consider the risk tolerance of the Customer as appropriate.

The refusal obligation under the first provision of this point is applicable, if the Company is aware that considering all circumstances of the order it can be reasonably assumed that the execution of the order will lead to insider trading or market manipulation.

#### 5.10 Suspension of the execution of the order

The Company is entitled to suspend the execution of the order if a question arises during the execution of the order, which cannot be decided under the provisions of the agreement or the General Terms and Conditions. In such case the, Company shall contact the Supervisory Authority and shall act in accordance with the statement of the Supervisory Authority. eBrokerhouse Ltd. shall immediately inform the Customer thereof.

## 5.11 Notifications

- 5.11.1 Unless otherwise expressly specified in the applicable laws or in the currently effective agreement entered into with the Customer, the Company is entitled to specify the way it wishes to comply with its reporting, notification, information, warning and other information obligation, and the way it shall notify the Customer, if such notification is required for the effectiveness of a (legal) action.
- 5.11.2 The Customer agrees that the provisions of this chapter are applicable with respect to all notifications, communications and warnings, particularly including, but not limited to the notifications and communications with respect to the creation of margin, compulsory liquidation, and performance of agreements.
- 5.11.3 The Company may use the following communication methods:
- telephone call on the number provided by the Customer;
  - e-mail messages on the e-mail address provided by the Customer;
  - notification by mail by sending letters to the address provided by the Customer;
  - via the online trading platform operated by the Company (hereinafter referred to as the "Online Trading Platform").
- 5.11.4 The Customer shall make a written statement via the website when entering into the online trading agreement, or subsequently via the Online Trading Platform to determine the means and the addresses to be used by eBrokerhouse Ltd. to send notifications, the service provider on executed orders and any other communication to the Customer. In the absence of the Customer's express statement, the Company is entitled to notify the Customer about the executed orders by any means set out in Section 5.11.3.
- 5.11.5 The Customer shall specify the selected method of communication and the related contact data as well (telephone number, address, etc.). The Customer is entitled to choose only one method of communication for free. If the Customer requires the use of more method of communication, eBrokerhouse Ltd. shall comply with such request for a fee.
- 5.11.6 The Customer and the Company may agree on other regular data communication methods as well. The provisions of this chapter shall be also applicable to notifications, communication, warnings and requests made under this agreement, subject of provisions of the agreement.
- 5.11.7 In case of any notification made on the spot, eBrokerhouse Ltd. shall prepare a written report in due course. The report shall be kept by the Company in its registered seat and shall be provided to the Customer on demand, or, upon express written request of the Customer, shall be sent by post to the Customer to the address determined by the Customer.



#### 5.11.8 Statements of account and report in relation to financial instruments

- The Customer expressly agrees that the Company provides the Customer, via the Online Trading Platform, with statements of account in relation to the account determined in the online trading agreement, the end-of-day transaction report and the report in relation to the execution of the individual orders.

The Company shall send a written report to the Customer once each year, its content shall comply with Section 69 (3) of the Investment Services Act, in relation to the financial instruments and funds held by the Company related to its investment services activity for or belonging to the Customer, or shall provide the Customer with such report in another form of durable medium, especially via the website of the Company set out in point 3.1.

#### 5.11.9 Fulfillment of the Company's notification obligation

The Company's notification obligation is deemed to be fulfilled, and all notification, requests is deemed to be delivered and other communication is deemed to be effective, i.e. delivered ("fulfillment of the notification obligation") with the following conditions:

##### 5.11.9.1 telephone calls, if:

- the Company recorded the specific telephone call. The reporting obligation is deemed to be fulfilled on the date which is registered in the Company's recording system as the date of the telephone call; or
- the Company attempts in a verifiable manner, that is by recording the event in its database, to contact the Customer twice, with a break of one hour, thereby calling the number provided by the Customer, or known to the Company. After the second attempt, on the date when the Company registers the third attempt in its system regardless of whether the attempt to contact the Customer was successful or not, the Company is deemed to have complied with its obligation to notify the Customer, or
- the Customer provided the Company with a telephone number which belongs to a telephone equipped with an answering machine. In such case the Company is deemed to have complied with its obligation to notify the Company by calling this number and leaving a message for the Customer that is recorded by the system of the Company. The notification obligation shall be deemed to be fulfilled in the moment when the Company finished recording the message in its system.

##### 5.11.9.2 notifications sent by e-mail:

- the notification obligation shall be deemed to be fulfilled, if the Company's computer system verifies delivery of the message and the time of the delivery. The time registered in the Company's computer system as the time of sending shall be relevant. Further, the notification obligation shall be deemed to be fulfilled, if the Company's system does not indicate any delivery failure, or if the system verifies that the message was sent, but the notification sent by the Company was not delivered or it was delivered late to the Customer for any reason not attributable to the Company, including among others if the Customer does not read the notification in relation to internet services for any reason (eg. because of technical errors that are not attributable to the Company);

- if the e-mail is not deemed to be delivered to the Customer in accordance with the above for any reason not attributable to the Company and the Company is informed thereof, and the Company attempts again to deliver the notification in the specific notification. The next notification sent to the specific address with one hour break shall be deemed to be delivered on the date the Company sent the notification, regardless of whether the attempt to contact the Customer was successful or not.
- if the Company learns with respect to two consecutive notifications that the delivery failed due to the above described circumstances, the Company may suspend the sending of notifications to the Customer until further actions are taken by the Customer, regardless of whether the notification is deemed to have been delivered in accordance with the above terms of the General Terms of Business or not. The Company shall not be liable for any damages arising from this.

