

# [ Hungary ]

## ING Bank N.V. Hungary Branch Wholesale Banking Terms of Business for Investment Services

(effective from 28 April 2022)

These Terms of Business set out the basis upon which we will provide our services to you. You should take the time to read them carefully since you will be legally bound by them in your dealings with us. Please inform us if there is anything that you do not understand in these Terms of Business.

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- ANNEX 1:** List of contact details (address, phone, fax, email and webpage) and opening hours of the branches of ING Hungary
- ANNEX 2:** Standard form agreements used by ING Hungary
- ANNEX 3:** List of activities outsourced and the entities carrying out outsourced activities
- ANNEX 4:** List of intermediaries (tied agents and investment firms) used by ING Hungary
- ANNEX 5:** List of fees and costs associated with ING Hungary's Services (the List of Conditions)
- ANNEX 6:** Complaint handling policy
- ANNEX 7:** Information on ING Wholesale Banking Order Execution Policy and Overview of ING Wholesale Banking Execution Venues
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- ANNEX 9:** ING Wholesale Banking Appropriateness Questionnaire
- ANNEX 10:** Information on ING Wholesale Banking Classification Policy

## Introduction

When do these Terms apply:

These Terms, as amended from time to time, apply to your dealings with us, ING Bank NV, including all ING Locations, acting in its own name or in the name of ING Wholesale Bank, upon the provision of one or more Services by us to you, including the execution or transmission of your orders in one or more Financial Instruments. These Terms apply to you regardless your classification as professional or eligible counterparty and regardless your country of residence or incorporation. Without prejudice to section 1.5 of these Terms, local laws may apply in addition to these Terms if and when we provide Services to you through another ING Location than the ING Location in your country of residence. In the event of a conflict between these Terms and any applicable local laws, the latter will prevail.

These Terms do not apply when we provide investment advice and portfolio management services.

When we provide Services to you in connection with FX Spot transactions, these Terms also apply, except for sections 5.5, 5.6, 8, 9, 10.2.1, 10.2.2, 10.2.3, 10.2.4 and 13.2.

When we provide Services to you in connection with Structured Deposits, these Terms also apply, except for sections 5.5 (save for the last sentence which exclusively applies to Structured Deposits), 10.2.1, 10.2.2, 10.2.3, and 10.2.4.

## 1. Amendments

In your dealings with us you will be legally bound by these Terms, as amended or supplemented from time to time, by any additional provisions contained in Appendix 2 which are specific to a particular ING Location. They supersede any prior terms under which you may have been doing business with us.

### 1.1. Definitions

In this document:

#### **Affiliate**

means, in relation to a legal person, a person controlled, directly or indirectly, by the same person as controls that person;

#### **Appendix**

means an appendix hereto;

#### **Applicable Regulations**

means the rules of any relevant regulatory authority, the rules of any relevant exchange, and all other applicable laws and rules in force from time to time, including MiFID II;

#### **Business Day**

means a day other than a Saturday or a Sunday on which banks in the ING Location are generally open for business;

#### **Collateral**

means any collateral provided by you to us in accordance with paragraph 11.

#### **Conflicts of Interest Policy**

means our policy that sets out how ING identifies, prevents and manages conflicts of interest. The Conflicts of Interest Policy is published on [www.ingwb.com/mifid](http://www.ingwb.com/mifid).

#### **Close-out Amount**

means the amount as set out in paragraph 12.2 hereof;

### **Derivative**

means those Financial Instruments as defined in point (44)(c) of Article 4(1) and in Annex I, Section C items (4) to (10) of MiFID II;

### **Durable Medium**

means any medium as defined in point (62) of Article 4 (1) of MiFID II;

### **Eligible Counterparty**

a client to whom we provide the investment service of execution or receive and transmit client orders or with whom we deal on our own account that qualifies as an eligible counterparty on the basis of Article 30 (2), (3) or (4) of MiFID II, including investment firms, credit institutions, insurance companies, UCITS and their management companies, pension funds and their management companies, other authorized financial institutions national governments and their corresponding offices including public bodies that deal with public debt at national level, central banks and their supranational organizations, and any other organization designated as eligible counterparty by a member state of the European Union in accordance with Applicable Regulations;

### **Event of Default**

means the occurrence of an event as set out in paragraph 12 hereof;

### **Financial Instruments**

bears the meaning given in Section C of Annex I of MiFID II;

### **Inducement Policy**

means our policy that sets out how we deal with receiving and providing inducements. The Inducement Policy is published on [www.ingwb.com/mifid](http://www.ingwb.com/mifid);

### **ING Location(s)**

means the ING branch, office or subsidiary with which you enter into any Transaction or that provide any Service to you that are governed by these Terms;

### **Best Execution and Order Handling Policy**

means our policy that sets out the execution arrangements and approach to provide best execution where we have an obligation to provide best execution to clients upon the handling and execution of orders in Financial Instruments (each as defined in MiFID II). The Best Execution and Order Handling Policy is published on [www.ingwb.com/mifid](http://www.ingwb.com/mifid);

### **Key Information Document (KID)**

means a document with pre-contractual information that is provided to clients under the packaged retail and insurance-based investment products regulation (PRIIPS);

### **MiFID II**

means Directive 2014/65/EU of 15 May 2014 on markets in financial instruments, as amended and all rules and regulations made there under;

### **MiFID Client Classification Letter**

means the letter we have sent you regarding your MiFID classification and the appendices thereto;

### **MiFIR**

means Regulation 600/2014/EU of 15 May 2014 on markets in financial instruments as amended, and all rules and regulations made there under;

### **National Competent Authority**

means the supervisory authority of each EU member state that is responsible for the supervision of Applicable Regulations;

**Non-complex Financial Instruments**

means those Financial Instruments as referred to in Article 25 section 4 (a) (i)-(vi) of MiFID II and Article 57 of the Commission Delegated Regulation 2017/565/EU including exchange traded shares and bonds, and certain money market instruments and units in UCITS investment funds;

**Over-the-counter trading (OTC)**

means trading which is done directly between two parties, without the supervision of an exchange;

**Professional Client**

a client that is an entity as referred to in Section 1 of Annex II of MiFID II;

**Retail Client**

a client that does neither qualifies as a Professional Client or as an Eligible Counterparty;

**Services**

means our execution and dealing services in Financial Instruments and the provision of any investment or ancillary service or investment activity, as defined in Section A and B of Annex I of MiFID II, which may comprise custody services, cash/collateral management, margin lending, corporate finance, FX services, investment research, underwriting or placement of Financial Instruments, excluding investment advice and portfolio management services.

**Spot currency exchange contracts (FX Spot)**

have the meaning as set out in Article 10 (2) Commission Delegated Regulation 2017/565/EU

**Structured Deposit**

means a deposit the return of which is based on an index other than EURIBOR or LIBOR, a Financial Instrument, a commodity or foreign exchange rates at maturity of the deposit.

**Terms**

means the terms of business under which we offer our Services to you and which are set out in this document, or which are included in any variation of, or supplement to, these Terms which we may agree with you in writing;

**Transaction**

means an order which you give to us for the purchase or sale of a Financial Instrument, or any other transaction entered into between us which is either executed or received and transmitted by us under these Terms, including when your order, request for quote or other communications or actions in connection with a potential Transaction or Service, has not yet resulted or did not result in the full or partial execution or transmission of the order or request for quote, for any reason, including your withdrawal or cancellation of your request or order;

**Transferable Security**

bears the meaning given in Article 4 (1)-44 MiFID II, which comprises certain classes of securities that are negotiable on the capital markets, including shares, bonds and similar Transferable Securities, including securities that give rights to acquire or sell such securities or give rise to a cash settlement determined by reference to Transferable Securities, currencies, interest rates or yields, commodities or other indices or measures;

**Website**



means the website address indicated in Appendix 2 Annex 1 or any other website address notified to you for the purpose of communicating with you, including but not limited to [www.ingwb.com/mifid](http://www.ingwb.com/mifid).

### 1.2. Regulatory status

Appendix 2 Annex 1 sets out the legal name, registered address, regulator, exchange membership(s), contact details, language for communication, governing law and jurisdiction and any other relevant regulatory information for each ING Location.

### 1.3. Priority of documents

These Terms apply when we provide Services to you, but these Terms may be modified or superseded (wholly or partially) by an agreement entered into by you and us that is bespoke or specific to any Financial Instrument, Service or Transaction, including but not limited to any ISDA GMSLA, GMRA or any other master agreement, including but not limited to a *Raamovereenkomst Financiële Derivatven* (RFD), including any schedules or annexes thereto and any confirmations pertaining to any such agreement.

### 1.4. Client classification

Through a separate letter, we have classified you as either a Professional Client or as an Eligible Counterparty. In that letter, we also informed you of your right to request a different classification. If you make such request, we will treat you as such for all purposes, i.e. not for one specific Transaction, Financial Instrument or Service. In case you requested us to opt-down from Professional Client or ECP Client to Retail Client, these Terms continue to apply to you, until you have entered into a RNBD and we have confirmed your classification as a Retail Client by means of a separate letter.

### 1.5. Right to request different classification

When you are classified as an Eligible Counterparty you may request us to reclassify you as a Professional Client or as a Retail Client. When you classify as a Professional Client, you may request us to reclassify you as a Retail Client or, in certain circumstances, as an Eligible Counterparty. Information on reclassification requests as referred to in this paragraph and the applicable procedures and the consequences of such reclassification, is provided in the MiFID Letter. Further information can be provided on request. You should note that, if you request a reclassification, additional terms and conditions apply, we even may decline to provide some or all Services to you at all or from particular ING Locations.

### 1.6. Change in circumstances

You are responsible for keeping us informed about any change which could affect your classification.

### 1.7. Language for communication

We will communicate with you and you should communicate with us in the language indicated in Appendix 2 Annex 1 as applying to such ING Location. If any document or communication is available in multiple languages, the English version shall prevail, unless expressly stated otherwise in the document or communication.

## 2. Application

### 2.1. Commencement

These Terms (and any amendments to these Terms) supersede any previous terms and take effect between us, and are deemed to have been accepted by you, from either 28 April 2022 or 5 Business Days after they have been sent to you or published on our Website, whichever is the later.

## **2.2. Applicable Regulations**

We assume no greater responsibility or liability in our dealings with you than imposed by Applicable Regulations or these Terms.

## **3. Risk warning**

### **3.1. Risk warning**

When we are obliged under MIFID II to assess whether a Service is appropriate for you, we will solely on information supplied by you. It is your responsibility to inform us in writing of any information that you previously provided to us, is or becomes inaccurate. General views, general advice or general recommendations expressed to you (whether orally or in writing) on economic climate, markets, investment strategies or investments are not to be perceived as investment advice. Furthermore, recommendations exclusively issued to the public (i.e. not addressed to you personally) shall not be perceived as a personal recommendation to you and does not constitute investment advice. Any information which you may receive from us, including risk warnings, will be given in good faith, but we do not warrant that such information is accurate or complete, or as to its tax consequences, and we do not accept any responsibility for any loss, liability or cost which you might suffer or incur in relying on such information, unless caused by our gross negligence or wilful misconduct.

### **3.2. Your assessment of risk**

Prior to taking a decision to place an order, to deal or not to deal in any Financial Instrument or when you decide to enter into any Transaction or request us to provide a Service, you should consider and assess the risks inherent or consequential to such Financial Instrument, Service or Transaction, and any strategies related thereto. Your risk assessment should include a consideration of any credit risk, market risk, liquidity risk, interest rate risk, foreign exchange risk, business, operational and insolvency risk, at each stage of a Transaction or Service, including your communications with us prior or after your decision to place your order or make your request for quote or other subsequent action, such as modifications or cancellation of your order or request for quote. When trading "over the counter" (as opposed to on exchange), you should also consider the risks specific to OTC trading, which may include (in addition to the fore mentioned risks) counterparty risk (in particular when your OTC Transaction is not centrally cleared), price transparency risk, liquidity risk (including the risk to quickly and efficiently close out or hedge existing OTC positions), best execution risk, contingent liability risk, regulatory and legal risks and the potential impact of distressed market conditions. You should always read and consider when assessing the risks of a Transaction, Financial Instrument or Service, all relevant information and documentation pertaining such Transaction, Financial Instrument or Service, before entering into such Transaction, Financial Instrument or Service. This includes for example any investment research and marketing material, term sheets, offering memoranda and prospectuses, Key Investor Information Documents and any applicable agreements and (general) terms and conditions and any relevant publically available information.

### **3.3. Risk associated with investments**

Appendix 1 to these Terms contains appropriate guidance on and a warning of the risks associated with Financial Instruments and Services provided by us, so that you are reasonably able to understand the nature and risks of Transactions, Services and Financial Instruments and, that your are reasonably able to take the relevant investment decisions on an informed basis.

### **3.4. When you should obtain professional advice**

Nothing in these Terms or Services rendered under these Terms, constitutes investment advice or portfolio management. If you do not understand one or more of the risk disclosures or risk warnings, as provided to you in any document or otherwise, or if we warn you that we cannot

assess the appropriateness of a Transaction, Financial Instrument or Service for you, or if we warn you that it is our assessment that a Transaction, Financial Instrument or Service is not appropriate for you, we strongly warn you that you should not proceed with the relevant Transaction, Financial Instrument or Service, but that you should seek external legal or financial advice. You should seek such advice not from us but from a third party who is not affiliated with us, prior to entering into a Transaction, Financial Instrument or Service.

#### **4. Appropriateness assessments**

##### **4.1. Our assumption of your knowledge and experience**

Since you classify as a Professional Client or an Eligible Counterparty, we are entitled to assume that you have the knowledge and experience to understand the Transaction, Financial Instruments and Services as defined in these Terms. However, if you do not have the adequate knowledge and experience to understand the risks of any Financial Instrument, Transaction or Service, you may be at a disadvantage to a Retail Client when we have an obligation to assess the appropriateness of a Transaction, Financial Instrument or Service. We accept no liability on the basis that Professional Clients or Eligible Counterparties claim that they do or did not have the knowledge and experience to understand any Financial Instrument, Transaction or Services.

##### **4.2. Our assessment of your knowledge and experience and warnings**

We may request you to inform us of your knowledge and experience in connection with any Financial Instrument, Transaction or Service, so as to enable us to assess whether any Financial Instrument, Transaction or Service is appropriate for you.

If you do not provide us with such information upon our request, or if you provide us with insufficient information, we may be unable to assess whether any Financial Instrument, Transaction or Service is appropriate for you. In such case we will strongly warn you that we are unable to assess the appropriateness of one or more Financial Instrument, Transaction or Service for you. In such case, we may be unable to act in your best interest and we may decide or we may be obliged not to proceed with any Financial Instrument, Transaction or Service.

If you provide us with the information of your knowledge and experience with regard to one or more Financial Instrument, Transaction or Service following our request thereto, and on the basis of such information provided by you we assess that you do not have the requisite knowledge and experience about one or more Financial Instrument, Transaction or Service, we will prominently warn you accordingly. In such case you should seek external legal or financial advice not from us but from a third party who is not Affiliated with us, prior to entering into a Transaction, Financial Instrument or Service.

If we have prominently warned you that we cannot assess the appropriateness of one or more Financial Instruments, Transaction or Service for you, or if we prominently warned you that one or more Financial Instruments, Transactions or Services are not appropriate for you, and you nevertheless decide to enter into such Financial Instrument or Transaction or to proceed with such Service from us, you accept that you may run potential risks that you may not anticipate, as a result of your lack of experience and knowledge of the relevant Financial Instrument, Transaction or Service.

We accept no liability for any failure by you to provide us with all and up-to-date information to assess the appropriateness of any Financial Instrument, Transaction or Service for you, or for any action we or you take, or do not take, as a consequence thereof, regardless whether we have warned you that we are unable to assess the appropriateness of any Financial Instrument, Transaction or Service for you, and regardless whether we have warned you in case when we have assessed that one or more Financial Instruments, Transactions or Services are not appropriate for you.

### **4.3. General warnings in relation to execution only services in Non-Complex Financial Instruments**

If we provide execution or order transmission services to you in relation to certain Non-complex Financial Instruments, we may not request information from you regarding your knowledge and experience and we may also not make an assessment of the appropriateness of any Financial Instrument, Transaction or Service for you, when we provide such service at your initiative. In such cases you will not benefit from an appropriateness assessment.

## **5. Instructions and execution of Transactions**

### **5.1. Instructions**

You may give us instructions in writing, by electronic means or verbally, unless we inform you or have agreed with you that your instructions must be provided in a particular way or in a particular manner. If we have not agreed otherwise, we will act on any appropriate instruction which we reasonably believe to have been given, or purporting to have been given by you or any person we reasonably believe is authorized to give instructions on your behalf, without enquiring as to the genuineness, authority or identity of the person giving or purporting to give such instructions on your behalf. You must ensure that any instructions given to us are unambiguous, clear, intelligible and legible.

If your instructions are not prompt, unambiguous, clear, and in an intelligible and legible form, we may, at our sole discretion, ask you to confirm the instruction in writing, or in such form as we may request, before we act on it. We may also act contrary or otherwise not in accordance with your instruction at your cost, as we consider necessary or desirable for your protection or interest. We may also decide to take no action on your instructions if your instruction is, in our sole discretion, not in your best interest, which may be inherent to your instruction, due to market developments subsequent receipt of your instruction, or for any other reason.

We are not obliged to accept your instructions to enter into a Transaction, acquire or sell a Financial Instrument or to provide any Service to you, unless we are required to do so by any Applicable Regulation. If we decline to enter into a Transaction, acquire or sell a Financial Instrument or provide a Service to you, we are not obliged to give a reason and we accept no liability for any damages that may be caused or claimed in connection with our refusal to enter into a Transaction.

### **5.2. Orders executed OTC or outside a regulated market, multilateral trading facility or organized trading facility**

If you place an order for the execution of a Transaction which is capable of being executed outside a regulated market, a multilateral trading facility, an organized trading facility (as such terms are defined in MiFID II) and in relation to such order we have a duty of best execution to you, we may execute that order outside a regulated market, a multilateral trading facility or an organized trading facility, provided that we have received your prior express consent to the order being executed in this way, and furthermore provided that we are allowed to execute your order OTC under Applicable Regulations. Such express consent form is included as an Annex to the MiFID Client Classification Letter which you have received from us, prior to the commencement of our Services to you under these Terms.

When we execute your orders outside a regulated market, a multilateral trading facility, an organized trading facility, this may have consequences for you, such as counterparty risk, which would otherwise not exist. Our Best Execution and Order Handling Policy further describes such consequences and risks.