#### 5.11.9.3 notifications sent by postal mail:

- the notification obligation shall be deemed fulfilled, and delivered, if the notification is sent to the address of the Customer provided by the Customer. In the absence of such address, the Company is entitled to send the notification to the Customer's known address, or registered seat, but the Company is not obliged to investigate the Customer's changed address.
- a message is deemed to be sent by mail, if sending as such, is registered in the Company's official registry or if it is registered by post in the postal registry. If any postal item is delivered back to the Company and marked with "addressee unknown", "changed address", "not accepted", "not searched for" or with similar messages, the Company shall attempt to send the message again to the specific address. In such case the Company is entitled to consider the message as delivered to the Customer after the expiry of the usual time required for delivery, regardless whether the message was delivered successfully or not. If the Company learns with respect to two consecutive notifications that the delivery failed because of the above, the Company may suspend the sending of notifications to the Customer until further actions are taken by the Customer. The Company shall not be liable for any damages arising from the above.
- date of delivery means 48 hours after the date of posting notification in relation to registered and regular mails to be delivered in Hungary, and 72 hours after the date of posting notification in relation mails to be delivered abroad.
- The Company shall not be liable, if the Customer provides the Company with an address, to which no mail can be sent. In this case the notification obligation shall be deemed to be fulfilled, if the Company keeps the notification. The Company shall suspend the sending out of notifications until the Customer takes the necessary measures. The Company shall not be liable for any damages arising from the above.

#### 5.11.9.4 In relation to notifications through the Online Trading Platform:

- the notification obligation shall be deemed to be satisfied, and delivered, if the notification was made available to the Customer on the Online Trading Platform;
- if the Online Trading Platform is not available to the Customer for any reason not

attributable to the Company, the notification shall be deemed to have been delivered to the Customer.

#### 5.11.10 Other Rules in relating to notification by the Company

5.11.10.1 If the Company sends notifications and documents to the Customer by mail, then the Company is not obliged to send such notices via registered mail or return receipt, with the exception set out in Section 5.11.9.

5.11.10.2 If no comment or objection are raised in relation to a notification (including any request, notice, information or other communication) within 2 business days from the date of Customer's receipt of said notification, or within any other period of time as determined in the agreement, then the Company is entitled to consider this as the Customer's acknowledgement and acceptance of the information in the notification; this shall be undisputed. The Customer is obliged to provide sufficient justification to the Company for its delay in case it raises an objection after the expiry of the objection period determined in this General Terms of Business.

5.11.10.3 If the Company sends a notification via different methods (more than one) to the Customer, the date of delivery of the first notification is relevant in relation to the objections and comments to be raised by the Customer.

5.11.10.4 If the Customer does not receive a notification, which it may expect to receive due to the given circumstances or the regularity of the notifications, then the Customer is obliged to immediately inquire from the Company in relation to such notification and its content.

5.11.10.5 If the Customer selects a method of notification and the Company learns that the Customer did not receive two successive messages, then the Company may request the Customer to amend its reported notification method, regardless of the fact that the notification is deemed to be delivered pursuant to the above terms of this General Terms of Business. The Company is entitled to contact the Customer for this purpose on any known address of the Customer or by any other means. If the Customer does not determine any other notification methods within eight days upon the delivery of this notification, or if the Company does not have any alternate contact address (channel) that has been previously provided by the Customer, then the Company will suspend the notification of the Customer until the Customer takes the necessary measures. The Company shall not be liable for any damages arising from the above.

5.11.10.6 If the Company is obliged to issue a separate invoice pursuant to the applicable accounting and tax laws, then the Company shall issue such invoice within the period of time prescribed by the applicable laws. The issued invoice shall be kept by the Company in its registered seat and shall be handed over to the Customer upon Customer's request or shall send the invoice to the Customer by post to the postal address as requested by the Customer.

#### 5.12 Written Records

5.12.1 Both, the Company and the Customer are obliged to prepare written record of all oral notifications, orders, messages, agreements, if they were not recorded over the Company's telephone, within one business day recorded.

5.12.2 All communication between the Company and the Customer via the Company's website, the Online Trading Platform and e-mail, by means of the e-mail addresses provided by the Customer and the Company for this purpose, shall be deemed as written communication.

5.12.3 The Customer shall be liable for any damages caused by any misunderstanding, error or mistake during any telephone conversations, fax and internet communications, provided that such damage resulted from any mistake made by the Company. This provision especially applies if the Company executes an verbally placed order, upon the Customer's express request, prior to receiving the Customer's written confirmation of the oral instructions.

#### 5.13 The Method of Accepting the Order

5.13.1 The Company and the Customer, in order to regulate the activities in relation to investment and ancillary investment services, shall conclude a written online trading agreement which will also contain provisions relating to Customer accounts, the purpose of these Customer accounts is to maintain records of the Customer's financial instruments obtained as a result of transaction entered into in relation to and based on the online trading agreement.

The Customer acknowledges that the online trading agreement entitles the Customer to open only one customer account.

5.13.1.1 The Company will only accept orders in relation to individual transactions through the Online Trading Platform. The Customer, through the Online Trading Platform, in relation to financial derivatives published there, is only entitled to submit orders in connection to the conclusion of so called forex agreements, contract for differences ("**CFD**") and Binary Options (BOP) order.

5.13.1.2 If there is an online trading agreement in effect between eBrokerhouse Ltd. and the Customer, then the Customer may submit specific orders to eBrokerhouse Ltd., in cases provided for and by the methods described in this General Terms of Business in accordance with the following order:

- orders submitted through the Online Trading Platform must be submitted in accordance with the relevant procedure described there; and in accordance with the online trading agreement and this General Terms of Business.

5.13.2 The Customer acknowledges that the technical features of the Online Trading Platform and the nature of the order based on the online trading agreement do not make possible the withdrawal or the alteration of the order referring to certain transactions.