### 5.3. Telephone and communications recordings

We will record telephone conversations and (electronic) communications with you that result or may result in a Transaction, even if these conversations or communications do not result in the conclusion of a Transaction with you. We will also record all relevant information of relevant face-to-face meetings with you.

Such records will be our property and will be accepted by you as evidence of your orders, instructions or any terms or conditions. We may use recordings and/or transcripts thereof for any purpose which we deem desirable in accordance with applicable laws, including but not limited the usage of these records for our own interests. During a period of five years you may request access to such records of telephone conversation and communications relating to a specific Transaction, for which we may charge a fee. We are also obliged to provide these records to the National Competent Authority on their request.

### 5.4. Responsibility for delays

Once given, instructions may only be withdrawn or amended with our explicit consent and only if we have not already acted upon them. If, after your instructions are received by us and we reasonably believe that it is not practicable to act on them within a reasonable time, we may defer acting upon those instructions until it is in our reasonable opinion, practicable (or in your best interest) to do so. Absent our gross negligence or wilful misconduct, we will not be liable for any losses or charges resulting from any delay in acting promptly in accordance with your instructions.

### 5.5. Best execution and order handling

We will execute your orders in accordance with our Best Execution and Order Handling Policy (as amended from time to time). You have received from us, prior to the commencement of our Services to you under these Terms, our Best Execution and Order Handling Policy, which was attached as an Annex to the MiFID Client Classification Letter. Our Best Execution and Order Handling Policy is available via [www.ingwb.com/mifid](http://www.ingwb.com/mifid) or from your usual contact. We will apply our order allocation rules as set out in our Best Execution and Order Handling Policy not only to Financial Instruments but also to Structured Deposits.

### 5.6. Aggregation of orders

We may, aggregate your orders with our own transactions and/or the transactions of other clients, unless such aggregation is likely to be to the disadvantage of any of our clients whose order is to be aggregated. If we aggregate your order, we will do so in accordance with our Best Execution and Order Handling Policy, in which it is disclosed that the aggregation of client orders may work to a client's disadvantage in relation to a particular order. When you place a limit order for shares that are traded on a trading venue and that order is not immediately executed under prevailing market conditions, we will pass your order on to the relevant execution venue, unless you expressly instructed us to act otherwise.

## 6. Clearing and settlement of your Transactions

### 6.1. Clearing of Transactions

When Transactions are required to be cleared on the basis of Applicable Regulations or that are to be cleared on a voluntary basis, we shall not accept any liability for losses, damages or costs that may be caused by any delays or any other reason, including any shortcomings or non-performance by any party involved in such clearing process, including trading venues, clearing members, clearing brokers, or ourselves if we act in our capacity of clearing member, except when such losses damages or costs are caused by our gross negligence or wilful misconduct.

## **6.2. Settlement of Transactions**

Delivery or payment (as the case may be) by the other party to a Transaction is at your risk. Our obligations to deliver Financial Instruments to you or into your account or to any third party for the proceeds of sale of Financial Instruments are conditional upon the discharge of any obligations owed to us or to our settlement agents by you or any third person involved in the settlement process. We are not obliged to (but we may decide to) settle your Transactions unless we have received all necessary documents from you. Any cash amounts received by us from a third party or otherwise held by us in respect of your Transactions, shall be a debt owed by us to you until it has been paid by us to you or otherwise discharged, and we shall owe you no fiduciary duty in relation thereto. You shall hold any Investments or money received from us in respect of any Transaction to our order until your obligations to us are fully performed. Title to Financial Instruments purchased by you and held by us will (subject as stated above) pass to you upon payment by you of the amount due in respect of such purchase. Unless otherwise agreed, settlement of Transactions shall be in accordance with the normal practice for the Financial Instrument or market concerned.

## **6.3. Late settlement**

Any proposed settlement date for a Transaction is indicative only and settlement may be subject to normal market delays. You will only be entitled to rescind or cancel a Transaction in accordance with the rules of the local market (unless we are responsible for the delay) and in accordance with these Terms, if you indemnify us for any loss, liability and cost which we incur as a result of your rescission or cancellation. We will not be responsible for delays or inaccuracies in the transmission of any instruction or other information.

## **6.4. Re-use of client Financial Instruments**

Except as otherwise expressly agreed in writing, we will not permit any Financial Instruments which we hold on your behalf to be lent to any third party and we will not permit any money to be borrowed on your behalf using such documents as security. The terms of any such lending or borrowing will be subject to a separate agreement.

## **6.5. Buying in**

If you fail to deliver Financial Instruments to us (or any agent on our behalf) to settle a Transaction, we reserve the right to purchase or sell such Financial Instruments in the market on your account, without prior notice and at our sole discretion. This applies regardless whether or not we are under a legal obligation to act in such way. All cost and charges in connection with such purchase or sale will be charged to you.

## **6.6. Transaction reporting**

We will comply with our obligations under Applicable Regulations to report details of Transactions entered into with you or on your behalf to the relevant competent authorities or trading venues in accordance with Applicable Regulations.

## **7. General provisions which apply when we conduct business with you**

### **7.1. We may deal with you either as an agent or on a principal basis**

In dealing with you, we may act either as a principal or as an agent, either for you or for any third party, including another member of ING Group. We may also act as your agent in a Transaction for which we also act as a principal and counterparty. The basis on which we act in respect of any particular Transaction will be specified in the documentation relating to such Transaction. In the absence of any specific agreement, we may in our discretion decide whether to act exclusively as a principal or exclusively as an agent, or partly as a principal and partly as an agent.

## 7.2. Position limits

We may set limits to the number of open positions or orders that you may have with us at any time and we may, at our sole discretion, close out any one or more Transactions or positions in Financial Instruments, or cancel any of your outstanding orders, in order to ensure that such limits are not breached, or, in case limits have been breached, to reduce your position. If you hold a position in commodity derivatives, you shall comply with the MIFID II position limit regime applicable to commodity derivatives. You acknowledge and accept that we may be obliged under MIFID II to report any position you may hold in commodity derivatives. In such case, you are obliged to provide us with all information that we require in order to comply with our MIFID II reporting obligations with regard to your position in commodity derivatives.

## 7.3. Behavioural conduct

You shall observe and in your conduct with us you shall act in accordance with the standard of behaviour reasonably expected of persons in your position and shall not take any actions or omit to take any action which would cause us to fail to observe the standard of behaviour reasonably expected of persons in our position.

## 7.4. Market abuse

You shall not engage in any activities or fail to take action that may result in or that constitutes market abuse as sanctioned under applicable market abuse regulation (MAD/MAR) and you will not submit any order, request for quote or request any Service from us, that would cause you, us or any other party to breach any applicable regulation on market abuse, including the submission, modification or cancellation of any order or combination of orders. You acknowledge and agree that we will monitor your trading activity for signs of potential market abuse and we may report abusive trading practice or suspicious orders or transactions to the relevant authorities. We do not accept any responsibility or liability in connection with any (potential) market abuse by you.

## 7.5. Stabilization

We may deal for you in Financial Instruments which may be or which may have been subject of (price) stabilization activities, either by us or by an Affiliate or third party, which activity is subject to our Conflict of Interest Policy. Stabilization is a price supporting process that is used in the context of newly issued Transferable Securities, which may affect the market price of such Transferable Securities and which may also affect the price of other Transferable Securities which are related to the Transferable Security being stabilized. The time limits and price limits for which Transferable Securities may be stabilized are set and controlled by Applicable Regulations.

## 7.6. Research

The following conditions will apply in respect of any written research (including any investment research and marketing communications, but excluding any investment advice) which we provide to you:

- research will be provided for information purposes only, and it must not be interpreted as an offer or as investment advice for the purchase or sale of any Financial Instrument;
- while we take reasonable care to ensure that information contained in our research is true and not misleading at the time of publication, we do not make any representation about its accuracy or completeness. You should be aware that information contained in our research is subject to change without notice to you and without us being able (or obliged) to inform you of that change;
- we may own or have a financial interest in Financial Instruments which are referred to in our research. Our interest may result from having purchased or sold Financial Instruments to our clients. We may also solicit or perform investment banking or other services (including acting as manager, adviser or lender) for entities which are referred to in our research;

- if we provide research to you, regardless whether we charge you for this service, it is your responsibility to stop or cancel the provision of research to you, either by blocking the receipt of our research or otherwise and to adhere to the MiFID II inducements rules applicable to parties who receive research in the meaning of Delegated Directive 2017/593 of 7 April 2016;
- we do not accept responsibility for any loss, liability or cost which you might suffer or incur arising in any way from your use of our research, which we provide, regardless how the loss, liability or cost arises and whether that is caused by our gross negligence or wilful misconduct or by any other cause;
- we do not warrant that you will receive the research at the same time as our other clients; and
- you will observe any restrictions or embargo which we impose on the distribution of such research, including the re-distribution or disclosure of our research materials to other persons.

## **8. Conflicts of Interest and Inducements**

### **8.1. Conflicts of interest**

Under Applicable Regulations we are required to have arrangements in place to manage conflicts of interest between us and our clients and between our various clients and between our staff and one or more of our clients. We operate in accordance with a Conflicts of Interest Policy in which we have identified those situations where conflicts of interest may arise, and the arrangements to prevent, mitigate and manage conflicts of interest. Our Conflicts of Interest Policy has been provided to you as an Annex to the MIFID Client Classification Letter, which you received from us prior to the commencement of our Services to you under these Terms. Our Conflicts of Interest Policy is also available on [www.ingwb.com/mifid](http://www.ingwb.com/mifid).

### **8.2. Inducements**

In the course of providing Services to you, we may pay or receive fees, commissions or other non-monetary benefits from third parties that are designed to enhance the quality of our Services and provided that they do not impair compliance with our duty to act in accordance with your best interests. If such inducement exists in relation to a Transaction, Financial Instrument or Service that we may provide to you, we shall disclose this to you, prior to providing the investment service to you. When applicable, we shall also inform you how you may benefit from such inducement. For more information on inducements we refer to our Inducement Policy also available on [www.ingwb.com/mifid](http://www.ingwb.com/mifid).

## **9. Client reporting**

### **9.1. Information on executed orders to Professional Clients**

After the execution of your order, we will promptly provide you with a confirmation thereof, containing essential information of such Transaction. No later than the first business day following execution of your order, we will also send you a notice containing additional details of the Transaction, such as the total sum of the commissions and expenses charged. We will not provide such notice if the confirmation already contains all information that we are required to provide to you pursuant to Applicable Regulations.

### **9.2. Information on executed orders to Eligible Counterparties**

When you are considered as an Eligible Counterparty, we may agree with you that we provide you with a confirmation of your executed order, that contains less information than the information on executed orders that we provide to clients that are classified as Professional



Clients and retail clients. The confirmation of the execution of your order will at least contain the essential information concerning the execution of your order.

### 9.3. Periodic statements

We will provide you with periodic statements on your Financial Instruments or on your funds held in an account with us as required under MiFID II, we will either provide these statements in a Durable Medium, or through an on-line system in accordance with Applicable Regulations.

Such periodic statements shall contain details of your Financial Instruments and funds, and the market or estimated valuation and composition of your portfolio, other assets and any cash balance, whether any Financial Instrument or funds have been the subject of securities finance transactions, and any other information we are required to report to you in accordance with Applicable Regulations.

We will provide such statements either on a monthly, quarterly or other basis, as applicable in accordance with Applicable Regulations. If you request us to provide you with periodic statements more frequently, we will provide you with such additional statements, for which service we will charge a fee, in addition to the fees that we charge for the periodic statements that we are obliged to provide to you on the basis of Applicable Regulations.

## 10. Client funds and client Financial Instruments

### 10.1. Client funds

We are not required to separate any funds that we hold or administer for our clients or for the benefit of any of our clients from third parties or from our own funds. Any amounts held in this way will be held by us with a duly authorized credit institution (which may be ourselves or another bank) and will be afforded those protections which arise from a normal banker/client relationship. Under these protections we will have in place adequate arrangements to safeguard your rights when we hold your funds, but we may use your funds in the ordinary course of our business. ING Bank N.V. participates in the Deposit Guarantee Scheme (*Depositogarantie stelsel*) pursuant to the Dutch Act on Financial Supervision, which generally guarantees deposits with Dutch banks up to a maximum of €100,000 per accountholder.

### 10.2. Client Financial Instruments

#### 10.2.1. Safeguarding or custody of Financial Instruments

In accordance with Applicable Regulations we use a reasonable standard of care in safeguarding your ownership rights to the Financial Instruments that we hold for you, and in this regard we have put in place adequate arrangements. When we act as your custodian for Financial Instruments, we will require you to enter into a separate custody agreement, which will supersede the provisions of this paragraph. With regard to your Financial Instruments and our Services provided to you in connection therewith (including acting as your custodian with regard to your Financial Instruments), your potential claim against us in relation to Services and Financial Instruments may be protected under the Investor Compensation Scheme (*Beleggerscompensatiestelsel*) up to a maximum of €20,000 per investor, in which ING Bank N.V. participates pursuant to the Dutch Act on Financial Supervision.

#### 10.2.2. Segregation of Financial Instruments

We will segregate your Financial Instruments from the Financial Instruments belonging to ourselves or to other clients. We will register any Financial Instruments which are capable of being registered either in your name, in the name of an Affiliate company of us, or in the name of a sub-custodian. If we hold your Financial Instruments in an account that is subject to the law of a jurisdiction outside the European Union, your Financial Instruments may be subject to the

law of that jurisdiction and may not be segregated and as well protected from claims made on behalf of the general creditors of the entity in the name of which the Financial Instruments are registered as if your Financial Instruments were segregated and held in custody in jurisdictions in the European Union.

### **10.2.3. Notices relating to corporate actions**

We will use our reasonable efforts to deliver to you any notices relating to corporate actions that we may receive relating to your Financial Instruments (including notices relating to conversion or subscription rights, takeovers, other offers or capital raises or restructurings).

### **10.2.4. Instructions relating to corporate actions**

When we receive an instruction from you which relates to a corporate action or shareholders' meeting on one of your Financial Instruments, we will use our reasonable efforts to act on those instructions. When a deadline is set by which you must provide us with your instructions, you must provide your instructions within that time or we will not take any action. Failing this, we will take the action as indicated when we notified you of the corporate action. You will be responsible for any costs and expenses which we may incur in complying with your instructions if we do accept them.

### **10.2.5. Exclusion of liability**

We shall not be liable for any loss, liability, claim or cost suffered by you as a result of our acts or omissions in connection with the performance of our duties and responsibilities as your custodian, unless the same constitutes an act of gross negligence, wilful misconduct on our part. We shall not be liable for any loss, liability, claim or cost which you may incur arising from the default of any sub-custodian which we may appoint when we have taken reasonable care in selecting and monitoring the relevant sub-custodian, unless the sub-custodian is our Affiliate, in which case we will accept the same degree of responsibility as we accept for our own acts, omissions and defaults.

## **10.3. Holding of client Financial Instruments**

When your Financial Instruments are held through a third party, we are not liable for the acts or omissions of that third party or for any loss or damage that you may incur other than as a direct result of gross negligence or wilful misconduct on our part in the initial selection of the relevant third party. In the event of the insolvency of a third party, you may not recover all of your Financial Instruments.

When we hold your Financial Instruments in safe custody with a third party, the third party may hold your Financial Instruments in an omnibus account for all of our clients and, in the event of our or that third party's default or insolvency, if there is a shortfall in that omnibus account, you are hereby prominently warned that you may not recover all of your Financial Instruments.

When we hold your Financial Instruments in safe custody with a third party and it is not possible under the laws of that country that your assets are held by that third party in a way that your Financial Instruments are separately identifiable from that third party's own Financial Instruments, you are hereby prominently warned that you may not recover all of your Financial Instruments.

When we hold your Financial Instruments or funds in an account that is subject to the law of a jurisdiction other than an EU member state, your rights to your Financial Instruments or funds may differ accordingly.

All amounts owed by you to us will, to the extent possible and in accordance with Applicable Regulations, be deducted from the Financial Instruments or funds that we hold on your behalf.

## 11. Collateral

### 11.1. Right to require Collateral

In our sole discretion, or as required under Applicable Regulations, we may require you to promptly deposit assets with us (or with someone appointed by us), as Collateral for your liability or potential liability to us, as a result of losses or potential losses in your portfolio or for the risks embedded in your portfolio or assets, or in connection with any Transaction, whether under Applicable Regulations or otherwise, including but not limited to our assessment of your creditworthiness, in order to protect us against the risks of your failure to promptly and fully settle any claim we may have against you from time to time. We may require you to deposit with us (additional) Collateral in the form of cash, a letter of credit, Financial Instruments, title transfer collateral arrangements, security interest collateral arrangements, or otherwise, as we may deem fit. When we use title transfer collateral arrangements we will consider the appropriateness of such arrangement, in accordance with Applicable Regulations.

### 11.2. Security over Collateral

We will have all of the rights of a secured party over the Collateral (including but not limited to set-off rights, rights of ownership or rights of pledge, as the case may be) and we may in our absolute discretion use those rights, by selling or otherwise disposing or off-setting the Collateral deposited with us, against any of your obligations to us or any of our obligations towards third parties that we incur in your account or on your behalf. We may also combine your accounts or transfer amounts between your accounts for the purpose of discharging your obligations to deposit Collateral with us or for any purpose, if we agree with you in advance.

### 11.3. Further assurance

You agree to execute such further security documents and to take such further steps as we may reasonably require you to execute, including any security document for the perfection of our security interest over Collateral, be registered as owner of the Collateral or obtain legal title to the Collateral, and to accelerate or enforce the secured obligations, or to enable us to exercise our rights or to satisfy any market requirement in connection with any obligation or risk in connection with your portfolio or assets or in connection with any Transaction or Collateral.

### 11.4. Security interests

As a continuing security for the performance of all your obligations (whether actual or contingent, present or future) to us as referred to in this paragraph, you grant to us, with full title guarantee, a first ranking fixed right of pledge (security interest) over any current or future Collateral provided by you and held by us on your behalf, or held by a third party to our order or otherwise under our direction or control or standing to the credit of your account with us, or held by us or our Affiliates or our nominees on your behalf. You agree that we may grant a security interest over Collateral provided by you to cover any of your obligations to an intermediate broker or exchange.

### 11.5. Collateral to be unencumbered

Assets which are provided as Collateral must be completely unencumbered and free from any claim, entitlement, mortgage, charge, pledge, assignment or any other form of security interest which benefits or purports to benefit a third party. If you fail to provide us with Collateral or we believe that any asset tendered as Collateral is encumbered, we may in our sole discretion either require you to replace the Collateral or close-out any of your Transactions. You undertake neither to create nor to have outstanding any security interest whatsoever over, nor to agree to assign or transfer, any of the Collateral deposited with us, save for the creation of a lien on Financial Instruments in the context of a clearing system in which such Financial Instruments may be held,

or any other lien imposed or created by us or with our prior written approval, or which is otherwise imposed or created solely to our benefit.

### 11.6. Power of sale

If an Event of Default occurs, we may exercise the power to sell, offset, accelerate or enforce any Collateral deposited by you or any of our rights in connection therewith, and apply the proceeds of any sale or other disposal towards payment of the costs of such sale acceleration, enforcement or disposal, and towards satisfaction of any of your obligations to us.

## 12. Events of Default

### 12.1. Events of Default

An Event of Default occurs if:

- you fail to timely pay any amount or you fail to deliver any Financial Instrument or other property or if you fail to meet any obligation against us;
- you breach any provision of these Terms or of the terms of any other agreement or general terms applicable between you and us, including but not limited to any *Master Agreement* (such as any ISDA Master Agreement, GMRA, or GMSLA), any *Raamovereenkomst Financiële Derivatven*, *Raamovereenkomst Niet Beursgenoteerde Derivatven*, or any similar agreement, or any of our general terms *Algemene Voorwaarden*) that may apply or an event happens which makes it probable in our sole discretion that you will breach a provision of these Terms;
- a petition is lodged against you or by you seeking your administration, winding-up, receivership, liquidation or bankruptcy, or a similar event occurs, or if you are a legal entity, upon you liquidation, insolvent, or winding-up, or if you lose your capacity as a legal entity in any other way;
- in our reasonable opinion you actually become or are likely to become unable to pay your debts or you make a general assignment, arrangement or composition with or for the benefit of any of your creditors other than us;
- you fail to comply in any material respect with any Applicable Regulations which apply to you, or any authorization held by you is suspended or withdrawn by any competent regulatory or similar body;
- any material adverse change in your financial condition occurs;
- an event which, with the passage of time, the giving of notice, the making of a determination or any combination thereof, may, in our sole discretion, constitute or evolve into an event referred to above;
- any guarantee provided by you is, or becomes in our view, invalid or inaccurate or one of the obligations of the guarantor as mentioned in a guarantee are not complied with;
- you have not timely complied with any obligation arising from any financing or credit arrangement with us or any third party, and, to the extent applicable, you have not complied with such obligation after the applicable grace period, as a result of which one or more lenders or creditors are able to accelerate the financing or credit agreement in accordance with its terms;
- any of your assets are, in our view, being seized or become subject to any preservative, precautionary, executorial or enforceable attachment, or any of your assets are being expropriated, confiscated, extinguished, or damaged;
- a material change occurs, in our view, to the ownership structure or to the group of ultimate beneficiaries or parties that have a controlling influence or de facto control over your activities or assets;

- a material change occurs, in our view, to your articles of association or other constitutional or similar documents;
- you have, in our view, provided us with false, incorrect or incomplete information or documents or you have withheld information or documents from us that are, in our view, essential in connection with any Transaction, Service or Financial Instrument.
- the laws or the interpretation of the laws of any country has changed, or a governmental or public authority decree, intervention, enforcement action has occurred, that can influence or that may relate to these Terms or any applicable agreement between us or any Collateral provided by you, and we have not agreed with you how to change or amend these Terms, agreement or Collateral, or otherwise take mitigating action. You agree that the aim of such agreement or mitigating action is that our position in relation to you and/or to your funds or assets is not negatively impacted.

## 12.2. Close out upon Event of Default

Upon the occurrence of an Event of Default, any amount, property, asset or liability or obligation due by you to us will become immediately due, payable or deliverable and we may, without giving you prior notice:

- calculate in good faith the value of any outstanding actual or contingent rights you have against us and obligations you owe to us, in order to determine a net sum representing the present value of the net amount which is either due to you or owed by you to us, the Close-out Amount. We will as soon as possible notify you of the Close-out Amount and whether this sum represents a final or preliminary calculation. Thereafter, we may settle the sums which will allow us to pay you the Close-out Amount (when we owe you the Close-out Amount) or to settle in total or in part your obligation to pay us the Close-out Amount (when you owe us the Close-out Amount). If this process leaves a balance due by you to us, that balance will be treated as a debt due and payable on demand;
- treat any outstanding Transaction as terminated;
- post any Collateral for your account in connection with your portfolio or any Transaction;
- sell or otherwise monetize any non-cash assets or properties or Financial Instrument (without any responsibility for any loss in its value from doing so, provided that we will use reasonable commercial efforts to sell any of your financial Instruments or other assets, at the then prevailing market price in the relevant market (if any) for the Financial Instrument or asset, and we will pay to you the balance of any amount which we recover after settlement of all your obligations to us;
- cancel, close out, sell, auction, assign or reverse any Transaction or open position, or take any other action which we consider necessary or appropriate to reduce or prevent our loss or otherwise recover any amount owed by you to us;
- retain or set-off any amounts or Financial Instruments which may otherwise have been due to you under any Transaction in order to compensate, mitigate, reduce or settle any damages, loss, liability, cost or expense which we may have suffered or incurred upon the occurrence of an Event of Default.

## 13. Fees and charges

### 13.1. Our fees and charges

We will charge you for each Transaction in accordance with our applicable rates for the relevant Service or Transaction on the relevant market, Financial Instrument or asset, which may be set-out in any prospectus, KIID or any other document relating to one or more Financial Instruments, Transactions or Services, as the case may be, unless agreed otherwise in writing between you

and us. Our charges may include any applicable value added tax transfer, transaction or other taxes or fees, registration fees and other liabilities, costs and expenses payable or paid by us in connection with the execution of your orders in Financial Instruments or other Services provided by us to you, assets or any Transaction, whether on your behalf or not, and as stated in any confirmation or Terms.

### **13.2. Disclosure of costs and charges**

In accordance with Applicable Regulations, we will timely inform you of the costs and charges relating to the Service that we provide to you and we will comply with the ex-ante and ex-post disclosure requirements if and when applicable.

When we have classified you as a Professional Client and we provide execution or order transmission services to you in relation to a Financial Instrument that does not embed a Derivative, you agree that we may provide only generic disclosure of costs and charges, to the extent that such limitation of disclosure of costs and charges is allowed under Applicable Regulations.

When we have classified you as an Eligible Counterparty and we provide execution or order transmission services to you in relation to a Financial Instrument, you agree that we may provide only generic disclosure of costs and charges, to the extent that such limitation of disclosure of costs and charges is allowed under Applicable Regulations, unless the relevant Financial Instrument embeds a Derivative and you have informed us that you intend to offer the relevant Financial Instrument to your client.

### **13.3. Payment to us**

You will pay us any amount which you owe us when due in freely transferable, cleared and available same day funds, in the currency and to the accounts which we specify, and without making any set-off, counterclaim, deduction or withholding, unless you are required to do so by law or with our prior written consent.

### **13.4. Deduction of fees and charges from your funds**

On giving you reasonable prior notice, we may deduct our fees or charges from any funds or assets which we hold on your behalf. For this purpose, we will be entitled to combine or make transfers between any of your accounts.

### **13.5. Interest**

We will charge you interest on any amounts due from you to us, at such rate as is reasonably determined by us. Interest will accrue on a daily basis. We may also charge interest on any amount (debit or credit) in your account with us.

### **13.6. Payments and deliveries net**

Unless we notify you in writing to the contrary, all payments and deliveries between us shall be made on a net basis i.e. after deduction of fees, costs and charges, and we shall not be obliged to deliver to or pay you until we have received from you the appropriate cleared funds or documents that are acceptable to us.

### **13.7. Withholding taxes**

We may deduct or withhold, for your account or on your behalf, all forms of tax from any payment if we are obliged to do so under applicable laws. If you or we, on your behalf, are required by law to make any deduction or withholding in respect of any payment, you agree to pay any such amount to us as will result in us having received an amount equal to the amount which we would have received, if no deduction or withholding had been required. We may debit such amounts due from any of your accounts.

## 14. Representations and warranties

### 14.1. Representations, warranties and covenants

On a continuing basis, you represent, warrant, covenant and undertake to us, both in respect of yourself and any person or legal entity for whom you act as agent or representative, that:

- you are authorized and have the capacity to enter into these Terms and any Transactions which may arise under them;
- you are familiar with and aware of the risks and potential losses that may result from trading Financial Instruments;
- you are responsible and capable to independently analyze the risks and consequences of all Financial Instruments in respect of which we provide any Service to you that results in a Transaction;
- you are capable of bearing the potential losses that may result from any Transaction that you enter into or that we execute on your behalf and of any Service that we provide to you under these Terms;
- you act independently from us and you acknowledge that we do not act as your (financial) advisor when we provide Services to you in connection with any Transaction or Financial Instrument, unless explicitly stated otherwise by us;
- these Terms, each Transaction and the obligations created thereunder are binding on you and enforceable against you in accordance with their terms and do not violate any Applicable Regulations;
- any information, representation, warranties or covenants which you provide to us is not misleading and will be true and accurate in all material respects.
- no Event of Default has occurred or is continuing;
- you will inform us of any changes in the representation, warranties or covenants that becomes misleading, inaccurate or untrue or if any information or circumstances arise that may affect your capacity and ability to trade with us.

## 15. Acting as agent

### 15.1. When you are acting as an agent for another person

If you are acting as an agent for any other person or legal entity (the principal), we will, in the absence of any written agreement stating otherwise, continue to treat only you as our client, and regard you as responsible for settlement of any Transaction, even when you have disclosed the principal to us. In such case, the following provisions of this paragraph will apply to you, as if you were acting for yourself.

### 15.2. Notification

If you are acting as an agent for a principal you are obliged to notify us of the identity, address and any other details of the principal, to enable us to perform a credit and counterparty risk assessment in respect of any Transaction before submitting or executing any order on behalf of a principal for which you are acting as agent.

### 15.3. Capacity

Each order submitted by you or Transaction that you entered into as agent for any principal will be reported, as being submitted or executed on behalf of the principal as specified by you. The obligations under such Transaction will constitute valid and binding obligations of the principal and you will be properly authorized and empowered to enter into such Transaction on behalf of the principal.

### 15.4. Principal accounts

We shall, in respect of each principal and in accordance with your instructions, establish and maintain one or more separate sub-accounts (each a principal account). You undertake, as agent for the relevant principal and on your own behalf, in respect of each instruction given, to specify before the close of business on the day on which you give us an instruction (or such other time as we may specify) the principal account to which the relevant instruction relates. Until you specify a specific principal account, and provide the information referred to in this paragraph, you shall be personally liable, as if you were the principal, in respect of the relevant Transaction when you act as agent on behalf of a principal.

### 15.5. Market abuse and conduct

You and any principals for which you act as agent shall observe the standard of behaviour reasonably expected of persons in your position and not take any action or omit to take appropriate action, which would cause you or us (i) to fail to observe the standard of behaviour reasonably expected of persons in our position (ii) to breach any Applicable Regulations.

### 15.6. Covenants

You, as agent for each principal, on behalf of each principal and separately on your own behalf, covenant to us that you will:

- ensure at all times that you and the principal obtain and comply with these terms and to do all that is necessary to maintain in full force and effect, any authority, power, consent, license or authorization necessary to enable you to enter into any Transactions on behalf of the principal that will constitute valid and binding obligations of the principal;
- promptly notify us of the occurrence of any Event of Default with respect to yourself or the principal;
- provide to us on request such information or document regarding your and the principal's financial or business affairs as we may reasonably require to evidence the authority, power, consent, license or authorization referred to above or to comply with any Applicable Regulations;
- provide to us on request copies of the principal's constitutional documents and any other document relating to the principal's capacity and authority to enter into Transactions and to appoint an agent to act on its behalf and covenant that any such document will, to the best of your knowledge, be and remain true and accurate in all material respects, from time to time;
- hold sufficient funds and/or Financial Instruments to execute and settle any Transactions;
- inform us of any reason or circumstance regarding the principal known to you that will or may-cause your principal to fail to meet its obligations under one or more Transactions.



## 16. Exclusion of our liability

### 16.1. Exclusion of our liability

We will not be liable for any loss, liability or cost suffered or incurred by you as a result of the provision of Services to you unless the loss, liability or cost is directly caused by our gross negligence or wilful misconduct.

### 16.2. Exclusion of liability for third parties

We shall not be liable for any loss, liability, damages or cost which you may suffer or incur as a result of the negligence, wilful misconduct or fraud of any third party (including any broker, bank, agent, (sub)custodian, investment exchange or other trading venue, depository or clearing house, but excluding any of our Affiliates) who is directly or indirectly engaged in any capacity or role in connection with any Transaction or Service, including but not limited to the execution, clearing or settlement process including any delays in such process, unless we have appointed such third party and have conducted a due diligence review on such third party prior to appointment of that party by us, except for any loss, liability, damages or cost you have incurred as a result of events which are beyond our control.

### 16.3. Exclusion of liability for consequential loss

Neither we nor any third party who acts on our behalf in connection with any Transaction or Service, whether Affiliated to us or not, nor our directors, officers, servants, agents or representatives of such third party acting on our behalf, will be liable to you (except in the case of fraud) for any consequential, indirect, special, incidental, punitive or exemplary loss, liability, damages or cost which you may suffer or incur arising out the acts or omissions to act under these Terms of any of the fore-mentioned parties or persons, howsoever the loss, liability or cost is caused and regardless of whether it was foreseeable or not. For the purpose of this paragraph, the expression consequential loss, liability or cost includes any loss (including but not limited to any opportunity losses), liability, or cost arising from:

- not selling Financial Instruments when the price is falling, or from not purchasing Financial Instruments when the price is rising, or
- not entering into or execute, clear and/or settle any Transaction or any replacement transaction that would have the same or materially similar economic result as the Transaction, or any risk or loss mitigating transaction (for example a hedge, swap or derivative contract)
- as a result of loss of business, profits, goodwill or data and any indirect, special, incidental, consequential, punitive or exemplary loss, liability or costs, whether arising from negligence, breach of contract or otherwise and whether foreseeable or not.

### 16.4. No exclusion of liability when prohibited by law

Nothing in these Terms excludes or limits our liability if any such exclusion or limitation is prohibited by Dutch laws or the laws of any other jurisdiction that may apply to the Services that may be provided under these Terms by any ING Location.

## 17. Indemnity

On a continuing basis you will indemnify us against any loss, liability and cost which we may suffer or incur as a result of acting on any instruction which we reasonably believe to have been approved by you or given on your behalf, or as a result of your breach of any provision of these Terms or any other agreement between us that applies to any Service of Transaction.

## 18. Client information, data protection

### 18.1. You will provide us with information

You will promptly provide us any information which we request from you in connection with any of our Services in connection with any Financial Instrument or Transaction, and will notify us if there is any change to such information.

### 18.2. Our right to disclose information

We may disclose information that you provide to us, together with any other information which may relate to your accounts or Transactions, or to your dealings with us, to any Affiliate, agent or competent authority, or when necessary for the performance of our obligations to you, or to defend our own position in any court proceedings or otherwise, or for any marketing or other commercial purposes, in each case in accordance with Applicable Regulations.

### 18.3. Our duty of confidentiality

Subject to paragraph 18.2, we will not, and we will procure that our Affiliates and agents will not, otherwise disclose information that you provide to us, to any other person, unless we are permitted or required to do so by law, and we will treat all information which we hold about you as private and confidential, even if you are no longer our client, unless we are required to do so by any Applicable Regulations, competent authority (including tax authorities) or court order, or if we have a duty towards the general public or other clients to disclose it, or our or your interests require disclosure, or at your request or with your consent.

### 18.4. Data protection

We and other Affiliates of ING Group N.V. process personal data in accordance with applicable data protection rules, as set out in the *ING Privacy Statement*, a copy of which is available at [www.ingwb.com](http://www.ingwb.com) or from your usual contact with us.

### 18.5. Transfer of information

Subject to this paragraph, you agree that we may also transfer information, including personal data, we hold about you to any country, including countries outside the European Economic Area, not providing an adequate level of personal data protection.

### 18.6. Cold Calls

You explicitly agree that that we may contact you by telephone or otherwise, including through automated systems, in relation to any Service, investment and/or opportunity that may be of interest to you. You have the right to withdraw your consent at any time.

## 19. Electronic trading

### 19.1. Electronic dealing

We may provide you with the facility to enter into Transactions or carry on dealings with us via a website or through some other electronic medium (including e-mail). Any such dealings will be done on the basis set out in this paragraph and on the basis of any additional agreement which we enter into with you to regulate such activity.

### 19.2. License

You will only be entitled to access the website and enter into Transactions via the website for your own internal business use on a non-exclusive and non-transferable basis.

### **19.3. Intellectual property rights**

All rights and interests and all intellectual property rights (including, without limitation, all trademarks and trade names in or relating to us or the website) are owned by us or our suppliers and will remain our property or that of our suppliers at all times. You will have no right or interest in those intellectual property rights other than the right to access the website and to use the Services provided via the website.

### **19.4. Use of content**

You may only download any content on the website in order to use it for its designated purpose. You will treat all content as confidential. You may not republish, distribute, reproduce or disclose to any person any of the content in any form without our prior written consent.

### **19.5. Transactions through the website**

We may make available to you the ability to enter into Transactions through the website. Any content that we include on the website in respect of a Transaction or a Service does not constitute an offer to you that we will enter into a Transaction or provide the Service to you on the terms set out. We may amend that content at any time in our sole discretion, including, without limitation, after you have submitted to us a firm indication of interest or other instruction indicating that you wish to proceed with a Service or enter into a Transaction.

### **19.6. Errors, delays and disruptions**

You acknowledge that electronic communications can be subject to delay and/or corruption and that content may not be provided in real time or updated in a timely fashion.

### **19.7. Exclusion of liability**

To the extent permitted by law:

- we exclude any conditions, warranties and representations, express or implied, statutory or otherwise as to condition, satisfactory quality, performance, fitness for purpose or otherwise regarding the website, the content and the Services;
- we will not be liable for any loss, liability or cost (including consequential loss) suffered or incurred by you as a result of instructions given, or any other communications being made, via the internet;
- you will be solely responsible for all orders, and the accuracy of all information, sent via the internet using your name or any personal identification issued to you; and
- we are not liable for any damage or loss that may be caused to any equipment or software due to any viruses, cyber-attacks, defects or malfunctions in connection with the access to or use of the website and the content or in connection with the Transactions or the Services.

### **19.8. Website not targeted**

Unless otherwise indicated:

- any website or content will not be targeted at the residents of any particular country and will not be intended for distribution to, or use by, any person in any jurisdiction or country when that distribution or use would be contrary to local law or regulation;
- no Services or Transactions will be available, and offering circulars or other information in respect of them will not be distributed to persons resident in any country or jurisdiction when that offering or distribution would be contrary to local law or regulation or which would subject us to any (additional) registration or licensing requirement within that jurisdiction; and

- no action will be taken by us in any jurisdiction that would not permit a public offering of any Financial Instruments described on the website.