5.13.3 eBrokerhouse Ltd. registers the Customer's Orders in the order in which they are received. Orders with identical content are performed in the order in which they are received. If the conditions are not identical, eBrokerhouse Ltd. shall – within the frame of the relevant laws – establish an order, which considers the order in which the Orders are received and at the same time enables the Company to serve the most possible number of customers in accordance with the Customer's Orders.

5.13.4 The provisions relating to the execution venue are contained in the Execution Policy attached to this General Terms of Business.

5.13.5 The Customer acknowledges that the Company does not accept cash payments nor does it perform payments in cash. Therefore, the Parties declare that any payment obligation arising from the legal relationships between the parties may only be performed by way of (i) bank transfer (by means of debiting/crediting) or (ii) payment via bank or credit card (by means of debiting/crediting) order.

#### 5.14 Contract performance

5.14.1 The Company shall only accept and perform Orders for individual transactions, if the margin is sufficient on the customer's account ("online trading account"), specified in the online trading agreement.

5.14.2 The Customer is obliged to ensure that the customer account continuously contains sufficient securities coverage ('Margin'), in accordance with the online trading agreement, as determined by the Company for the Company to use – as specified in the online trading.

5.14.3 The Customer is obliged to immediately answer all questions received from the Company in relation to the performance of the agreement. Any damage resulting from the failure to comply with this or from providing inaccurate data are borne by the Customer.

5.14.4 The Company is entitled to, immediately at the time of detection, correct any false crediting and debiting which may occur during the performance of the agreement. This right of the Company shall be valid without time limit.

5.14.5 The Customer, anytime during business hours, without limitation, is entitled to request extraordinary information in relation to the execution of the Customer's own orders and the balance of accounts maintained by the Company. The Company, based on the online trading agreement, is entitled to provide the requested information through the Online Trading Platform.

5.14.6 The Company, during tax determination, deduction and payment shall proceed pursuant to the provisions of the effective law.

#### 5.15 Applying the principle of the best execution

5.15.1 The Company during the execution of transactions of retail customer, in order to ensure that the transactions are executed pursuant to the Investment Service Act, is obliged to proceed based on the execution policy attached to this General terms of Business, unless the Customer or the applicable laws otherwise prescribe. The execution policy contains aspects relevant to execution of the transactions - including the possible execution venue.

5.15.2 If the customer order or the nature of the transaction makes it possible for the Customer to provide instructions in relation to instruction and circumstances contrary to the execution policy, then The Company will attempt to execute the Customer order accordingly. The Customer acknowledges that this may exclude or limit the realization of the provisions described in the execution policy. Thus, the Company may not be held liable for any consequences resulting from such transactions.

5.15.3 The rules on the amendment of this General Terms of Business are controlling in relation to the publication, amendment and other of the execution policy.

- 5.16 The consideration of the orders
- 5.16.1 The Customer, other than the events described in the online trading agreement, does not have a fee payment obligation to the Company.
- 5.16.2 The Customer, on the other hand, acknowledges that if any, closing of open position resulting from any Order submitted based on the online trading agreement is not completed within 2 settlement days from the date it is created, then the Customer is obliged to pay interest, at the rate published on The Company's webpage described in Section 3.1, in relation to the currency of the transaction for the period between the last day of the above deadline until the closing of the given position.
- 5.16.3 In case of late performance of financial debts, the delaying party is obliged to pay late interest, calculated based on the online trading agreement, but at least at the rate of the late interest set out under the Hungarian Civil Code, and is the non-breaching party also obliged to pay to the damaged party any losses resulting from the delay.
- 5.17 The right of retention and security deposit
- 5.17.1 Any money or financial instruments belonging to the Customer in connection with certain transactions and orders, being in the possession of the Company, shall serve as security deposit for the Customer's payment obligation and related contributions. The company is entitled to retain the money or financial instruments belonging to the Customer until the Customer fully satisfies the claims of the Company. eBrokerhouse Ltd., in the frame of its right of retention, is entitled to block the Customer's online trading account until the Customer fully satisfies the claims of the Company. eBrokerhouse Ltd. may exercise its right of retention in relation to the money or the financial instruments belonging to the Customer until the Customer fully satisfies the claims of the Company, even if the Customer issues contrary instructions.
- 5.17.2 If the Customer, even after receipt of due notice, fails to satisfy the claims of eBrokerhouse Ltd. within the deadline specified in this General Terms of Business and in the individual agreement, then the Company is entitled to satisfy its claims directly from the security deposit. In the frame of this, eBrokerhouse Ltd. is entitled to, directly or with the assistance of an intermediary, sell the subject of the security deposit at market price or may directly take possession of it at fair market price. Thereafter eBrokerhouse Ltd. is obliged to settle with the Customer. eBrokerhouse Ltd. is entitled to enforce its outstanding claims against the Customer, which claims could not be satisfied from the security deposit, through judicial channels.
- 5.18 The amendment, termination and term of the agreement
- 5.18.1 The online trading agreement may be amended and terminated in accordance with the instructions provided therein. The Customer explicitly acknowledges that the Company is entitled to unilaterally amend the online trading agreement, at any time – as specified therein.
- 5.18.2 The Company, in case of termination, death or loss of legal capacity of the Customer, following the termination of the online trading agreement, shall remain obliged to take the

necessary measures to protect the interest of the Customer until the Customer or the legal successor is able to take such measures.