## **20. Force Majeure**

We will not be liable to you for our failure to perform any obligation or discharge any duty owed to you under these Terms if the failure results from any cause beyond our control, including, without limitation, any actions of relevant (supervisory) authorities and/or trading venues including market or product interventions such as removal or suspensions or temporary trading halts, breakdown or failure of transmission or communication or computer facilities, postal or other strikes or similar industrial action and the failure of any relevant exchange, clearing house and/or broker for any reason to perform its obligations.

## **21. Notices and communications**

### **21.1. Giving of notices**

You may communicate with us by post, fax or e-mail. All communications between us and you will be to the address, fax number or email and to the individual/department/account name specified in Appendix 2 Annex 11 or in any later notification of change in writing. Use by us of such medium and specific designation will be deemed to constitute delivery to you.

### **21.2. Provision of information**

Information and any (notification of) material changes, may be provided by us to you in paper format or by e-mail, with a link to the Website, or directly through our Website.

## **22. Governing law and jurisdiction**

### **22.1. Governing law and jurisdiction**

The governing law and the courts which are to have jurisdiction to determine any dispute between the parties under these Terms are set out in Appendix 2 Annex 1.

### **22.2. Right to take proceedings in other jurisdictions**

The submission to the jurisdiction of the courts referred to in paragraph 22.1 shall not limit our right to take proceedings against you in any other court of competent jurisdiction or, at our sole discretion, in any appropriate arbitration forum, and you agree to submit to the jurisdiction of any such court or the rules of any such arbitration forum.

## **23. Miscellaneous**

### **23.1. Waivers**

Any waiver of these Terms must be set out in writing, must be expressed to waive each relevant condition as set out in these Terms, and must be signed by or on behalf of both you and us.

### **23.2. Money laundering prevention**

We are obliged to comply with Applicable Regulations concerning money laundering with regards to Transactions entered into by you with us and all Services provided to you in connection with any Financial Instrument. Our obligations under the relevant Applicable Regulations override any obligations of confidentiality or duty of care, which may otherwise be owed to you.

### **23.3. Assignment**

These Terms shall be for the benefit of and binding upon you and us as well as on your our respective successors and any assignee. You shall not assign, charge or otherwise transfer or

purport to assign, charge or otherwise transfer, limit or waive your rights or obligations under these Terms or any interest in these Terms, without our prior written consent. Any purported assignment, charge or transfer by you in violation of this paragraph shall be void.

#### **23.4. Joint and several liability**

If you comprise, represent or act on behalf of more than one natural person, legal entity or partnership, your liability under these Terms shall be joint and several. In the event of the demise, bankruptcy, winding-up or dissolution of any one or more of such persons, then (but without prejudice to the above or our rights in respect of such person and his successors) the obligations and rights of all other such persons under these Terms shall continue in full force and effect.

#### **23.5. Set-off**

Without prejudice to any other rights to which we may have, we may at any time and without notice to you set-off any amount or obligation or amount owed or due by you to us, with any amount or obligation owed (whether actual or contingent, present or future) or due by us to you. To the extent permitted by applicable laws, you acknowledge that you are not allowed to set-off any obligation that we owe you or amount that is due to you, with any obligation or amount owed or due by you to us.

#### **23.6. Partial invalidity**

If any provision of these Terms is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of these Terms nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall be affected or impaired thereby.

#### **23.7. Termination**

Either you or we can terminate these Terms on 7 days' written notice to the address specified in paragraph 21.1. Termination will be without prejudice to Transactions already initiated. Any termination by you will entitle us to unwind any transaction or agreement with you as we deem fit.

#### **23.8. Our records**

Our records, unless shown to be wrong, will be evidence of your dealings with us in connection with our Services and Transactions. You will not rely on us to comply with your record keeping obligations, although records may be made available to you on request in accordance with Applicable Regulations.

#### **23.9. Complaints**

We have internal procedures in place for the fair and prompt handling of complaints, in accordance with the requirements of Applicable Regulations. If you have any cause for complaints in relation to any aspect of your relationship with us, the complaint should be addressed to the contact for complaints as described in Appendix 2 for each ING Location. Further information on our complaints handling procedures can be obtained on request from your usual contact with us.

## Appendix 1 Information on Financial Instruments

### A. Introduction

#### 1. Product and service risk disclosures

This Appendix is intended to give you information on and a warning of the risks associated with Financial Instruments and Services provided by ING, (which include, for the avoidance of doubt all Transactions and Financial Instruments), so that you are reasonably able to understand the nature and risks of the Services, Financial Instruments and of the specific types of investment being offered and, consequently, to take investment decisions on an informed basis. You should note that it is not possible to disclose to you all the risks and other significant aspects of such Services and Financial Instruments provided to you. **Part B** below sets out some of the risks associated with certain types of generic Financial Instruments. **Part C** below sets out certain generic types of risk. **Part D** below deals with transaction and service risks. You should not deal in any Financial Instruments unless you understand Financial Instrument you are entering into and the extent of your exposure to risk. You should satisfy yourself that the Financial Instrument or Service is suitable for you in light of your circumstances and financial position and, when necessary, you should seek appropriate advice in advance of any investment decisions. Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of any Financial Instrument or investment All Financial Instruments carry a certain degree of risk and even low risk investment strategies contain elements of uncertainty. The types of risk that might be of concern will depend on various matters, including how the Financial Instrument is created or drafted. Different Financial Instruments involve different levels of exposure to risk and in deciding whether to trade in such Financial Instruments or become involved in any Financial Instruments, you should be aware of the following points.

### B. Financial Instruments and investments

Set out below is an outline of the risks associated with certain types of Financial Instruments

#### 1. Shares and other equity and equity-like instruments

##### 1.1. General

A risk with equity instruments is that the issuer must generally both grow in value and make adequate dividend payments, or the price of the instrument may fall. The company, if listed or traded on-exchange, will then find it difficult to raise further capital to finance the business, and the company's performance may as a consequence, deteriorate vis à vis its competitors, leading to further reductions in the share price. Ultimately the company may become vulnerable to a takeover or may fail, which may result in a loss on your investment in any of the equity instruments issued by the company. Shares have exposure to all the major risk types referred to below. In addition, there is a risk that there could be problems in the sector that the company is in. If the company is private, i.e. not listed or traded on an exchange, or is listed but only traded infrequently, there is also a certain liquidity risk, when by shares could become very difficult to dispose of, or only with a discount which may result in a loss on your investment in such shares.

##### 1.2. Penny shares

There is an extra risk of losing money when shares are bought in some smaller companies or in companies of which the shares are traded at very low prices compared to their nominal value, such as "penny shares". There may be a (relatively) big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them. The price of shares may change quickly and it may go down as well as up.

## 2. Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. The right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the pre-determined period then the investment becomes worthless. A warrant is potentially subject to all of the major risk types referred to below. You should not buy a warrant unless you are able and prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant). For these instruments, see paragraph 6.3 below.

## 3. Money-market instruments

A money-market instrument is a borrowing for a period, generally no longer than six months, but occasionally up to one year, in which the lender takes a deposit from the money markets in order to lend (or advance) it to the borrower. Unlike in an overdraft, the borrower must specify the exact amount and the period for which he wishes to borrow. Like other debt instruments (see paragraph 4 below), money-market instruments are exposed to the major risk types referred to below.

## 4. Debt Instruments/Bonds/Debentures

All debt instruments are potentially exposed to the major risk types referred to below, including credit risk and interest rate risk. Debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities can be expected to decline. Fixed-rate transferable debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

## 5. Units in Collective Investment Schemes

Collective investment schemes and their underlying assets are potentially exposed to all of the major risk types referred to below. There are many different types of collective investment schemes. Generally, a collective investment scheme will involve an arrangement that enables a number of investors to "pool" their capital investments and have these professionally managed by an independent investment or fund manager, on the basis of a pre-agreed investment policy. Investments may typically include bonds and exchange traded equities, but depending on the type of scheme may go wider into derivatives, real estate or any other asset. There are risks relating to the assets held by the investment scheme and investors should, therefore, check whether the investment scheme may hold a number of different assets, in order to diversify or spread its risks, thereby reducing or managing its risk-profile. An investment in collective investment schemes can reduce risk by spreading the investor's investment more widely than may have been possible if he or she was to invest in the assets directly. The reduction in risk is achieved because the wide range of investments in a collective investment scheme reduces the impact that any one investment can have on the overall performance of the portfolio held by the investment scheme. Given that the value of an investment scheme's portfolio can fall as well as rise, and that the composition of the portfolio may depend on investment decisions made by an investment or fund manager, the value of an investment in units in a collective investment scheme may be exposed to many different risks, including the major risk types referred to below.

## 6. Derivatives, including options, futures, swaps, forward rate agreements, derivative instruments for the transfer of credit risk, financial contracts for differences

### 6.1. Derivatives generally

- A derivative is a financial instrument, the value of which is derived from the value of an underlying asset; rather than trade or exchange the underlying asset itself, an agreement is entered into to exchange money, assets or some other value at some future date based on the value of the underlying asset.
- There are many types of derivatives, but options, futures and swaps are among the most commonly used types of derivatives. An investor in derivatives often assumes a greater deal of risk, compared to a direct investment in the underlying asset, and therefore investments in derivatives must be made with caution, especially for non-professional or less experienced investors.
- Derivatives have high risk connected with them, predominantly as their value is dependent on the future value of underlying assets, while a certain change in value of the underlying asset over a period of time may result in an amplified change in the value of the derivative. Depending on the derivative's purpose, a hedging derivative typically provides the investor with a protection against a change of value of the underlying asset in one direction, when the investor is protected against a change of value of the underlying asset in the opposite direction, for instance by owning such asset, or otherwise.

Options or futures may provide for the investor to pay a small premium to bet on the direction of the change of value of an underlying asset, which investment may lead to large returns if proven right, but may lead to a 100% loss of the premium paid if proven wrong.

Options or futures sold "short" (i.e. the investor in the derivative sells the underlying asset at a pre-set price, but the investor does not own the underlying asset at the time of entering into the derivative) may lead to exponentially amplified losses. Such losses occur if the price of the underlying asset at maturity of the derivative contract has risen above the pre-set price at maturity of the derivative. This is because the "short" investor in the derivative contract must then buy the asset at (higher) market price and subsequently sell this asset to its counterparty to the derivative contract at the (lower) pre-set price.

If a derivative contract is particularly large or if the derivative (or the underlying asset) is illiquid (as may be the case with many off-exchange derivatives), it may not be possible to initiate a transaction or liquidate a position, at an advantageous price.

- On-exchange derivatives are furthermore subject, to the risks of exchange trading generally, including clearing and settlement risks. Off-exchange (OTC) derivatives may also be subject to these risks, but are typically furthermore typically also subject to counterparty credit risk, although these risks are often (but not always) mitigated by particular terms and conditions of the derivative contract (whether one-off or governed by a master agreement). Such terms and condition should be considered in all cases.
- Derivatives can be used for speculative purposes or for the purpose of hedging or mitigating market risks in relation to a specific asset. A hedging derivative may also be partially speculative at the outset of the contract or may become speculative during the course of the contract period.
- In all cases you should carefully consider the suitability of the transaction prior to entering into an investment in a derivative, and obtain financial advice if needed. We will not assess the suitability of any contract for you under these Terms. You should therefore ask about the specific terms and conditions of the derivative contract and the associated (potential or contingent) obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying asset of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise).



- Under certain circumstances, the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house in accordance with applicable rules, to reflect changes in the underlying asset.
- Pricing relationships between the underlying asset and the derivative may be indirect, remotely correlated, or even non-existent. This can occur when, for example, when a futures contract that underlies an option contract, is subject to price limits while the option contract is not be subject to any price limit. The absence or remote correlation of an underlying reference price may make it difficult to assess “fair” value of a derivative contract.

The points set out below in relation to different types of derivative may not be specific to such derivatives, but may also apply to other types of derivatives, or to derivatives generally.

- All derivatives are, as appropriate to the contract, (potentially) subject to the major risk types, especially market risk, credit risk and any specific sector risks connected with the underlying asset.

## **6.2. Futures/Forwards/Forward rate agreements**

Transactions in futures or forwards involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The “gearing” or “leverage” often embedded in futures and forwards means that a small deposit or down-payment can lead to large losses as well as gains, especially if, at maturity of the future contract .you are obliged to deliver assets at a pre-set price, and you have to buy these assets at higher market price in order to meet your obligation under the future contract. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this may benefit you but, this may also work against and potentially you may lose more than your initial investment in the derivative contract. Futures and forwards transactions typically embed a contingent liability, and you should be aware of the implications of this, in particular margining requirements: these require that, on a daily basis, with all exchange-traded, and most over the counter off-exchange, futures and forwards, you are obliged to pay in cash the equivalent of any losses incurred on your investment, on a daily basis. If you fail to do so, the contract may be terminated. (See further 1 and 2 of Part D below.)

## **6.3. Options**

There are many different types of options with may have different characteristics subject to the their own terms and conditions, such as:

- Buying options: buying options involve less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. Your maximum loss is limited to the premium you paid at the beginning of the transaction, plus any commission or other cost en expenses charged to you in connection with the buying option. However, if you buy a call option on a futures contract and at an exercise date decide to exercise your buying option, you must acquire (and pay) for the underlying future contract. You will subsequently be exposed to the risks described under “futures” and “contingent liability investment transactions”.
- Writing options; If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position (as explained in paragraph 6.2 above) and a loss may be sustained well in excess of the premium you received at the outset of the contract. By writing an option, you accept the legal obligation to purchase (when you have written a put option) or sell (when you have written a call option) the underlying asset at a pre-set price (the exercise price). This obligation may be triggered against you by the exercise of that right by your counterparty to the option (the option buyer). Your loss in such case depends on the difference between the option premium received and the balance between the market price and the exercise price upon exercise of the option.

If you already own the underlying asset which you have contracted to sell (known as “covered call options”) upon exercise of the option right by the option buyer, the risk that you may not be able to deliver the asset to the option buyer is mitigated. If you do not own the underlying asset (known as “uncovered call options”) the risk can be unlimited because you may have to buy the asset at (potentially much) higher price than the exercise price, in order to meet your delivery obligation to the option buyer. Only experienced persons should write options, and only if you fully understand the potential risks to which the writing of the relevant option exposures you and after you have obtained and understood the terms and conditions of the option contract.

Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option contract, at the time they purchase it. In this situation you may subsequently be called upon to pay margin to the option buyer. If you fail to provide required margin (or deliver the assets upon exercise of the option), your position may be closed or liquidated in the same way as a futures position. Please note that Applicable Regulations may require us to act in such way, and we may have no alternative course of action but to close or liquidate (part of) your position in derivatives in these circumstances, regardless the market value of these positions at that point in time.

#### **6.4. Contracts for differences**

Certain derivatives are referred to as contracts for differences. These can be options and futures on an index, as well as currency and interest rate swaps. However, unlike other futures and options (which may, depending on their terms, be settled in cash or by delivery of the underlying asset), these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option as referred to in paragraphs 6.2 and 6.3 above. Transactions in contracts for differences may also have a contingent liability.

#### **6.5. Swaps**

A swap is a derivative when two counterparties exchange one stream of cash flows against another stream. A major risk of over the counter (OTC) derivatives, (including swaps) is known as counterparty risk. If a party, A has a variable rate loan with B, but wants a fixed interest rate obligation, it can enter into an interest rate swap with C, under which A acquires from C the right to receive variable rate obligation against a fixed rate interest payment obligation. Synthetically, this will result in a fixed rate payment obligation for A. However, if C becomes insolvent, A will lose its right to receive variable rate under the swap, and A again has to continue to pay the variable rate under the loan to B. If interest rates have meanwhile gone up significantly, this may result in a loss for A, if it is unable to enter into a replacement interest rate swap at the same terms as the swap with C, which was terminated because of C's insolvency.

The swap market has grown substantially in recent years, with a large number of banks and investment banking firms acting both as principals and as agents, with increasing types and value of swaps being exchange traded and/or being cleared, besides the broad utilization standardized swap documentation, as well as the use of risk mitigating measures for uncleared OTC swaps. As a result, this contributed to a more liquid swap market. However, there can be no assurance that a liquid market will exist for any particular swap at the time you would wish to close (sell or hedge) your swap position, in particular if, market conditions are distressed at such time.

### **7. Combined financial products (packaged transactions)**

Any financial product that contains a combination of two or more financial instruments, such as a bond with a warrant attached, is exposed to the risk of both these financial instruments at the same time, and such combined financial products may contain more risk compared to the holding of each of the components of such combined product as separate financial instruments.

## C. Generic risk types

### 1. General

The price or value of an investment will depend on fluctuations in the financial markets that are beyond anyone's personal control. Past performance is no reliable indicator of future performance. The nature and extent of investment risks varies between countries and type of financial instruments and evolves over time. The investment risks are furthermore specific for each financial product, which may have been manufactured for a specific target market and each financial product may have specific terms, that are specific to that product and the investors in the target market. Such product may not be or may be less suitable for investors that outside the target market, as identified by the manufacturer or distributor of a specific financial product. Furthermore, the manner in which a particular investment is manufactured or offered, sold or traded, the location, domicile, credit rating of the issuer (which is not necessarily the same entity as the manufacturer or distributor of the financial product), the diversification or concentration of an investor's portfolio (e.g. the amount invested in any one currency, security, country, sector or issuer), the complexity of the financial product, the use of leverage, (embedded) derivatives or contingent liability clauses and the choice of governing law may, amongst other factors, impact the specific and general risks of a financial product.

The risk types set out below could have an impact on each type of investment.

### 2. Liquidity

The liquidity of an instrument is directly affected by the level of supply and demand for that instrument at a specific time. A financial instrument may for instance only be traded during regular opening hours of a specific trading venue. Under certain market conditions, it may be difficult or impossible to liquidate or hedge a position. This may occur, for example, at times of rapid and/or large price movements, in particular when prices rise or fall at such pace and to such levels that trading under the rules of the relevant exchange trading has temporarily been suspended or restricted. Also, placing a stop-loss order does not necessarily result in the avoidance or mitigation of losses in distressed market conditions, as these may cause your order to be executed at a price far under or above your stipulated stop-loss price, if it can be executed at all. In addition, OTC derivatives are often bespoke and/or illiquid, even in the absence of distressed market conditions, and your position in such instruments may therefore be difficult to sell, liquidate or hedge at favourable terms.

### 3. Credit Risk

Credit risk is the risk of loss caused by borrowers, bond issuers, or counterparties who fail to meet their obligations under a financial instrument, or the risk that the creditworthiness of such parties deteriorates. Credit risks may be distinguished in Probability of Default (the likelihood or risk that an obligor will not meet its obligations under a financial contract) and Loss given Default (the level of (potential) losses when an obligor defaults under a financial contract).

### 4. Market Risk

#### 4.1. General

The price of investment may go up and down depending on the level of supply and demand for the financial instrument, as well as investor perception and the prices of any underlying or correlated investments or, indeed, sector and economic factors. These may be unpredictable.

#### 4.2. Foreign markets

Any foreign investment or investment with a foreign element is be subject to the risks of foreign markets which may involve different and additional risks compared to an in investment in local products or markets, for instance as a result of differences in legal or supervisory frameworks and different market practices. In some cases the risks will be greater. Profits or losses from

transactions on foreign markets or products may be impacted by fluctuations in foreign exchange rates.

#### **4.3. Emerging Markets**

Changes to prices, both upwards and downwards, can be rapid and extreme in emerging markets. Price discrepancies can be common and market dislocation is not uncommon. Additionally, when positive or negative news about developments in an emerging market country becomes publically available, the local financial markets may react with extreme upswings and/or downswings in prices during a very short period of time. Emerging markets generally have limited transparency, liquidity, efficiency and regulation compared to developed markets. For example, emerging markets may not have regulations addressing manipulation and insider trading or other provisions designed to “level the playing field” and to protect and maintain orderly functioning of markets, with respect to the availability of information and the use or abuse thereof by emerging markets participants. Emerging markets may also be affected by elevated political and/or economic instability. It may be difficult to employ certain risk management practices for emerging markets investments, such as forward currency exchange contracts or derivatives.

#### **5. Clearing House Protections**

On many exchanges, the performance of a transaction is “guaranteed” by the exchange or clearing house. However, such guarantee usually has favourable terms for the exchange or clearing house member and may not be enforceable by its clients. This may result in credit and insolvency risks of the firm through whom your transaction was executed, and this may subsequently result in credit risk for you against such firm. Recently, OTC derivatives that are to some extent standardized, are increasingly cleared through clearing houses, either voluntary or mandatory on the basis of legal and financial regulatory reforms. However OTC transactions in off-exchange instruments lack protection of trading venue rules, including supervision by trading venues on the proper functioning of their markets.

#### **6. Insolvency**

The insolvency or bankruptcy of the firm with whom you are dealing, or of any brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In such case, your investments may not be returned to you. There is also insolvency risk in relation to the investment itself, for example of the company that issued the bond or of the counterparty to the off-exchange derivatives (when the risk relates to the derivative itself and to any collateral or margin held by the counterparty) becomes insolvent or goes bankrupt.

#### **7. Currency Risk**

In respect of any foreign currency transactions and transactions in derivatives and securities that are denominated in a currency other than the currency in which your account is denominated, any movement in currency exchange rates may have a favourable or an unfavourable impact on the profit or loss of such transactions. The weakening of a country's currency relative to a benchmark currency or the currency of your account, will negatively affect the value of your investments that are denominated in that currency. Currency values may be impacted by a host of economic, social and political factors and can fluctuate greatly on a daily basis.. Some countries have foreign exchange controls which may include the suspension of the ability to exchange the local currency of such country or a temporary prohibition to transfer cash or securities to recipients or bank accounts outside that country. Also, foreign currencies may be subject to sudden and substantial devaluation on the basis of governmental decree or legislation. Hedging may decrease your exposure to any foreign currency to some extent, but it may not entirely eliminate the foreign currency risks during the period that you are exposed to such foreign currency exchange risk.

## 8. Interest Rate Risk

Interest rates may rise or fall at any time. A risk exists when interest rates in your investment such as a bond, are fixed while interest rates rise. As a result of the interest rate increase, the value of your bond may fall. Contrary, a fall in interest rates may result in the increase of value of your investment in a fixed rate bond. Interest rate changes may also directly or indirectly impact the value of your investments in financial instruments that do not provide for a return on the basis.

## 9. Regulatory/Legal Risk

All investments in financial instruments are exposed to regulatory and/or legal risk. Returns on investments are at risk from regulatory or legal actions and changes which may reduce the profit potential of an investment, or cause a loss on your investment. An example of regulatory action is when a supervisory authority utilizes its powers to intervene in the business of a credit institution, in order to protect it from insolvency, which may be effectuated at the cost of investors in certain debt or equity instruments issued by such entity (bail-in). Legal changes could even have the effect that a previously acceptable investment becomes illegal, which may also adversely impact the value of your investment. Changes to related issues such as tax or regulatory frameworks may also occur and may have an adverse effect on profitability of your investment. Such risk is unpredictable and can depend on numerous political, economic and other factors. This risk generally is greater in emerging markets but also occurs in developed markets. In emerging markets, there is generally less government supervision and regulation of business and industry practices, stock exchanges and over the counter markets, which may result in higher risks for investors in such markets. The laws and regulations governing investments in securities may not exist in some places, and when they do, may be elementary and not sophisticated, and subject to inconsistent or arbitrary application or interpretation by market participants and local authorities. Moreover, such rules and regulations may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges, jury trials and courts in certain countries may have limited knowledge and inexperience in the areas of business and financial laws. Companies may be exposed to the risk that legislators will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that a foreign investor would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of local assets. An investor may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments of foreign courts.

## 10. Operational Risk

Operational risk, such as breakdowns or malfunctioning of essential systems and controls, including IT systems, can impact on all financial products, but in particular for holders of shares, or other investments which equate to a part of the legal or economic ownership of the company. Business risk, especially the risk that the business is run incompetently or is poorly managed, may also negatively impact a company's commercial performance. Personnel and organisational changes can also severely affect such risks and, in general, operational risk may not be apparent from information known to the general public.

## D. Transaction and service risks

### 1. Contingent liability investment transactions

Contingent liability investment transactions contain one or more conditions, under which the obligation of the issuer to you are contingent on the occurrence of one or more events, as described in the terms of the agreement. This may trigger the conversion and/or subordination of

your rights against the issuer, or result in a contractual write-down of the nominal amount of your investment.

## **2. Margin**

An obligation for you to provide margin may follow from the terms of a specific transaction you entered into, or may arise in connection with the risks embedded in your investment portfolio. If you trade in futures, contracts for differences or write or sell options or another financial instrument, you may sustain a total loss of the margin you may have deposited with us in the form of securities or cash. If the market moves against your one of your investments or your portfolio in general, you may be called upon to pay additional margin at short notice in order to maintain your position. If you fail to do so within the time required, your position may be liquidated at a loss and you are accountable for any deficit or loss as a result thereof. In addition, even if neither of the positions in your portfolio follow from a margined transaction, we may be obliged under Applicable Regulations to request you to make margin payments or make additional margin payments to us, in view of the risks in your portfolio, which may vary considerably over time as a result of changing market conditions. If you fail to provide required margin (or deliver the assets upon exercise of the option), your position may be closed or liquidated in the same way as a futures position. Please note that Applicable Regulations may require us to act in such way, and we may have no alternative course of action but to close or liquidate (part of) your position in derivatives in these circumstances, regardless the market value of these positions at that point in time.

In some jurisdictions, we may only carry out margined transactions with you or on your behalf, both with regard to exchange traded transactions and with regard to OTC and/or off-exchange transactions.

## **3. Collateral**

If you deposit collateral as security with us, we will make adequate arrangements so as to safeguard your rights with regard to your collateral. However, the way in which your collateral will be treated may depend on the type of transaction and when it is traded. There could be significant differences in the treatment of your collateral, depending on whether you are trading on a recognized or designated trading venue (see paragraph 3 below), with the rules of that exchange (and the associated clearing house) applying, or trading on a non-regulated trading platform, or, outside any trading platform (ie over the counter, or off-exchange). Deposited collateral may lose its identity as your property if it commingles with assets not owned by you, and you may lose your ownership rights to your property as a result. Also when your dealings are profitable, you may not get back the same assets which you deposited, and you may have to accept payment in replacement or substitute assets, or in cash. Although we provide information to you concerning the safeguarding of your assets, you should ascertain how your collateral will be dealt with.

## **4. Off-Exchange or Over The Counter (OTC) Transactions**

Certain exchanges are designated as recognized or regulated trading venues, which are subject to supervision and themselves supervise the trading conducted through their trading platforms, and their members have to comply with conduct rules laid down in member's rules, which are specific to each trading venue, and contain both prudential and conduct requirements for (potential) members. Transactions which are traded else when, i.e. outside the ambit of recognized or regulated trading venues, may be exposed to substantially greater risks.

## **5. Limited liability transactions**

Before entering into a limited liability transaction, you should obtain a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you before you enter into the transaction. The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may

sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

## **6. Suspensions of trading and grey market securities**

At times of rapid and/or large price movements, in particular when prices rise or fall significantly and at rapid pace, trading venues may be obliged under the rules of the relevant exchange trading to temporarily suspend or restrict trading in such financial instruments. Under certain market conditions, it may be difficult or impossible to liquidate or hedge a position. Exchange listed securities can be suspended, or their listing may meanwhile have been discontinued, or the listing may be subject to an exchange announcement suspending or prohibiting dealings. Securities for which an application has been made for listing or admission to dealings on an exchange when the security's listing or admission has not yet taken place (grey market securities) and the security is not already listed or admitted to dealings on another exchange. There may be insufficient published information on which to base a decision to buy or sell grey market securities, since transparency and market abuse rules applicable to exchange listed securities may not apply to grey market securities.

## **7. Deposited Cash and Property**

Funds or assets deposited by you may be subject to limited or reduced protections, if placed with a third party or when subject to the law of a jurisdiction other than that of an EU Member State or when subject to any security interest or lien. Such limited or reduced protection in respect of money or other property you deposit for domestic and foreign transactions, may result in loss of your funds or assets, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which had been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

## **8. Stabilization**

Transactions may be carried out in securities when the price is or has been influenced by measures taken to stabilize it. Stabilization enables the market price of a security to be maintained artificially during the period when an issue of securities is being sold to the public for the first time. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. Regulations allow stabilization in order to enhance and assist the price discovery process of financial instruments immediately after their initial listing. Without such stabilization activity, the price of newly listed securities can sometimes drop for a time before members or market makers have started to facilitate the market in such security and an adequate number of willing buyers and sellers have started trading the newly listed security. Stabilization is carried out by a "stabilization manager" (normally the firm responsible for bringing a new issue to market). As long as the stabilizing manager follows a strict set of rules, he is entitled to buy back securities that were upon their introduction sold to investors or allotted to institutions which have decided to sell them shortly thereafter. The effect of this may be to keep the price during the stabilization period at a higher level than it may have been without the stabilization activity. The fact that a newly issued security is being stabilized should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

## **9. Non-readily realizable investments**

Both exchange listed and traded and off-exchange investments may be non-readily realizable investments. These include illiquid or less liquid investments in which the market is limited or could become so. Accordingly, it may be difficult to assess their market value and/or to liquidate a position in such investments at a certain point in time.

## 10. Stock lending

Lending of securities to a third party may result in the loss of title by the owner of these securities. After an agreed period, the borrower must transfer title of the securities or securities of the same type and issuer back to the lender. The borrower's obligation to return equivalent securities to the lender is secured by collateral, which must be provided by the borrower to the lender during the period of the lending transaction. Lending securities

may affect your tax position and may reduce your legal rights in case of an insolvency of the lender that lends your securities to a third party.

## 11. Strategies

Particular investment strategies carry their own particular risks. For example, certain strategies, such as "spread" position or a "straddle", may be as risky as a simple "long" or "short" position.



## APPENDIX 2

### HUNGARY (Supplementary regulations of Terms concerning Hungary)

The following provisions – prepared to comply with specific Hungarian rules of law - shall form an integral part of and applied in conjunction with (i.e. in addition to) other provisions of the Terms.

Please especially carefully read the rules in paragraphs 22 of the Terms and paragraph 5 and 7 of this appendix.

#### 1 Amendments to previous paragraphs

1.1 Paragraph 1.1 of the Terms shall be amended by the following definitions:

“Capital Markets Act”	means the Act CXX of 2001 on the capital markets;
“Banking Act”	means the Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises;
“Execution Venue”	has the meaning given to it in the IFA;
“GTC”	means the General Terms and Conditions of ING Bank N.V. Hungary Branch
“IFA”	means the Hungarian Act CXXXVIII of 2007 on the investment firms and commodity exchange service providers and on the rules of the activities provided by them and IFA has been made under MiFID;
“KELER”	means the Central Depository and Clearing House Ltd., Budapest;
“List of Conditions”	means the document containing the fees, costs, charges and other payables arising in connection with the services provided by ING Bank under the IFA and the Banking Act, attached hereto under annex 5.

1.2 The first sentence of paragraph 1.4 of the Terms shall be replaced by the following sentence:

“Through a separate letter, we have classified you as either an Eligible Counterparty, as a Professional Client or as a retail Client in accordance with the requirements of MiFID II and the IFA.”

1.3 The text body of paragraph 2.1 of the Terms shall be replaced by the following: “These Terms (and any amendments to these Terms) supersede any previous terms and conditions for business for investment services promulgated by ING Hungary and are deemed to have been entered into force 15 days after they have been published in ING Bank’s lodge and on ING Bank’s Website, in respect of our new clients immediately.”

1.4 The first sentence of paragraph 21.1 of the Terms shall be replaced by the following sentence:

“You may communicate with us in writing (in person or by mail), electronic means (fax, email) or orally (phone).”

1.5 Paragraph 23.7 of the Terms shall not be applicable in Hungary.

1.6 Paragraph 23.9 of the Terms shall shall be supplemented as follows:

“We have internal procedures for handling complaints fairly and promptly. You may send a complaint to us in accordance with the procedure set out in Appendix 2 Annex 6. As a Retail Client you may have the right to complain to an independent external body. Please contact us if you would like further details about our complaints procedure.”

## 2 General information on the ING Location (hereinafter: ING Bank and or ING Hungary)

ING Bank N.V. Hungary Branch (registration no.: 01-17000547; registered seat: 1068 Budapest; Dózsa György út 84/b).

Mailing address: 1364. Budapest, P.O Box: 247.

Homepage: [www.ingwb.com](http://www.ingwb.com)

Contact phone: +(36)-1-235-8800; Fax: +(36)1-268-0159.

ING Bank N.V. Hungary Branch is a member of the Budapest Stock Exchange.

## 3 Licensed services

3.1 ING Bank N.V. is licensed by De Nederlandsche Bank to pursue all the activities listed in Section 1 – 14 of Annex 1 of the Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions. The activities of ING Bank N.V. Hungary Branch according to the notification No. 40468/4/2008 dated 25 July 2008 issued by the Hungarian Financial Supervisory Authority as predecessor of the National Bank of Hungary (seat: 1013 Budapest, Krisztina krt. 39; mailing address: H-1534 Budapest, BKKP, P.O Box 777.; homepage: <http://www.mnb.hu/felugyelet>) (the “**Authority**”) are the followings:

- 3.1.1 Acceptance of deposits and other repayable funds
- 3.1.2 Lending including, inter alia: consumer credit, mortgage credit, factoring, with or without recourse, financing of commercial transactions (including forfeiting)
- 3.1.3 Financial leasing
- 3.1.4 Money transmission services
- 3.1.5 Issuing and administering means of payment (e.g. credit cards, travellers' cheques and bankers' drafts)
- 3.1.6 Guarantees and commitments
- 3.1.7 Trading for own account or for account of customers in:
  - (a) money market instruments (cheques, bills, certificates of deposit, etc.);
  - (b) foreign exchange;
  - (c) financial futures and options;
  - (d) exchange and interest rate instruments;
  - (e) transferable securities.
- 3.1.8 Participation in securities issues and the provision of services related to issues
- 3.1.9 Advice to undertakings on capital structure, industrial strategy and related questions and advice and services relating to mergers and the purchase of undertakings
- 3.1.10 Money broking
- 3.1.11 Portfolio management and advice

**3.1.12** Safekeeping and administration of securities

**3.1.13** Credit reference services

**3.1.14** Safe custody services

## **4 Contact details**

**4.1** Clients may contact ING Bank at the offices located under the addresses and within the business hours listed under annex 1 of the present Appendix.

**4.2** The client may communicate with ING Bank through mail sent to the postal address listed under paragraph 2 above.

**4.3** The client may contact ING Bank by phone listed under paragraph 2 above. If client and ING Bank have so agreed, client may contact ING Bank to initiate Transactions via the phone number listed in the particular client agreement or under annex 1 of the present Appendix.

**4.4** If the client and ING Bank have so agreed, client may also contact ING Bank via email or through the Website the details of which are contained in the particular client agreement.

**4.5** The contact details of giving orders are contained in paragraph 21 below.

**4.6** Rules regarding notification:

**4.6.1** ING Bank shall send the letters of agreements, statements, notifications and documents to the address reported by the client to ING Bank. In the absence of such an address, ING Bank shall send the notifications to the registered office or mailing address of the client.

**4.6.2** ING Bank shall be entitled to deem a notification received by the client three days after mailing in the case of domestic mail and seven days in the case of foreign mail. ING Bank will only post notifications to the client with acknowledgement of receipt, if the client expressly so requests. ING Bank shall be deemed to have fulfilled all its notification obligations to the client when notifications have been posted or—in the case of fax messages—when fax confirmation slips have been received. Until proven otherwise, in respect of the relationship between ING Bank and the client, the registration of ING Bank shall be regarded as evidence of the fulfilment of the notification obligations both for outgoing and incoming notifications.

**4.6.3** Unless expressly provided for otherwise by ING Bank or by an agreement between the client and ING Bank, notifications to ING Bank shall be sent to the registered office of ING Bank.

**4.7** The client shall give all notifications to ING Bank in writing, unless previously agreed otherwise by the parties in writing. ING Bank shall be entitled to fulfil its notification obligations by telephone or verbally, provided however, that such notifications shall be confirmed in writing within three days of its verbal communication.

**4.8** The parties may send their notifications by fax. Upon sending fax messages, the client shall indicate the code or other client identification suitable for establishing the identity of the client, as stated by ING Bank at the time of receiving the order. The above rules shall not apply to the requirements pertaining to orders and the modifications thereof, however. ING Bank shall not be held liable for any damages arising from delayed notification due to the defective operation of communication devices. Unless they exceed the customary extent, ING Bank shall not charge extra fees for notifications sent in the course of regular business.

## 5 Governing law and jurisdiction

All agreements between the client and ING Bank shall be governed by Hungarian substantive law, unless the parties explicitly agree otherwise in writing. The client and ING Bank submit themselves to the competence of the Money and Capital Market Court of Arbitration.