- 5.18.3 If the agreement is terminated due to personal reasons of the Customer, the termination shall become effective when eBrokerhouse Ltd., learns about the reason of the termination in a satisfactory manner.
- 5.18.4 In case of Customer's death, the Customer's heir(s) specified in the final and binding distribution of inheritance order shall become the holder of the rights and obligations of the agreements concluded between the Customer and eBrokerhouse Ltd.
- 5.18.5 If the agreement is terminated, the Customer is obliged to make good on the execution of all pending open positions resulting from Orders submitted in accordance with the online trading agreement and the Customer is further obliged to pay all expenses, which are the Customer's obligations according to the online trading agreement, generated in relation to the individual order.
- 5.18.6 If any of the Events of Default described in the online trading agreement occur and continues, eBrokerhouse Ltd., in accordance with the terms of the agreement, may terminate the online trading agreement on the Termination Date set out in the written notice sent to the Customer. Either party may terminate the online trading agreement via 10 day ordinary termination by sending a unilateral declaration to the other party. The Company may not exclude or limit its responsibility to perform the agreement it entered into with the Customer, except in cases described under the applicable laws or the online trading agreement, or if the Customer commits a material breach of its obligations under the agreement and fails to remedy such breach after receiving due notice calling on the Customer to remedy such breach.

#### **5.19 The investment analyses published by the Company**

The investment analyses purchased by the Company are published on its website on regular basis (the definition investment analysis is equivalent with the definition defined under the Investment Service Act of 2007)

### **6 Other Provisions**

- 6.1. The Company, during the performance of its investment and ancillary investment services, shall always proceed in the best interest of the Customer, with the outmost care that can be expected from a capital market expert. The Company is not liable for damages caused by force majeure, regulation of a domestic or a foreign authority, rejection or a late rejection of a necessary official authorization, unless the rejection or late rejection of a necessary official authorization occurs due to a reason attributable to the Company.**
- 6.2. The Customer is responsible for the validity of the data provided by the Customer during the placement of an order. The Customer shall bare the consequences of providing misleading information during the placement of an order.**
- 6.3. The Company shall only perform lawful orders; the Company will reject the performance of unlawful orders.**

### **7 Notifications, Disclosures**

The data concerning the activities and the management of eBrokerhouse Ltd. performed according to the Investment Service Act shall be published in the newspaper called 'Magyar Tőkepiac' [The Hungarian Capital Market] and on the companies website: [www.iforex.hu](http://www.iforex.hu), [ebrokerhaz.hu](http://ebrokerhaz.hu) where the company is to publish the following data:

- the annual report audited by the auditor (the balance sheet and the results) and the ancillary appendix or
- the place and time where and when the report mentioned above may be viewed.

## 8 Confidentiality

(The rules included in the present Section 8. contain quotations from different articles of law and the Parties cannot dismiss them by means of contract.)

### 8.1 Business Secrets

8.1.1 Business secrets shall comprise all of the facts, information, conclusions or data pertaining to economic activities that, if published or released to or used by unauthorized persons, are likely to imperil the rightful financial, economic or market interest of the owner of such secrets, provided that the owner has taken all of the necessary steps to keep such information confidential.

8.1.2 The Company shall keep confidential without time limitation the business information acknowledged during the performing of its activity.

8.1.3 The confidentiality obligation does not apply if the confidential information is required by the following entities acting in their capacity according to the law:

- the supervising authority,
- the Investor Protection Fund,
- the Hungarian National Bank (MNB),
- the State Audit Office,
- the state Tax Authority,
- the Economic Competition Authority,
- the internal oversight agency appointed by the Government, which controls the legality and propriety of the use of central budget funds;
- the national security service.

8.1.4 The confidentiality obligation shall not apply concerning the grounds for procedure, in respect of:

- the investigating authorities acting within the scope of criminal procedures in progress and when investigating charges, and the public prosecutor acting in an official capacity;
- the courts acting in criminal cases and civil cases connected with estate, or in bankruptcy



and liquidation procedures as well as in proceedings of local governments of communities for settlement of debts;

- the European Anti-Fraud Office (OLAF) monitoring the protection of the Community's financial interests;
- European Anti-Fraud Office (OLAF) supervising the usage of the means of support provided by the European Union and
- The performance of the disclosure of information obligation, pursuant to Section 205 of the Capital Market Act, is not a business secret violation in the event of reporting any information, fact or circumstance that may suggest insider dealing or market manipulation, the persons engaged in investment services, activities auxiliary to investment services, and commodity exchange services (hereinafter referred to as person subject to the obligation of notification), shall report it to the Authority immediately upon gaining knowledge of such.

## 8.2 Securities secret

8.2.1 All data and information at the disposal of the Company, concerning specific Customers relating to their personal information, financial standing, business operations and investments, ownership and business relations, and their agreements with the Company, and to the balance and money movements on their accounts shall be construed as securities secrets.

8.2.2 According to the provisions on securities secret everyone who, or (which) avails itself of the services of the Company shall be deemed a Customer.

8.2.3 The securities may be handed over to a third person if:

- the Customer or the Customer's legal representative so requested in an authentic instrument or in a private document with full probative force expressly indicating the particular data, which are considered securities secrets, to be disclosed;
- the regulations provide an exemption from the requirement of confidentiality concerning securities secrets; or
- it is deemed necessary in light of the interests of the Company to sell its claims due from the Customer or for the enforcement of its outstanding claims.

8.2.4 The obligation of confidentiality shall not apply in respect of:

- the Authority and supervisory authority, the Investor Protection Fund, the MNB the State Audit Office, the state tax authority, the Economic Competition Office, the internal oversight agency appointed by the Government, which controls the legality and propriety of the use of central budget funds, the national security service, the consumer protection authority, acting within the scope of their official capacity conferred by law and the European Ant-Fraud Office (OLAF) supervising whether the means of support provided by the European Union are used as specified;
- a notary public in connection with a probate case and the court of guardians proceeding within in the scope of its authority;

- the following bankruptcy trustees, liquidators, financial trustees, bailiffs and receivers, in connection with bankruptcy proceedings, liquidation proceedings, judicial enforcement procedures, local government debt consolidation procedures,
  - investigating authorities acting within the scope of criminal procedures in progress and when investigating charges, and the public prosecutor acting in an official capacity;
  - the court acting in criminal or civil cases, bankruptcy and liquidation proceedings and in the framework of local government debt consolidation procedures;
  - the agencies authorized to use secret service means and to conduct covert investigations if the conditions prescribed in specific other legislation are provided for;
  - the national security service acting within the scope of duties conferred upon it by law, based upon the special permission of the director-general;
  - tax authorities and the customs authorities in the framework of their procedures to monitor compliance with tax, customs and social security payment obligations, and for the implementation of an enforcement order issued for such debts;
  - the ombudsman when acting in an official capacity;
- by sending a written request to the Company.

8.2.5 Furthermore, the securities secret obligation is not applicable:

- where the state tax authority makes a written request for information from an investment service provider or commodity dealer, investment fund manager, venture capital fund manager, stock exchange, the organization acting as clearing house or a central depository on the strength of a written request made by a foreign tax authority pursuant to an international agreement, provided that the request contains a confidentiality clause signed by the foreign authority;
- where the Authority requests or supplies information in accordance with a cooperation agreement with a foreign supervisory authority, provided that the cooperation agreement or the foreign supervisory authority's request contains a signed confidentiality clause;
- where the service provider supplies information pursuant to Section 52, Paragraph 8 Act XCII of 2003, - on the Tax Regime

8.2.6 The written request shall indicate: the Customer or group of Customers, or the account about whom or which the agencies or authorities specified in Section 9.2.4 are requesting the disclosure of securities secrets; the type of requested data and the purpose of the request, unless the MNB or the Authority, proceeding within their scope of duties.

8.2.7 Pursuant to Sections 9.2.4., and 9.2.5., the person authorized to request data, may only use the data for the purpose for which it was requested.

8.2.8 In the event described in Sections 9.2.3. - 9.2.5., and 9.3., the Company may not refuse to supply data by referencing its confidentiality obligation.

8.2.9 The confidentiality obligation in relation to securities secrets does not apply where the Hungarian law enforcement agency makes a written request for information from the Company or commodity dealer in order to fulfill the written requests made by a foreign law enforcement agency, provided that the request contains a confidentiality clause signed by that foreign law enforcement agency.

8.2.10 The Supervising Authority and the MNB, pursuant to law, are entitled to access securities secrets, during data supply requirement applicable to the Company.

8.2.11 The Supervising Authority may provide documents containing securities secrets to investigating authorities authorized to receive such documents.

The confidentiality obligation in relation to securities secrets does not apply with respect to data supplied by the Investor Protection Fund to foreign investor protection schemes and foreign supervisory authorities in the manner specified in cooperation agreements if they guarantee equivalent or better legal protection for the processing and use of such data than the protection afforded under Hungarian Law.

8.2.12 The confidentiality obligation in relation to securities secrets does not apply to investment service providers, commodity dealers, investment fund management company, a venture capital fund management company, the exchange, the body providing clearing and settlement services, the central depository or central counterparty, if such organization informs the ministry in relation to the restrictive measures adapted by them based on and in order to comply with the obligations set out in:

- any regulation or decisions adopted based on these regulations in relation to restrictive measures imposed on financial instruments, other financial interests and of economical resources based on Article 60 of the Treaty establishing the European Community;
- joint statements adopted in relation to restrictive measures imposed on financial instruments, other financial interests and of economical resources based on Article 15 of the Treaty establishing the European Community.

8.2.13 In relation to the data obtained by the ministry in accordance with Section 9.2.13., the ministry is entitled to:

- forward such data to the member states and institutions of the European Union;
- keep for 5 years for the purpose of mutual inspection, and
- provide data statistics and to use for the purpose of personal identification.

8.3 Other requirements on business or securities secrets

- 8.3.1 Any person holding any business or securities secrets shall be subject to the confidentiality requirement indefinitely, unless otherwise prescribed by law.
- 8.3.2 All facts, information, solutions or data classified as business or securities secrets may not be disclosed to any third person, other than those authorized under the Investment Service Act without the consent of the Customer to whom it pertains, and may not be used for any purposes outside the scope of duties.
- 8.3.3 Any person who is in possession of business secrets or securities secrets may not use them to acquire any advantage, either for himself or for any third party, whether directly or indirectly, or to cause any injury to the Company, or its Customers.
- 8.3.4 Any information that is declared by specific other legislation to be information of public interest or public information and as such is rendered subject to disclosure may not be withheld on the grounds of being treated as a business secret.
- 8.3.5 If the Company is terminated without a legal successor, Any document retrieved from the files of the Company, which document contains any business and securities secrets, may be used for archive research projects after sixty years from the date when they were created.

#### 8.4 Disclosure of business or securities secrets

- 8.4.1 The Company shall satisfy the written requests of investigating authorities, the national security service and the public prosecutor' office without delay concerning any customer account and the transactions on such account if it is alleged that the account or the transaction is associated with:
- illegal possession of narcotic drugs;
  - b) an act of terrorism;
  - c) illegal possession of explosives and destructive devices;
  - d) illegal possession of firearms or ammunition;
  - e) money laundering;
  - f) any felony offense committed in criminal conspiracy or in a criminal organization;
  - g) insider dealing;
  - h) market manipulation
- 8.4.2 When data is disclosed pursuant to the law, the customer affected may not be notified
- 8.4.3 The following shall not constitute a breach of confidentiality concerning securities secrets:
- the disclosure of data compilations from which the Customers' personal or business data cannot be determined;
  - the disclosure of data pertaining to the name of the account holder or the number of his account;