## 6 Modification and amendment

These Terms may be modified, amended or restated at any time by ING Bank. Such modification, amendment or restatement shall be effective vis-à-vis the client fifteen (15) days after the client is notified in accordance with these Terms.

## 7 Anti-money laundering, terrorist financing prevention and sanction rules

As a global financial institution, ING is committed to conducting its business with the highest levels of integrity, including strict compliance with all applicable laws, regulations and industry standards, and also committed to participating in international efforts to combat financial and economic crime in the following key areas:

- Anti-money laundering, including customer-related tax evasion and corruption;
- Combat terrorist financing;
- Sanctions, including Ultra High Risk Countries (UHRCs) regulations;
- Export trade controls;
- Non-proliferation financing;

Especially applicable are Act LIII of 2017 on the prevention and avoidance of money laundering and financing of terrorism and sections 399-402 of the Hungarian Criminal Code. When in doubt clients should consult such Applicable Regulations and seek advice from their legal counsel.

Clients should note that data protection and securities secrecy/confidentiality rules generally applicable to client information held by ING Bank are not applicable in governmental procedures (whether administrative or criminal law enforcement in nature) relating to money laundering (and certain other crimes).

ING Bank is obligated by law to report to the relevant authorities all data, fact or circumstance which suggest money laundering or the financing of terrorism.

## 8 Investor protection

**8.1** In the cases specified in the Capital Markets Act, the public prosecutor may initiate a lawsuit against the issuer and ING Bank, or against an insider in order to establish the invalidity of a contract pertaining to securities offered with misleading information or concluded through insider trading. Should invalidity be established, the scope of the court's judgment shall extend to all contracts affected by the misleading information or insider trading.

**8.2** ING Bank when acting in relation to an issuance or offer of securities as a dealer - in order to raise awareness of a public offer, the securities to be issued and the issuer - may only publish advertisements and commercials which facilitate, both with their form and content, the formulation of a well-founded opinion by the investors. It is prohibited to publish data different from, or contrary to, the content of the prospectus, fraudulent praise, moreover, no draws or offer of other prizes of chance are allowed in connection with the subscription or purchase. It is prohibited to publish an announcement that may make the false appearance of a public offer published in connection with a public issue of securities. Prior to the publication of a public offer, the advertisements and commercials

relating to the public offer shall state that the preparation and approval of the prospectus required for the public offer is in progress and the expected date of publication thereof.

- 8.3** In its advertisements as a dealer ING Bank may only publish the interest, average interest, yield or other proceeds that may actually be obtained. It is prohibited to make the interest, average interest, yield or other proceeds appear as a guaranteed income, if the extent thereof depends on unforeseeable circumstances.
- 8.4** ING Bank N.V. is a member of the Dutch Investor Compensation Scheme (the "Investor Compensation Scheme"), which is to protect private individuals and "small" businesses that have entrusted money or financial instruments (such as securities or options) to a licensed bank or investment firm in the course of an investment service. All Dutch banks that are licensed by De Nederlandsche Bank and are allowed to provide investment services under Section 2:97(1)(c) of the Dutch Financial Supervision Act and investment firms that operate under a licence from Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten) are covered by the Dutch Investor Compensation Scheme. The Investor Compensation Scheme guarantees a minimum level of protection where the bank or investment firm is unable to fulfil its obligations resulting from investment services performed for its clients. Damage as a consequence of investment losses suffered on financial instruments is not itself eligible for compensation. In brief, the Investor Compensation Scheme may be invoked by private individuals and "small" businesses (i.e. businesses which may publish an abridged balance sheet). If DNB decides to apply the investorcompensation scheme, claims from the categories of persons referred to below shall be eligible for compensation:
- 8.4.1** persons who, in connection with investment services, have entrusted money or financial instruments, in their own name and on their own account, to a financial undertaking that is unable to pay;
- 8.4.2** persons who, together with a person as referred to in Section 8.4.1. and in connection with investment services, have entrusted money or financial instruments, in their own name and whether or not on their own account, to a financial undertaking that is unable to pay; and
- 8.4.3** third parties on behalf of whom a person as referred to in Section 8.4.1. or 8.4.2, not being a collective investment scheme, has entrusted money or financial instruments, pursuant to an agreement or the law, in their own name and in connection with investment services, to a financial undertaking that is unable to pay.
- 8.5** Categories of persons whose claims do not fall under the scope of the Investor Compensation Scheme:
- 8.5.1** Persons whose claims result from transactions in connection with which a criminal conviction has been pronounced for money laundering.
- 8.5.2** Professional investors and professional market parties.
- 8.5.3** Persons who:
- a) are also a director, administrator, or jointly and severally liable partner of the financial undertaking that is unable to pay;
  - b) hold at least a five percent share in the capital of the financial undertaking that is unable to pay; or
  - c) have control comparable with Subsection b) in other enterprises in the same group as the financial undertaking that is unable to pay.
- 8.5.4** Close relatives of the persons referred to under Section 8.5.3. and third parties that act for the account of these persons. In this context, close relatives shall be taken

to mean family members once removed, as well as any spouses and partners of these persons. Notarial documents shall be produced to show that these partners are the partners of the persons referred to under Section 8.5.3., unless they are registered partners.

- 8.5.5** Legal persons that are part of the same group as referred to in Section 24a of Book 2 of the Dutch Civil Code as the financial undertaking that is unable to pay.
- 8.5.6** Persons that in part caused, or that have benefited from, the financial undertaking's inability to pay.
- 8.5.7** Legal persons that are a financial undertaking of such magnitude that they may not draw up an abridged balance sheet in accordance with Article 11 of Fourth Council Directive 78/660/EEC of the Council of the European Communities of 25 July 1978 based on Article 54(3)(g) of the Treaty on the annual accounts of certain types of companies (OJEC L 222)

(According to such Article 11 the Member States may permit companies which on their balance sheet dates do not exceed the limits of two of the three following criteria:

- balance sheet total : 4 400 000 EUR,
  - net turnover : 8 800 000 EUR,
  - average number of employees during the financial year: 50
- to draw up abridged balance sheets)

- 8.6** Claims that are eligible for compensation in accordance with the Investor Compensation scheme shall be claims that result from the inability of the insolvent financial undertaking to comply with statutory and contractual conditions by:
  - 8.6.1** repaying money that it owes to persons entitled to the compensation scheme or that it holds on their behalf in connection with the provision of investment services; or
  - 8.6.2** returning financial instruments that it holds, administers or manages for persons entitled to the compensation scheme in connection with the provision of investment services.
- 8.7** Claims from third parties as referred to in Section 8.4.3. shall only be eligible for compensation if the identity of the third party has been, or can be, determined before De Nederlandsche Bank has established that the financial undertaking is unable to pay.
- 8.8** The Investor Compensation Scheme covers money and financial instruments. The term financial instruments is defined as follows:
  - 8.8.1** securities;
  - 8.8.2** a unit in a collective investment scheme, not being a security;
  - 8.8.3** an instrument usually negotiated on the money market;
  - 8.8.4** a right to transfer goods in time, or an equivalent instrument focused on settlement in money;
  - 8.8.5** an interest instalment contract;
  - 8.8.6** an interest swap, currency swap or share swap; or
  - 8.8.7** an option to acquire or alienate the aforementioned instrument, including an equivalent instrument focused on settlement in money.

- 8.9** The Investor Compensation Scheme guarantees an amount not exceeding EUR 20,000 (Twenty thousand euros) per person per institution. However, when determining the value of the established claims, DNB shall set the claims off against the possible claims of the financial undertaking that is unable to pay vis-à-vis the applicant. Unless contractually specified that the persons entitled to compensation are entitled to the claims on the basis of a different proportion, each of these persons shall receive a compensation equal to a proportional part of the total of the established claims.
- 8.10** If there is more than one third party as referred to in Section 8.4.3. each of their shares and the compensation to each of them shall be calculated on the basis of the previous paragraph.
- 8.11** The Dutch Minister of Finance may decide that, contrary to the above mentioned rules, other maximums shall apply to the claims that are eligible for compensation. The Minister of Finance shall give notice of the decision to that effect in the Dutch Government Gazette.
- 8.12** For investment firms there is an investor compensation fund from which compensation is initially paid. De Nederlandsche Bank makes the payments under the Investor Compensation Scheme, which are as much as possible disbursed from the investor compensation fund. The Investor-Compensation Fund Foundation [Stichting Beleggers Compensatiefonds] shall be responsible for the management and maintenance of a compensation fund that is intended for the reimbursement of amounts to De Nederlandsche Bank that De Nederlandsche Bank has paid out pursuant to the investor-compensation scheme. If the fund does not suffice, De Nederlandsche Bank charges the excess amount paid on to the participants in the scheme, in proportion to the size of their business.
- 8.13** De Nederlandsche Bank shall place a notice in the Dutch Government Gazette [Staatscourant], as soon as possible after the decision has been taken relating to the application of a guarantee scheme. As soon as possible after it has established inability to pay, De Nederlandsche Bank shall also give notice, by means of advertisements in national newspapers to be selected by De Nederlandsche Bank, that:
- 8.13.1** it has applied the investor-compensation scheme or the deposit-guarantee scheme (detailed information about the deposit guarantee scheme is available in the respective Appendix of this present document); and
- 8.13.2** the persons entitled to compensation, may submit an application to De Nederlandsche Bank for reimbursement of the claims serving as a basis of compensation, using a form to be established for that purpose by De Nederlandsche Bank, within five months after the date of the notification in the Dutch Government Gazette.
- 8.14** De Nederlandsche Bank shall ask the administrators or receivers of the financial undertaking that is unable to pay to refer, in their correspondence with the persons entitled to compensation, to the application of the investor-compensation scheme and to the deadline for submitting an application.
- 8.15** Claims submitted after the expiry of the deadline mentioned above shall be rejected by the De Nederlandsche Bank, unless the De Nederlandsche Bank considers reasonably that the request was not out of time. The existence and the amount of the claims submitted shall be stated by the De Nederlandsche Bank based on the relevant regulatory provisions, contractual conditions, records of the insolvent financial institution and other relevant documents. The amount of a claim in foreign currency shall be stated by the De Nederlandsche Bank based on the reference rate set by the European Central Bank-applicable on the day on which the De Nederlandsche Bank has stated the insolvency.

- 8.16** Claims as referred to in Section 8.6.1. that have been established by De Nederlandsche Bank shall be paid in the form of recompensation up to the maximum referred to in Section 31.9. Claims as referred to in Section 8.6.2. that have been established by De Nederlandsche Bank shall be paid, to the extent possible, by returning the financial instruments referred to in such Section. If this is impossible, the claim shall be paid in cash up to the maximum referred to in Section 8.9. In the latter case, the value of the claim shall be set, unless provided otherwise by law or by contract, at the market value of the financial instruments at the moment in time when De Nederlandsche Bank established the financial undertaking's inability to pay.
- 8.17** De Nederlandsche Bank shall pay the applicant the amount determined as soon as possible, but in any event within three months after the point in time when the applicant submitted the application. The compensation shall be made into an account indicated by the applicant at a bank domiciled in a Member State or at a branch located in a Member State of a bank domiciled in a state that is not a Member State. The compensation shall only take place if:
- 8.17.1** the applicant has declared that it has taken note of the subrogation pursuant to Section 150(d) of Book 6 of the Dutch Civil Code;
  - 8.17.2** the applicant assigns its to De Nederlandsche Bank unconditionally and irrevocably, up to the amount paid out, vis-à-vis the financial undertaking concerned that is unable to pay; and
  - 8.17.3** the applicant also transfers any rights to De Nederlandsche Bank to the return or recompensation of financial instruments, vis-à-vis third parties, up to the amount paid out.
- 8.18** If an applicant is prosecuted in connection with a crime that is the result of, or is linked to, money laundering, De Nederlandsche Bank may suspend the deadlines for payout. This suspension shall end as soon as the prosecution has ended or the decision of the competent court is irrevocable.
- 8.19** De Nederlandsche Bank shall recover from the financial undertaking that is unable to pay, to the extent possible, all claims or rights transferred to it to which it is subrogated in accordance with Section 150, opening words and (d) of Book 6 of the Dutch Civil Code. The revenue received by De Nederlandsche Bank pursuant to the recovery shall be paid out by De Nederlandsche Bank to the financial undertakings that have contributed, the payout shall be based on the set apportionment percentage.

## **9 Detailed rules of identification of clients**

- 9.1** Prior to concluding a client agreement on an (investment) service regulated herein, ING Bank shall verify the identity of the client and the person acting as a representative or proxy thereof, as well as the power of representation of the person acting on behalf of the client (hereinafter referred to as client identification). If the client is a business entity or another organisation, in addition to establishing the identity of the person acting as the representative of the client, ING Bank shall also verify the identity of the business entity or other organisation, as the case may be. No identification is required if ING Bank has already identified the business entity or the other organisation in connection with another transaction. However, the identity of a natural person acting as the representative of the business entity or other organisation shall always be verified.
- 9.2** In the course of the client identification procedure, ING Bank shall be entitled to examine and—with the client's consent (in the case of natural persons, such consent shall be given in writing)—retain a copy of the following documents:

In the case of natural persons:



- 9.2.1 if the natural person is a Hungarian citizen: (i) personal identification document issued prior to January 1, 2001, or (ii) identification card or driver's licence card, or a valid passport and an official address registration card issued after January 1, 2001;
- 9.2.2 if the natural person is a foreign citizen: (i) valid passport or (ii) temporary residence permit or (iii) permanent residence permit or (iv) certificate issued to Hungarians in the neighbouring countries or (v) certificate issued to the relatives of Hungarians in the neighbouring countries;
- 9.2.3 in the case of private entrepreneurs: entrepreneurial licence and either a personal identification document issued prior to January 1, 2001, or an identification card or driver's licence card, or a valid passport and an official address registration card issued after January 1, 2001, in addition to the certificate issued by the Tax Authority verifying the registration of a tax number.

In the case of non-natural persons registered in Hungary:

- 9.2.4 business entities: certificate of incorporation issued not earlier than 30 days before (if the registration of the business entity is still in progress, a certificate thereof), effective founding instrument as well as the specimen of signatures of the persons authorised to sign on behalf of the business entity;
- 9.2.5 other organisations of legal personality (e.g. law firm, teachers' association, water management association, water utility association, forest owners' association, local government, an institution of the local government, condominium building, society, trade union, church, religious institution, private or public foundation, ESOP organisation, non-profit organisation) the registration document governing the organisation, effective founding instrument, certificate of the Tax Authority verifying registration, as well as the specimen of signatures of the persons authorised to sign on behalf of the organisation.

If the client is not a natural person and is registered abroad, ING may accept the certificate of the registration of the client according to the law of the home country thereof, the founding instrument and the specimen(s) of signature of the person(s) authorised for representation or other documents constituting sufficient evidence concerning the authorisation of persons to sign, provided that ING shall be entitled to require.

- 9.2.6 that the attested Hungarian translation, made by the Hungarian Office for Translation and Attestation (in Hungarian abbreviation: "OFFI"), or attested by a Hungarian notary public accredited to attest foreign language documents, be attached to the original copy of the foreign language document; or
- 9.2.7 that the attested Hungarian translation, made by the Hungarian Office for Translation and Attestation (in Hungarian abbreviation: "OFFI"), or attested by a Hungarian notary public accredited to attest foreign language documents, be attached to the certified copy of the foreign language document, bearing an apostille, by a notary public abroad.

ING Bank may waive its right to require a translation or attestation, if it considers, in its own discretion, that it is not needed due to the circumstances of the transaction, or ING Bank is able to interpret the foreign language document(s) itself. ING Bank may only be obliged to provide its tax number or tax ID code, if—due to the nature of the order—the transaction to be performed has or may have tax implications for the client. ING Bank acts in good faith in respect of the accuracy, authenticity and validity of the data, instruments and documents presented in the course of client identification as described above. ING Bank excludes any and all liability for trusting the data supplied by the client or the representative or proxy thereof, as a result of which it conducted no further investigation

into the establishment of the client's identity. In respect of other issues arising during client identification, ING Bank shall proceed in compliance with the provisions of the prevailing Hungarian legal regulations pertaining to prevention and impeding of money laundering and personal income tax.

## **10 Client categories**

As was referred to in paragraph **Error! Reference source not found.**4 and 5 of Terms as supplemented by this Appendix ING Bank categorises and notifies its (potential) clients (hereinafter client) according to the categories set out in the IFA. (Note that the clients may, under certain conditions set out in the IFA, request the change of their categorisations).

## **11 Documents relating to the suitability (section 44 of the IFA) and appropriateness (section 45 of the IFA) tests**

Annex 9 contains the documents and forms to be filled out and submitted by the clients to ING Bank. At the moment we do not provide such Services that would need suitability test.

## **12 Costs associated with the services of ING Bank**

Annex 5 contains the costs and fees associated with the Services of ING Bank, unless otherwise agreed with the client in writing.

## **13 Refusal to contract or execute orders**

**13.1** ING Bank may refuse to contract with a (potential) client and may refuse to execute a client order in accordance with section 54 of IFA if:

**13.1.1** doing so would constitute insider dealing or market abuse;

**13.1.2** doing so would be contrary to law or the regulations of a regulated market, a stock exchange of a third country complying with the rules applicable to regulated markets, a settlement house, an entity carrying out settlement functions, a central counterparty or a central depository;

**13.1.3** the (potential) client refused to prove his/her identity or to cooperate in an identification procedure or if the identification process was unsuccessful for any reasons;

**13.1.4** ING Bank did not receive the information necessary to conduct the suitability test (section 44 of the IFA);

**13.1.5** the result of the suitability test (section 44 paragraph 1 of the IFA) does not allow the provision of the requested service with respect to the given financial instrument;

**13.1.6** the client's financial cover (security or cash) is insufficient for ING to carry out the contemplated transaction.

## **14 Modification and termination of client agreements**

**14.1** The client may terminate the agreement at any time prior to the performance thereof; such cancellation shall be subject to the payment of retention money—where appropriate—to ING Bank in the amount specified under annex 5.

**14.2** The client shall announce its intention of termination at such time so that ING Bank can advise its dealer before trading hours of the regulated market or OTC market begin. If this is not practicable, the termination shall only take effect as from the following day. Should the client announce its intention to terminate the agreement after the ING Bank has

concluded the transaction in compliance therewith, the client shall be held fully liable for any related damages.

- 14.3** Information concerning the trading hours of the execution venue at which ING Bank undertakes to perform the orders available for examination at the registered office of ING Bank during business hours.
- 14.4** ING Bank shall be entitled to terminate the agreement concluded with the client, if the operating licence of the ING Bank or some of its activities are wholly or partially suspended, restricted or its licence is wholly or partially withdrawn, or if KELER takes measures that affect the client's order. ING Bank shall immediately notify the client of the occurrence of the above events and the cancellation of the agreement as a result thereof.
- 14.5** Upon the termination of the agreement due to the reasons specified above, ING Bank shall only be entitled to the fees due on the obligations it has actually fulfilled.
- 14.6** If the trading of the financial instruments underlying the order is suspended on the execution venue for the entire period of the order, ING Bank shall be entitled to terminate the agreement. In this event the agreement shall terminate with retroactive effect to the date of execution thereof. After the announcement of such termination, the parties shall settle accounts with each other in respect of the services already performed.
- 14.7** Modification of the agreement between the parties shall be governed by the rules applicable to the execution of agreements, as stipulated in these Terms, provided that ING Bank has not started the performance of the agreement, or if performance has commenced, provided that ING Bank can have its other contractual partners accept such modifications, or, if partial performance of the service is practicable, accept the modification relating to the part that has not been performed yet.
- 14.8** The acceptance of a modification shall be regarded as the execution of a new agreement, providing that the former agreement between the parties not affected by the modification shall remain valid and effective.

## **15 Events of default**

- 15.1** For the purposes of these Terms, with respect to all agreements concluded by ING Bank with a client, unless stated in such client agreement otherwise, the following shall be deemed as a material breach of contract:
  - 15.1.1** the factual data and information provided are not true to the facts, not substantial, incomplete, false, falsified, suitable for deception, or intended to be misleading;
  - 15.1.2** non-disclosure of information required for an obligation stipulated in the rules of the Execution Venue, KELER or for an obligation required by effective legislation despite demand,
  - 15.1.3** the transaction or account is related to drug trafficking, terrorism, illicit arms trade, money laundering or organised crime and either Party is aware thereof,
  - 15.1.4** non-disclosure of bankruptcy or a procedure for termination without a legal successor (liquidation, wind-up procedure),
  - 15.1.5** default of payment obligation despite notification thereof,
  - 15.1.6** the collateral or security provided is encumbered, frozen, false or destroyed, despite the client's declaration to the contrary;
  - 15.1.7** any other event so defined by the agreement concluded by and between the client and ING Bank.

## **16 Liability of ING Bank**

ING Bank may only limit its liability for the performance of the client agreement if not excluded by Applicable Regulations or if the client has defaulted and did not remedy the situation even after a claim by ING Bank to do so.

## **17 Portfolio transfer**

The assignment of ING Bank's contractual obligations is subject to the permit of the Authority. The rules set forth in the Civil Code pertaining to delegation of duties shall apply to the transfer of ING Bank's obligations, while the rules on assignment shall apply to the transfer of ING Bank's rights stemming from client relationships. Prior to the taking effect of the agreement on the portfolio transfer ING Bank shall inform in a durable medium the clients about the intention to transfer the client portfolio and about the circumstances (location, time, means) under which the terms of business of the transferee investment firm may be inspected. If the client rejects the given investment firm or its terms of business the client may designate another investment firm as a substitute. The client shall also designate the necessary client account numbers in such case. The client has 30 days to respond to information of ING Bank. Should the client fail to respond within the 30-day period or fail to answer completely, it shall be deemed that that such client consented to the transferee investment firm and its terms of business. All financial instruments owned by or belonging to the client shall be held by the transferee investment firm from the date set forth in the information sent in a Durable Medium by ING Bank and the terms of business of such transferee investment firm shall apply to them.

## **18 Representative**

At the time of establishing a legal relationship between the parties (execution of a client agreement, giving orders etc.) the client shall report to ING Bank the names of persons authorised to make statements and sign on behalf of the client in connection with the given legal relationship. The client shall verify the power of representation of such designated persons in compliance with the prevailing legal regulations (authorisation, certificate of incorporation, specimen of signature, etc.). ING Bank is entitled to regard the reported representatives and their respective right to sign valid and effective until receiving a written notice from the client to the contrary. ING Bank shall be entitled to reject all orders on which the signature of the person authorized to represent the client differs in any way from that reported by the client to ING Bank on the standard form. ING Bank shall not be held liable for any damages arising from misrepresentation or falsified orders, unless it had knowledge thereof. In the event of ad hoc orders, if the data of the principal or the authorised person, or other important data of the authorisation is suspected to be inaccurate or unclear, or if any suspicion of abuse arises, ING Bank shall be entitled to refuse the execution based on such orders and request a repeated statement from the principal.

## **19 FX rules**

If the daily net value of the transaction performed or to be performed under the client's order or the incidental costs require the conversion of the client's HUF or foreign exchange (FX) funds, ING Bank shall take the required steps as specified in a separate agreement concluded with the client. Such agreement shall regulate in detail the conditions under which the given transaction is to be settled with the client.

## **20 Withholding tax**

**20.1** Prior to effecting dividend, interest or exchange gain payments to the client, ING Bank shall deduct and pay the tax thereon to the tax authority, if this is stipulated as an obligation in the prevailing Applicable Regulations.

- 20.2** If the client is required to verify the data specified by law for the assessment of the dividend, interest, exchange gain or the tax thereon, ING Bank may only meet its statutory obligation after obtaining the client's statement in compliance therewith. The client shall warrant the completeness and authenticity of the documents submitted. Absent that, ING Bank shall deduct taxes in compliance with the rules stipulated in the relevant tax regulations.
- 20.3** ING Bank agrees to issue—if it is obliged by Applicable Regulations—for its clients certificates regarding the purchase price of the financial instruments obtained with the participation of ING Bank, which are required to assess the tax on exchange gain. However, ING Bank shall be entitled to request the client to submit the confirmation on the acceptance of the subscription, the sale and purchase agreement or other documents.

## **21 Specific rules relating to orders**

- 21.1** In the absence of an individual agreement differing from the terms specified below, ING Bank shall accept orders at its registered office at 1068 Budapest, Dózsa György út 84/b.
- 21.2** Clients may place orders to the ING Bank from Monday to Friday, during business hours. ING Bank shall attempt to perform an order on an Execution Venue or OTC transaction on the same day if it has been received prior to the closing of the relevant execution venue. Clients shall be entitled to use the teller services of the ING Bank for executing their cash transactions, provided that they obey the relevant rules of the ING Bank and that the ING Bank applies the charges established for such services.
- 21.3** Generally, ING Bank accepts orders given in writing (in person or by mail), through electronic means (fax, email) or orally (by phone). The client may only place a written order by using the form annexed to the framework agreement concluded by the parties on the acceptance and performance of the order in question, and sending the completed and duly signed order to the ING Bank's registered office in a verifiable manner.
- 21.4** ING Bank shall only accept orders placed in writing by mail, through electronic means or orally from clients who had executed a framework agreement with ING Bank concerning orders, and further provided that such an agreement shall be effective at the time the order is placed.
- 21.5** Clients may only place orders with ING Bank by phone following the appropriate client identification procedure. In the course of the identification procedure, the client may also identify itself with the client account ID number issued by ING Bank or a password (a series of numbers or letters, consisting of five [5] characters at the most) that has been reported to ING Bank in a separate document.
- 21.6** All orders not given in writing shall be reduced to a durable medium within one workday from the receipt of such order by ING Bank.
- 21.7** The client acknowledges that while placing an order by telephone, data transmitted via the public network—including data otherwise classified as securities secrets—may come to the cognisance of unauthorised third parties. The client acknowledges that in the course of placing an order ING Bank shall be entitled to require additional identification data and/or confirmation of (personal) identity, if the representative of ING Bank (relationship manager) has any doubt as to the identity of the client.
- 21.8** In the absence of client identification, or if the identification procedure is unsuccessful, ING Bank shall refuse to accept the order. Any modification of orders verbally or by phone shall be governed by the rules pertaining to the acceptance of orders placed by phone, provided that in the absence or failure of client identification, ING Bank shall perform the order in accordance with the original conditions thereof.

- 21.9** All orders and instructions shall clearly indicate the data required for their respective performance. After receiving an incomplete order, ING Bank shall warn the client thereof, expressly indicating the insufficiencies preventing the performance of the order, as well as of the fact that failure to provide the missing information without delay, or the repeated submission of the incomplete order after the warning will result in the non-performance of the order.
- 21.10** The client hereby acknowledges that ING Bank's system shall make sound recordings of the orders placed by telephone and the client's phone conversations associated therewith. Both ING Bank and the client agree that they shall regard data recorded in the abovementioned manner as authentic, and accept them as evidence in the event of any legal dispute arising in the placement and performance of the order. Until proven otherwise (i.e. until the order is put in writing) the recording shall be binding to the parties as evidence concerning the establishment and content of a legal relationship for brokerage. ING Bank shall keep sound recordings for five years. Sound recordings may only be accessed by the client, the representative thereof as specified in paragraph 41, and the designated employee of ING Bank. If the access is requested by the client, the sound recordings may only be accessed in the presence of the client or the representative thereof, concurrently with taking minutes on the event.
- 21.11** Should there be any deviation between the recorded and confirmed orders, the confirmed order shall be regarded incomplete and thereafter handled in compliance with paragraph 21.9.
- 21.12** Orders placed and confirmed by fax or phone shall only take effect as from the date (i.e. day) of the receipt of the order by ING Bank.

## **22 Execution**

- 22.1** ING Bank shall notify the client of the execution of an order in accordance with Mifid II and section 67 of the IFA.
- 22.2** In all cases when the client or another person designated thereby, shall effect payment to ING Bank, the place of payment shall be the registered seat of ING Bank the payment shall be deemed performed on the day when the amount is credited to ING Bank's account or the day when the amount is deposited at ING Bank's teller.
- 22.3** In all cases when ING Bank shall effect a payment to the client, the place of payment shall be the registered seat of ING Bank, while the payment shall be deemed performed on the day when the amount is debited to ING Bank's account by the financial institution managing ING Bank's account, or when the client withdraws the amount at ING Bank's teller.
- 22.4** ING Bank shall regard any obligation relating to securities fulfilled if the relevant securities are delivered or otherwise made available to ING Bank (e.g. securities transfer).
- 22.5** ING Bank shall account for the performance of the order to the client, as required by the nature of the service. If the relevant agreement does not regulate the method of settlement separately, the account statement (client and securities account statement) or confirmation issued after the execution of the agreement and sent to the client shall be regarded as a report on settlement. Account statements and confirmations are produced based on ING Bank's computer records.
- 22.6** The client may contest the balance or the underlying credits and debits within 15 days after the mailing date.
- 22.7** Should the client make no objection to the balance or the parties have come to an agreement in respect of the objected items, or the court has delivered a decision

concerning the objection, the individual claims will cease to exist and be replaced with the account balance.

- 22.8** In the event of late payment, the defaulting party shall pay a penalty interest equalling twice the prevailing base interest rate of the National Bank of Hungary. In the event of the late fulfilment of the obligation to deliver the securities, the defaulting party shall pay a penalty calculated based on the market value of the securities and equalling twice the prevailing base interest rate of the National Bank of Hungary.
- 22.9** Upon gaining cognisance of a breach of contract by the other party, the non-defaulting party shall forthwith notify the other thereof. The party having gained cognisance of the breach of contract but failing to send a notice thereof, or sending only late notification thereof to the other party, shall be held liable for the damage caused by the non-performance of its obligation pertaining to notification.
- 22.10** The party defaulting the obligation set forth in the previous paragraph shall indemnify the other party for the damage arising from such default.

## **23 Brokerage activities and securities trading**

### **23.1** General rules pertaining to brokerage activities and securities trading

ING Bank may accept orders for both Execution Venue and over-the-counter (OTC) transactions.

The order may involve:

- 23.1.1** traditional securities purchase and sale (Execution Venue and OTC) transactions;
- 23.1.2** futures and forward (Execution Venue and OTC) transactions with respect to securities, index and foreign exchange; and
- 23.1.3** option transactions (Execution Venue and OTC transactions with respect to securities, index and foreign exchange).

Upon an express instruction of the client to this effect, ING Bank, having obtained the prescribed permits from the authorities, may also perform the above types of orders on other execution venues with the involvement of a foreign intermediary. ING Bank shall inform the client—in its registered office—of the name and registered office of such an intermediary, the consequences as to the delay in execution and additional associated fees and costs. Unless the client expressly requested otherwise in writing, ING Bank has also the right - in accordance with the execution policy (see under annex 7) - to perform the order given for an Execution Venue Transaction outside the Execution Venue, on the OTC market.

- 23.2** With the exception of orders involving an amount not reaching the Execution Venue trading unit, ING Bank shall accept orders relating to financial instruments and Execution Venue products listed on the Execution Venue by applying the provisions set out in paragraph 13 as appropriate. In the course of Execution Venue trading all orders shall be performed in compliance with the applicable rules of the Execution Venue. Should ING Bank achieve a better price during the performance of the order than that stipulated in the relevant agreement, the earnings thus realised shall be due solely to the client. Any contractual stipulation to the contrary shall be null and void.

### **23.3** Transactions performed under a brokerage agreement:

General rules pertaining to the execution and termination of a brokerage agreement:

- 23.3.1** Under a brokerage agreement, ING Bank shall conclude the sale and purchase agreement for the securities in its own name but on behalf of the client against a fee. ING Bank may, in addition to accepting the client's order for the brokerage activity, and in accordance with the Information on ING Wholesale Banking Order

Execution Policy (see under annex 7), purchase the securities intended to be sold by the client or sell the securities intended to be purchased by the client.

- 23.3.2** Prior to the execution of a sale and purchase agreement, the client shall be entitled to terminate the brokerage agreement with the effect of the following day, subject to the payment of the verified costs of ING Bank having been incurred in the due course of actions of ING Bank. ING Bank shall be entitled to terminate the brokerage agreement prior to the execution of the sale and purchase agreement, with a 15-day notice.
- 23.3.3** The parties shall announce the termination in writing. Termination shall cease the future effect of the agreement. In such a case—with the exception of the retention money—the parties shall have no obligation to provide further services to each other. Upon the termination of the agreement, the parties shall settle accounts with each other. Subject to the provisions of paragraph 19, payments already settled shall be refunded. The parties may not terminate (either with future or retroactive effect) the sale and purchase agreement executed under a brokerage agreement.
- 23.4** General rules pertaining to the execution of an order are contained in the Information on ING Commercial Banking Execution Policy attached under annex 7. and in this Terms above.
- 23.4.1** As a general rule, ING Bank as a broker shall perform orders for the purchase and sale of investment instruments listed and traded on the regulated market as well as of other investment instruments. ING Bank shall warn all investors with whom it establishes a business relationship of the high risk inherent in its brokerage business line associated with investment instruments and of the fact that there is no guarantee whatsoever that any profit may be realised on the purchase and sale of investment instruments through a broker, on the contrary, investors should be ready to assume the risk of considerable losses. This statement obviously refers to the highly volatile and thus, unforeseeable changes in the prices of investment instruments, and ING Bank will make its best efforts to perform the purchase and sale orders placed by the Client with all reasonable care and as a professional. ING Bank shall not undertake any material responsibility for investment advice provided by its employees or representatives verbally or in writing, if they pertain to, or are based on, the future changes in the prices of investment instruments.
- 23.4.2** When accepting an order for the purchase and sale of investment instruments, ING Bank shall advise the client of the daily price thereof, the market situation and all essential information that may have a bearing on the order.
- 23.4.3** ING Bank shall perform orders with identical contents according to the chronological register, and in the case of transactions with identical contents, give preference to the client over transactions for its own account.
- 23.4.4** ING Bank may only make transactions for or from its own account after having attempted to perform the orders with identical contents.
- 23.4.5** In the case of a brokerage agreement, ING Bank may only perform the order as a transaction for its own account or in combination with other orders or as a split order upon the express consent of the client, the parties shall regulate this issue in a separate agreement.
- 23.4.6** If ING Bank performs the brokerage orders as transactions for its own account or in combination with other orders or as split orders, it shall ensure the unbiased treatment of the clients and may not apply a procedure that is detrimental to any of the clients.



- 23.4.7** If practicable, ING Bank shall notify the client of the performance of the order on the day of performance (based on the performance). The notification shall contain the conditions of the transaction concluded pursuant to the order.
- 23.4.8** In the case of an order for sale, ING Bank shall not be entitled to sell the investment instruments at a price lower than that specified in the order, while in the case of an order for purchase, ING Bank shall not be entitled to buy the investment instruments at a price higher than that indicated in the order; upon the occurrence of the above events without the client's consent, ING Bank shall ensure that the conditions of performance are not less favourable in terms of price level than the original conditions.
- 23.4.9** Unless specified otherwise by the client, ING Bank shall attempt to perform purchase and sale orders for securities and other investment instruments issued in Hungary and listed—or not listed but traded—on the regulated market regulated market or foreign regulated market, primarily in Hungary. In the case of all other securities ING Bank may decide, at its own discretion, where to perform the order; and the performance of the order shall be governed by the standards and rules of the relevant regulated market or OTC market.
- 23.4.10** ING Bank shall transfer the sales price derived from the sale of the investment instruments less commission, to ING Bank account designated by the client in the brokerage agreement within 3 (three) banking days from the day when the investment instruments are delivered to ING Bank or the purchase price is credited to ING Bank's account. ING Bank shall not pay an interest on the transferred amount. Clients who fail to stipulate a bank account number in the brokerage agreement may not claim indemnification from ING Bank for any damages arising from belated transfers.
- 23.4.11** If the client announces no objection to the performance of the order by ING Bank within two (2) days following the notification of performance, ING Bank shall consider that the client has accepted the due performance of the order.
- 23.4.12** In the case of a brokerage order for purchase, when placing the order, in compliance with the type of the order in question, the client shall transfer the purchase price of the investment instrument increased by the commission due to ING Bank to the account specified by ING Bank. The client hereby acknowledges that ING Bank shall not be obliged to perform the purchase order until the purchase price and the commission transferred by the client has been credited to its bank account, or the client has verified payment with a cash receipt, unless—owing to the standing order of the client with ING Bank—the funds of the client kept on the account designated by ING Bank cover the entire transaction, or the Risk Management Department of ING Bank waives the above obligations due to the adequate credit rating of the client.
- 23.4.13** In the case of a brokerage order for sale, when placing the order the Client shall concurrently make the investment instrument available to ING Bank. The Client hereby acknowledges that ING Bank shall not be obliged to perform the sale order, until the Client has made the investment instruments available to ING Bank, unless the Risk Management Department of ING Bank waives the above obligations due to the creditworthiness of the Client.
- 23.4.14** As a general rule, the purchase price of the securities bought or sold by ING Bank shall also include the dividend coupons, warrants, etc. attached to the securities.
- 23.4.15** Orders for the sale of securities may also be executed by ING Bank without examining whether the Client has or may have a right of disposal over the securities concerned.