- the disclosure of data by a reference data provider to the KHR, and the disclosure of data in compliance with the regulations of this system to a reference data provider from the system.
- the disclosure of data to an auditor authorized by an investment service provider or commodity dealer, investment fund management company, a venture capital fund management company, the exchange, the body providing clearing and settlement services, the central depository or central counterparty a legal or other expert as well as to an insurance institution providing insurance coverage for the above-specified bodies to the degree necessary for the purposes of the insurance contract;
- the disclosure of data, to the extent necessary for the performance and in the scope thereof, to investment service provider or commodity dealer, investment fund management company, a venture capital fund management company, the exchange, the body providing clearing and settlement services, the central depository, not included here data disclosure among themselves in reference to investment service provider or commodity dealer, investment fund management company;
- the disclosure of data by an investment service provider, commodity dealer, investment fund management company, a venture capital fund management company to a non-resident investment service provider or non-resident commodity dealer if, the Customer (data subject) has consented in writing, the non-resident investment service provider or non-resident commodity dealer is able to satisfy the conditions of data management required by Hungarian law regarding each data item, the country where the registered office of the non-resident investment service provider or non-resident commodity dealer is located has legal regulations on data protection which satisfies the requirements of Hungarian legal regulations;
- the foreign investments enterprise, the foreign exchange service provider, the foreign equity service provider and the foreign undertaking for capital risk fund are, depending on the location of their registered offices, to ensure for the supervising authority the possibility to observe the data transfer as agreed by the given foreign supervising authority and the Hungarian Supervising Authority, but only if this agreement contains a privacy statement issued by the foreign supervising authority;
- the disclosure of data upon the written consent of the management body of an investment service provider or commodity dealer investment fund management company, a venture capital fund management company, the exchange, the body providing clearing and settlement services, the central depository or central counterparty to a shareholder with a qualifying interest in the investment service provider or commodity dealer, or to a person or body bidding to acquire a qualifying interest in the investment service provider or commodity dealer, to a company set to take over the existing accounts under an agreement for the transfer of accounts, as well as to auditors and legal or other experts authorized by such an owner or such potential owners;
- upon request of court, presenting the specimen signature of the persons authorized to dispose of the account of a party in a lawsuit;
- data disclosed by the Authority in compliance with the requirement of confidentiality concerning securities secrets suitable for the identification of investment service providers,

commodity dealers investment fund management company, a venture capital fund management company, the exchange, the body providing clearing and settlement services, the central depository or central counterparty;

- to the Central Statistical Office for statistical purposes; and;
- to the ministry for the purpose of analysis and for planning the central budget;
- the disclosure of data that is necessary for carrying out activities that have been outsourced to the body carrying out the outsourced activity;
- the disclosure of data for the purpose of compliance with chapters XIX/A, and XIX/B of the Capital Market Act, and Chapters XIV, and XIV/A. Act CXII of 1996 on Credit Institutions and Financial Enterprises and Chapter III/A of Part eight of Act XCVI of 1995 on Insurance Institutions,
- the publication of the disposition of an Authority decision in a matter of insider dealing or market manipulation from the standpoint of the person who has committed these offenses;
- the disclosure of information made in accordance with Section 205 of the CMA.
- disclosure of the information referred to in Article 4 of Regulation (EC) No. 1781/2006 of the European Parliament and of the Council of 15 November 2006 on information on the payer accompanying transfers of funds to the payment service provider of the payee governed under the regulation and to the intermediary payment service provider in the cases specified in the regulation.

## 9 Investor protection

(The rules included in the present Section 10. contain quotations from different articles of law and the parties cannot dismiss them by means of contract.).

### 9.1 Protecting the claims of the Customer

9.1.1 The Company shall keep separate the investment vehicles belonging to the Customer from its own investment vehicles; funds held for or belonging to the Customer shall only be used by the Company in accordance with the Customer's instructions.

9.1.2 The Company, in the frame of the investment and ancillary investment services it provides, shall place the financial instruments belonging to the Customer, received based on the agreement entered in to with the Customer, or obtained as a result of the execution of Customer order into the Customer's customer account.

The Company shall record the claims and the obligations arising from spot, optional and forward transaction, separately on both, the customer and the securities account. The Company shall deposit the financial instruments on the customer account with a bank, or specialized clearing houses, on a turnover account opened and managed for this purpose, with the reservation of the obligation mentioned in the first section of Section 10.1.1.

The Company may use the Customer's financial instruments only with the Customer's prior written consent, determining the exact purpose of the use.

The Company, in relation to the safekeeping and administration of financial instruments belonging to the Customer, is entitled to enter into an agreement with third parties pursuant to 57. § (1)-(3) of the Investment Service Act.

9.1.3 The claims of the Customer may not be used for the satisfaction of the Company's debt towards its lenders.

9.1.4 The Company may not make use of the funds held for or belonging to the Customer, as if such funds were the Company's own and must ensure to the Customer an unlimited access to the investment vehicles and financial instruments being in the possession of the Company.

9.1.5 The Company shall maintain consistent, orderly, and chronological records on all transactions on own account, on Customer agreements and on all Customer orders placed under an existing framework agreement.

The Company in order to ensure the contents described in Sections 10.1.1-4, shall maintain its records and accounts subject to the following requirements:

- the records and accounts shall be maintained in a manner ensuring their accuracy, and in particular their correspondence to the investments, financial instruments and funds held for clients and
  - to enable the accurate assessment and correct allocation of any loss
- a) the data of Customers, based on whose instructions, the Company used the financial instrument and
- b) the number of the financial instruments belonging to certain Customer who have consented to their use by the Company.

## 9.2 The Investor Protection Fund

9.2.1 The Company is a member of the Investor Protection Fund established by the investment service providers (hereinafter referred to as the "Fund").

9.2.2 The scope of coverage provided by the Fund concerns the settlement of assets that were entrusted to the Company based on the agreement concluded by the Company during the period of membership in the Fund pertaining to the activity described in point 4.1 and 4.2.1-2 (hereinafter the "secured activity"), and which assets are recorded in the Customer's name (hereinafter the "insured claim").

Coverage provided by the Fund is not available to:

- a) the state
- b) budgetary agencies
- c) companies under one hundred per cent of state holding
- d) local authorities
- e) institutional investors

- f) compulsory or voluntary deposit insurance, institution and investor protection funds, Pension Guarantee Funds
- g) extra-budgetary funds
- h) investment service providers, stock exchange members, and commodity dealers
- i) financial institutions falling within the scope of the Act CXII of 1996 on Credit Institutions and Financial Enterprises
- j) The National Bank of Hungary
- k) the executive employees of Fund members, employees of Fund members whether by contract of employment or under some other form of legal relationship, and their close relatives; furthermore
- l) any company or natural person having a direct or indirect holding of five per cent. or more in the capital of a Fund member carrying voting rights, and any company they control, as well as the close relatives of natural person

and the foreign equivalents of such person set out in point a)-l).

Coverage provided by the Fund shall not apply to claims in connection with any transaction financed by funds of criminal origin, as declared by final court judgment, and to claims in connection with any transaction that is denominated in a currency other than euro or the legal currency of a Member State of the European Union or the OECD.

9.2.3 The Fund's liability of indemnification shall commence upon a court order for the liquidation of a Company, provided that the legal conditions are fulfilled.

9.2.4 Compensation shall be paid to the Customer upon application. The Customer is entitled to submit an application within one year from the first day specified for filing the claims. If the Customer was unable to lodge his claim for some excusable reason, it may submit the application within thirty days when such reason is eliminated.

9.2.5 The Fund is required to post a notice on the Authority's official website, and also on its own website within fifteen days from the date when the court order of liquidation has been communicated, notifying the investors concerned on the conditions to seek compensation. The notice shall specify the date from which claims are accepted, the form in which claims are to be lodged, and the name of the paying agent. The first day specified for filing the claims must fall within a thirty-day period from the date when the court order of liquidation has been disclosed.

If the claimant supplies to the Fund the agreement underlying the insured claim along with all information required verifying his eligibility, and if the records maintained by the Company are also available, the Fund shall be obliged to process the Customer's application for compensation within ninety days from the date when the application was submitted. If the agreement supplied by the investor underlying his claim for compensation and the records maintained by the Company are in harmony, the Fund shall verify compensation to the extent substantiated by such documents and shall proceed to pay to the Customer the compensation at the earliest possible time within a ninety-day period. In justified cases the



settlement date may be extended - subject to prior approval by the Authority - once, by maximum ninety days. If the Customer proves its claim by means of a final court judgment as set out in applicable laws, the Fund shall be liable to pay compensation even if the Customer's eligibility cannot be verified based on the above. In this case the Customer may file his application within ninety days from the date when court judgment became final, with the court judgment in question attached.

9.2.6 If the legal requirements are met, the Fund shall compensate investors entitled to compensation for claims up to a maximum amount of twenty thousand euro per person and per Fund member on the aggregate. The amount of compensation paid by the Fund is 100 per cent up to one million forint, and for amounts over the one-million forint limit, one million forint and ninety per cent of the amount over one million forint. For the purposes of determining the extent of indemnification, all of the insured claims of an investor and the claims not released by the Fund member are to be consolidated.

If an insured claim pertains to handing out securities, the amount of compensation shall be determined based on the average price achieved during the one-hundred-and-eighty-day period immediately before the liquidation proceedings on the stock exchange or over-the-counter trading. If the securities in question had not been traded in the reference period, the Fund's directors shall determine a price based on which to calculate the amount of compensation. The price shall be established to permit a situation as if the Customer had sold the securities at the time of commencement of the liquidation proceedings. The indemnification limit specified in the first section shall apply separately to all of the persons contained in the records of the Company who are eligible for compensation in connection with securities owned by several persons. The amount of compensation shall be divided equally among the investors, unless there is an agreement to the contrary. The amount of compensation paid on jointly owned securities shall be added to the compensation payable for the claimant's other claims.

In respect of the amount limits referred to in first section and of claims denominated in foreign currency, the amount of compensation to be paid in a foreign currency shall be calculated, regardless of the date of payment, at the official rate of exchange determined by the National Bank of Hungary in effect on the starting date of the liquidation proceedings. The foreign currencies not quoted by the National Bank of Hungary shall be referred to as the arithmetic mean of the highest and lowest amount of the foreign currency selling rates quoted by credit institutions having reregistered seat in Hungary.

If the Company has, or will have by the payment of the compensation due claims against the Customer arising from the investment service activity, such claim shall be set-off against the Customer's claim for compensation.

The Fund provides compensation in money.

Up to the extent of the compensation paid by the Fund, the Customer's claim shall be transferred to the Fund.

The detailed provisions applicable to the Fund and to the compensation service provided by it, are laid down in chapter XXIV, of Act CXX of 2001 on Capital Markets.

For further information about the Fund, please visit the Fund's website at <http://www.bva.hu>

### 9.3 Portfolio transfer

Subject to the Authority's prior consent, the Company may of right transfer its portfolio of contractual obligations to another investment service provider or to another commodity dealer. The Company may not transfer the portfolio of its contractual obligations to a commodity dealer. The Company is entitled overtake the portfolio of contractual obligations of an other investment service provider and commodity dealer, a commodity dealer is entitled to overtake other commodity dealer's portfolio of contractual obligations.

The transfer of portfolio of the Company's contractual obligations is subject to the Authority's prior consent. The authorization of the Authority shall not substitute for the authorization of the Hungarian Competition Authority. The transfer of portfolio shall be governed by the provisions of the Civil Code on the assumption of debt.

- 9.3.1 In connection with the transfer of portfolio the Company shall notify its clients affected prior to the operative date of the transfer agreement concerning the proposed transfer, and the provisions contained in points 9.3.4.-9.3.6 including information regarding the place and time where and when the transferee's general terms of business can be obtained, and the format in which it is available.
- 9.3.2 If the Customer rejects the person or the general terms of business of the transferee investment firm or commodity dealer, the Customer shall supply a written statement to the Company, indicating the investment service provider or commodity dealer of his choosing; and the number of the securities account, custody accounts and other accounts this investment service provider or commodity dealer operates on his behalf for investment-related financial transactions.
- 9.3.3 The Company shall allow at least thirty days for the Customer to make the decision and to provide the statement referred to in Section 9.3.4. If the Customer fails to supply the aforesaid statement within the time limit, or if the statement supplied to the Company is missing any of the details as out in applicable laws, it shall be considered as acceptance of the transferee investment service provider or commodity dealer, and their general terms of business.
- 9.3.4 Upon acceptance of the transferee investment service provider or commodity dealer, the financial instruments and funds held at the Company on securities accounts and investment accounts for or belonging to the Customer shall be transferred from the transferor to the transferee investment service provider or commodity dealer effective as of the date indicated in the notice, and they shall become subject to general terms of business of the transferee investment service provider or commodity dealer.
- 9.3.5 If the Company's activity on the stock exchange is limited or suspended at the stock exchange's or the Supervising authority's initiative, or if the settlement house takes measures against the Company that have an influence on the orders provided by the Customer, then the Company is obliged to ensure that the Customer is immediately informed about the method of execution of the unexecuted orders, and the Company shall inform the Customer about his right to terminate the agreement. The Customer shall inform the Customer thereof on the day the Company learns about the limitation/suspension.

- 9.3.6 If the Company retires from its activity before being voluntarily wound up or liquidated, the Company shall, prior to the withdrawal of its authorization, comply with its contractual obligations towards its clients and enter into an agreement with another investment service provider to assume its investment agreements. The Customer is entitled to choose a different investment service provider, the services of which it intends to use in the future. In this case the Customer's portfolio shall not be subject of a portfolio transfer, but the Company shall settle with the Customer and terminate the contractual relationship.
- 9.3.7 During the transfer of portfolio the Company is obliged to transfer to transferee investment service provider the deposited securities to its custody, and the claims registered on the collective securities account and customer account. The Company shall hand over the portfolio of the unperformed agreements. The costs of the portfolio transfer shall not be passed on to the Customer.
- 9.3.8 If the Company takes over an investment portfolio from another investment service provider, the Company shall immediately inform the Customers in writing about the registration and the opening of the customer accounts, the securities accounts and the securities deposit accounts. The Company shall request the Customers by way of notification to personally appear at the Company for registration and identification purposes. If the Customer fails to act accordingly within the given timeframe, the Company will be entitled to consider that the Customer terminated the account agreements establishing the legal relationships, which were transferred. The Customers shall be informed about this in the above mentioned notification.
- 9.3.9 If the investment portfolio is transferred during the Company's voluntary winding up or insolvency procedure, the Company shall act in accordance with the provisions of the Civil Code on the assumption of debt with the exception that it is not required to obtain the Customer's consent.
- 9.3.10 During the transfer of the investment portfolio, the Company is entitled to set-off its claims towards the Customer derived from investment services and ancillary investment services against Customer's claims.

## 10 Disputes Resolution

- 10.1.1 The parties shall in the first instance seek an amicable resolution to disputes related to any breach of contract by the Company or the Customer, or any other dispute. The Parties agree that the competent ordinary courts of Hungary as determined by applicable laws shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this General Terms of Business, any agreement entered into under this General Terms of Business, including a dispute regarding their breach of contract, validity or interpretation.
- 10.1.2 This provision of the General Terms of Business is intended to establish the jurisdiction of the ordinary Courts of Hungary and shall form part of the online trading agreement and the individual orders entered into between the Customer and eBrokerhouse Ltd.

## 11 Customer Account

The Company informs the Customer that the online trading agreement contains the terms and conditions applicable to the customer account, on which the financial instruments, subject of the online trading agreement and the transactions under the online trading agreement, are available to the Customer.

The terms of the online trading agreement shall be applicable to the registration and management of the Customer's financial instruments held on the above customer account in compliance with the provisions of Sections 9.1.1-5.

The Customer expressly acknowledges that it shall give a transfer order in relation to the financial instruments held on the online trading account in accordance with the terms and conditions of the online trading agreement. Only a transfer in relation to the customer account, opened in the name of the Customer, can be the subject of the transfer order.

## **II. AGENTS**

The list of the tied agents is set out in Appendix 7.

## **III. OUTSOURCING**

The outsourced activities are set out in Appendix 7.

## **IV. INTERMEDIARIES**

The list of the intermediaries is set out in Appendix 7.

## **V. APPENDIXES**

Appendix 1.	TRADING AGREEMENT
Appendix 2.	BUSINESS HOURS
Appendix 3.	EXECUTION POLICY
Appendix 4.	COMPLIANCE POLICY (SUMMARY)
Appendix 5.	LIST OF CONDITIONS
Appendix 6.	COMPLAINTS POLICY
Appendix 7.	LIST OF INTERMEDIARIES [TIED AGENT, NAME OF OTHER INVESTMENT SERVICE PROVIDER, ADDRESS, CONTACT ADDRESS]
	LIST OF THE INTERMEDIARIES [IN BUSINESS RELATIONSHIP WITH THE CONSUMERS, NAME OF THE OTHER INTERMEDIARIES ACTING IN THE INTEREST OF THE SERVICE PROVIDER, ADDRESS, NATURE OF THE RELATIONSHIP]

## LIST OF OUTSOURCED ACTIVITIES

Budapest, 1<sup>st</sup> August 2013

eBrokerhouse Ltd.