**23.4.16** The Client may not assign its receivables arising from Agreements concluded with ING Bank to a third Party without the prior written consent of ING Bank.

**23.5** Transaction types

The following types of Transaction may be distinguished: prompt, futures/forward and options transactions.

**23.6** Prompt transaction shall mean a transaction defined as such in the Applicable Regulations.

**23.7** Futures transactions: Since futures transactions concluded on the Budapest Stock Exchange and most Execution Venues are settled daily and in any case involve high risks, the parties shall be obliged to co-operate to a greater extent and fulfil their service obligations without delay. When placing an order for the given type of transaction, the client shall make a separate risk awareness statement indicating the risk inherent and borne by the client regarding the given type of transaction as well as the obligations of the client. The client acknowledges the restrictions stipulated in the Applicable Regulations, especially those in the general rules and conditions of business of the Execution Venue and KELER and shall not exceed the permitted level of open interests even in the case of orders to several Execution Venue members.

**23.8** Forward transactions: Agreements for the purchase and sale of securities, index or foreign currency at a specific future date. ING Bank accepts orders for OTC forward transactions.

**23.9** Options (Execution Venue and OTC transactions)

Types:

**23.9.1** call option: the beneficiary of the call option is entitled to buy the subject of the transaction at the contract price at a specific future date, while the obligor of the call option shall be obliged to sell the same at the pre-determined price at the given date against the option premium;

**23.9.2** put option: the beneficiary of the put option is entitled to sell the subject of the transaction at the contract price at a specific future date, while the obligor of the put option shall be obliged to buy the same according to the pre-specified conditions.

**23.9.3** Option contracts shall contain the following data:

- (i) subject of the option;
- (ii) type of the option (call-put);
- (iii) direction of the option (call-put);
- (iv) kind of the option (European—American);
- (v) the expiry date of exercising the option;
- (vi) method of performance;
- (vii) deposit;
- (viii) contract price;
- (ix) option premium.

**23.9.4** In Budapest Stock Exchange transactions, the client may give an order for an American type of option, whereby the option right may be exercised at any time before the maturity of the option. In respect of options, ING Bank concludes OTC transactions for options of both the European and the so-called American types.

The main feature of European options is that they may only be exercised upon maturity, i.e. on the expiry day of the option.

- 23.9.5** When concluding a brokerage agreement the client shall be obliged to pay—and regularly replenish whenever requested by ING Bank—a security deposit as specified in the order and calculated according to annex 5 attached hereto as a financial security to cover futures/forward and option transactions.
- 23.9.6** The above security may consist of cash or government securities listed on the Budapest Stock exchange and blocked naming ING Bank as beneficiary. Delivery of blocked government securities to KELER shall take place in compliance with the prevailing receiving rules of KELER.
- 23.9.7** Clients having a standing order with ING Bank may be relieved of the obligation to provide security, if the balance on the collective account is sufficient for coverage and the client agrees to block the amount equivalent to the required security. If there are several orders in progress, the account balance shall cover the aggregated amount of security for each order and this is the aggregated amount that shall be blocked.
- 23.9.8** ING Bank shall have the right to change the extent or amount of the security at any time, however, it is obliged to notify the client thereof without delay. The resulting difference in funds shall be made available to ING Bank by the client in the form specified above, on the Business Day following the notification. Should the client default on this obligation, ING Bank shall be entitled to satisfy its claim regarding the provision of security either from the security deposit or any other valuables provided by the client to ING Bank. All costs and damages resulting from the above shall be borne by the client.
- 23.9.9** In the event that the security is not available even after enforcing the measures stipulated above, ING Bank shall have the right to liquidate the position of the defaulting client. All costs and damages resulting from the above shall be borne by the client. In such a case ING Bank is entitled to terminate the contractual relationship with the client.

### **23.10** Securities Trading

Sale and purchase agreements concluded between the client and ING Bank on transactions for own accounts shall be performed by ING Bank according to the following terms and conditions.

- 23.10.1** Under the agreement, ING Bank concludes securities sale and purchase agreements with the client on its own account (if any).
- 23.10.2** Each agreement may pertain to homogenous securities, i.e. securities of the same type. In the case of various types of securities a separate agreement shall be executed for each type.
- 23.10.3** ING Bank shall be entitled to intra-day price changes when setting bid/ask prices. The traders of ING Bank are entitled to provide information on the prevailing prices.
- 23.10.4** The contracting party being the seller in the transaction specified in the relevant agreement shall transfer the printed registered securities with full/blank endorsement to the possession of the buyer.
- 23.10.5** In the course of transferring the securities underlying the transaction, the party identified as seller in the agreement shall credit the securities to the securities (custody) account of the buyer/transfer the securities to the securities (custody) account of the buyer/physically hand over the securities to the buyer.

**23.10.6** The contracting party concluding the transaction designated as the buyer in the agreement between the parties shall fulfil its payment obligation regarding the securities transferred by debiting-crediting the client account/transfer to the bank account designated by the party concluding the transaction as seller/in cash.

**23.10.7** In the event of a public announcement of the selling or purchase price of a listed security, ING Bank shall indicate the period and the smallest and largest quantity in respect of which the offer is made. If ING Bank fails to announce the validity period of the price offered, the price announced shall be valid until withdrawal or change. ING Bank shall communicate the withdrawal or change of the offer in the manner identical to communicating the offer.

**23.10.8** During the validity period of the price offer, ING Bank may only deviate from the announced price in its individual sale and purchase agreements upon the occurrence of extraordinary events in which case it shall concurrently notify the HFSA. Such extraordinary circumstance may be, in particular, an interruption that hinders ING Bank's operation and unforeseen market situations that occur due to a fact published as extraordinary notification. ING Bank shall include in the notification the reason for the deviation. The extent of the deviation shall be maximum one percent in the case of purchase and sale of securities other than shares.

## **24 Issue Of Securities, Underwriting Guarantee**

**24.1** Pursuant to a mandate agreement, ING Bank undertakes to act as a lead manager for the public offering or a private placement of bonds, shares, commercial papers (CP) and other securities, and participates in the compilation of the prospectus, issue plan, etc. on behalf of the client. In order to ensure the success of the issue, in such agreements ING Bank may undertake other obligations as well e.g. to purchase, subscribe, sell or offer the securities for subscription. In the absence of an agreement to the contrary, ING Bank shall only be held liable for the success of the issue inasmuch as the professional standard of the arrangements made by ING Bank affect the outcome.

**24.2** Public offering of government securities

**24.2.1** Pursuant to a mandate agreement concluded with the State Debt Management Agency Zrt. (as "ÁKK") ING Bank acts as a primary dealer for government securities designated by the ÁKK for this purpose and publicly offered and issued by the government after January 1, 1996 (with the exception of retail and interest-bearing treasury bills).

**24.2.2** ING Bank shall not accept a mandate from a client pertaining to government securities with a total nominal value less than HUF 2,000,000.

**24.2.3** As a dealer of government securities, ING Bank shall be responsible for the following:

- (i) ING Bank shall offer government securities for sale/subscription for the buyers of government bonds and register the subscriptions effected by the client.
- (ii) ING Bank shall accept assignments for auctions of discount treasury bills and government bonds.
- (iii) ING Bank shall act as a book runner and a custodian.

**24.2.4** At the written request of the client, ING Bank shall open a securities account at KELER, segregated from ING Bank's own account, where the client's securities will be kept.

**24.2.5** In respect of the government securities—deposited by the client at ING Bank, at another contracted bank or directly at KELER and kept on a securities account—ING Bank shall quote a sales and purchase price in compliance with the stipulations of the separate contract concluded between ING Bank and ÁKK.

**24.2.6** As a dealer of government securities, ING Bank shall undertake to obtain from the client—as a part of the framework agreement concluded with the client—the following statement: "the client hereby grants its consent to the disclosure of its personal data—concerning exclusively the following issues—to the Authority for the purpose of examining the compliance of agreements on subscriptions for government securities, auction mandates and other agreements relating to government securities and the handling of such data by the Authority".

**24.2.7** Beyond payment charges, ING Bank shall not charge any fees or commissions in connection with its activities as a primary dealer of government securities.

## **25 Advisory**

**25.1** ING Bank also provides advisory services to its clients in respect of issues relating to business strategy and capital structure, i.e. financial, investment, financing, privatisation, marketing and development strategy. In the scope of the agreement on advisory services, ING Bank shall render consulting services in connection with acquisitions and mergers ("M&A"), lead management of public share issues, internal corporate reorganisation, due diligence, corporate assessments, company researches, and project financing as an agent of the client. The provision of the services shall be subject to a mandate fee, as specified in the relevant agreement.

**25.2** Under a mandate to this effect, ING Bank shall provide an opinion to substantiate the client's decisions regarding business, economic and organisational development, in addition to preparing a detailed study on the feasibility and implications of such decisions, furthermore, ING Bank shall act as an intermediary to facilitate the implementation thereof.

**25.3** The investor shall be entitled to the proceeds realised on the transactions conducted pursuant to the advice of ING Bank on the one hand, and shall bear the related charges and risks, on the other.

**25.4** Under a separate agreement ING Bank may also provide the client—against a fee—with analyses containing non-public assessments, or recommendations concerning financial instruments or capital markets. ING Bank warns all clients using ING Bank's services relating to investment advice, that investment advice does not guarantee the realisation of any profit on the purchase and sale of financial instruments, on the contrary, investors should be ready to assume the risk of considerable losses due to the highly volatile and thus, unforeseeable changes in the prices of financial instruments. ING Bank shall not undertake any material responsibility for investment advice provided by its employees or representatives verbally or in writing, if they pertain to, or are based on, the future changes in financial instrument prices. The fee for investment consulting services shall be subject to an agreement.

**25.5** Unless agreed otherwise by the parties, the agreement on advisory services may be terminated by the client with immediate effect, and by ING Bank with 3 (three) days' notice.

## **26 Acquisition of interest in limited companies by way of a public offer and Management of securities issues**

**26.1** The client may mandate - against a fee - ING Bank to arrange the acquisition of an interest by way of a public purchase offer. When submitting the purchase offer to the HFSA for approval, the client and ING Bank shall concurrently forward the offer and the

annexes, to the board of directors of the company limited by shares, and thereafter initiate the publication thereof.

- 26.2 The client shall be obliged to prepare a report on the future operation of the company limited by shares as well as on its own business activities.
- 26.3 Prior to the closing day of the period available for making declarations of acceptance, ING Bank may not conclude any transactions for its own account in connection with the shares described in the offer, with the exception of a contract on share transfer under the purchase offer.
- 26.4 Under the mandate of the client, ING Bank shall receive and verify the statements of acceptance and settle the price within five Business Days following the closing day of the period available for making declarations of acceptance or obtaining the permission of the Competition Office.
- 26.5 Within two days following the closing day of the period available for making declarations of acceptance, ING Bank and the client shall publish the results of the purchase offer and report the same to the HFSA.
- 26.6 Under an assignment contract with the client, ING Bank shall provide management services for the offer of securities. ING Bank shall participate in the compilation of the information memorandum or prospectus, reporting data stipulated by law to the PSZÁF, as well as in the publication of the public offer and the prospectus.
- 26.7 ING Bank shall arrange the issue of the securities. An issue may take place in the form of subscription, auction, continuous issue, or phased issue. ING Bank may not use the personal data of investors coming to its cognisance during the issue procedure for purposes other than those associated with the issue of the securities in question.
- 26.8 The allocation of securities following the closing of the issue procedure shall be conducted by ING Bank in compliance with the principles set forth in the prospectus.

## **27 Intermediaries**

- 27.1 When acting as an intermediary, ING Bank may only make offers to the client in the name of an investment firm or credit institution ("Principal") with which it has concluded a separate agreement to this effect and exclusively in compliance with the conditions stipulated in writing by the Principal.
- 27.2 Indemnification for any damage caused by ING Bank to the client while acting as an intermediary shall be the exclusive liability of the Principal.
- 27.3 ING Bank may use intermediaries (tied agents, investment firms/credit institutions) in connection with the services provided under the IFA. Should ING Bank use an intermediary, ING Bank shall be fully liable for the activities of such intermediary carried out in connection with the business relationship between such intermediary and ING Bank. Use of an intermediary may result in ING Bank's payment obligation for the intermediary's services. The client shall pay the above mentioned intermediary's fee to ING Bank upon ING Bank's notice.

## **28 Safe-keeping and custody of securities**

- 28.1 Upon the client's request to this effect, ING Bank shall undertake to perform securities custodian services, and/or mandate KELER or, in case of foreign securities a renowned international clearing housing or a local branch or subsidiary of ING Bank N.V. acts as a sub-custodian. The provision of custodian services shall be governed by the relevant rules of ING Bank and such sub-custodian.
- 28.2 Unless instructed otherwise by the client and in the absence of a shareholder proxy agreement, upon the custody or safe-keeping of shares, when a corporate event is held,

ING Bank shall report to the keeper of the share register the name (company name) and the address (registered office) of the shareholder, as well as the quantity of shares held by the shareholder by share category and other data required by law. Apart from corporate events, ING Bank shall only have data recorded in share registers in connection with printed securities deposited with ING Bank for safe-keeping and only upon the express instruction of the client.

- 28.3** Upon the mandate of the client, ING Bank shall take temporary custody of the client's securities, collect the dividends, interests and principal payments thereon and shall manage client's securities custody accounts and securities accounts. ING Bank shall keep records of the securities kept in the safety vault at KELER on the securities custody account. ING Bank shall register the take-over/acceptance of securities on a standard form. Unless agreed otherwise by the parties, the client and ING Bank may terminate the custodian agreement with a 15 (fifteen) days' notice. Upon the termination of the custodian agreement, during the notice period the client shall give instructions as to its intentions regarding the securities. Should the client fail to give any instruction to this effect, ING Bank shall take the securities into safe custody and charge the fees stipulated in annex 5 or the individual agreement between the parties for account management in addition to charging its verified expenses.
- 28.4** To the termination of a securities account or securities custody account the relevant rules pertaining to the termination of a custodian agreement shall be applied as appropriate.

## **29 Client account management**

- 29.1** ING Bank shall manage client accounts for its clients, in compliance with the provisions of the applicable legal regulations.
- 29.2** ING Bank shall only use the client accounts to credit the funds received by the client in connection with payment obligations arising from the Services provided and the relevant financial instruments, in addition to debiting the funds under the client's payment orders related to the same.
- 29.3** ING Bank will notify the client of the debits and credits made to the client account in Durable Medium, in the form of account statements, unless the parties agree on another form of notification.
- 29.4** ING Bank shall produce an account statement on each Business Day following the Business Day when a credit or debit was made to or from the client account and—unless agreed otherwise—shall forward the same to the client without delay. Within 15 days following the receipt of the account statement, the client shall notify ING Bank in writing of any deviations or claims relating to the account statement. Should the client fail to send any notification, such course of action shall be regarded as though the client has accepted the account statement.
- 29.5** ING Bank may make the withdrawal of cash—beyond a specific amount or in certain currencies or denominations—from the managed client account subject to the prior announcement of such intentions. The detailed conditions of this obligation of the client are stipulated in the List of Conditions pertaining to account operation services.
- 29.6** ING Bank shall specify—in the List of Conditions pertaining to account operation services or in the individual agreement—the time period, on Business Days, during which it accepts orders from the client affecting the client account.
- 29.7** Management of other deposited funds
- 29.7.1** If the client keeps an account with ING Bank and the balance of such an account covers the amount of the required cash deposit, the client only needs to make a statement of consent regarding the transfer of the sum-up to the amount of the

deposit—to the collective account designated by ING Bank, or the granting of the exclusive right of disposal to ING Bank over the account up to the amount of the deposit.

**29.7.2** Should the client cancel the order prior to the performance thereof, ING Bank, at the request of the client, shall pay the funds kept on the collective account or transfer such funds to ING Bank account designated by the client, and arrange the release of a blocked account, while simultaneously withholding the amount (if any) specified in the List of Conditions. In other respects, the management of the above deposits of the client shall be governed by the GTC.

## **29.8** Management of securities due to the client

**29.8.1** The securities account is a register kept in compliance with the provisions of Applicable Regulations on the dematerialized securities of the client and the rights attached thereto.

**29.8.2** ING Bank shall keep separate records on the payables and receivables arising from prompt and option and futures/forward transactions in respect of the securities account managed for the client.

**29.8.3** Unless instructed otherwise by the client, ING Bank may place the securities bought under an order into custody, in the form specified by ING Bank. In such a case, or if ING Bank receives an order for the re-sale of the securities, or if ING Bank does not deliver the securities to the client immediately for any other reasons, within five Business Days of the purchase, ING Bank shall send a precise list of the securities taken into its custody.

**29.8.4** Disposal over the securities in custody shall be subject to the joint signature of two persons from among those reported by the client to ING Bank as its authorized representatives. The above provision shall not apply to private persons and to the case in which the client designates only one person as having the power to sign.

**29.8.5** In the case of an order for the sale of securities, the client consents to the safekeeping and management of the relevant securities by ING Bank or a third party. The custody agreement concluded with the client or a third party shall constitute an annex to the mandate agreement.

**29.8.6** The client undertakes that in the case of an order for the sale of securities at the Execution Venue, it shall deposit the securities with ING Bank or the third party prior to the conclusion of the mandate agreement, or according to the agreement concluded with ING Bank. The client warrants that the securities to be sold are marketable and free of any encumbrances. ING Bank shall not be held liable for any damage resulting from the client's defaulting on this obligation.

**29.8.7** Should the securities be deposited with KELER, their management shall be governed by the Applicable Regulations promulgated by KELER.

## **29.9** Common rules of management of client/securities accounts and protection of client receivables

**29.9.1** ING Bank and the client shall execute a written agreement concerning the management of a securities account, securities custody account and a client account.

**29.9.2** At the time of opening an account, the client shall prove its identity in compliance with the statutory requirements and the provisions stipulated in these Terms.

**29.9.3** ING Bank shall specify the period (from-to) in public announcements during which it accepts debit orders on a Business Day relating to the securities account, securities custody account or the client account. Within this period, ING Bank shall



specify the time until it performs the accepted/received orders. Orders received up to the end of the period shall be performed by ING Bank at the time indicated in the order or, in the absence of such indication, not later than on the next Business Day.

- 29.9.4** ING Bank shall charge a fee for managing the securities account, securities custody account and the client account, either as published in the List of Conditions, or as agreed in the individual agreement between the parties.
- 29.9.5** ING Bank shall perform its obligations regarding withholding, payment and registration of tax payments, arising from its operation as a pay office—as established in Applicable Regulations—in compliance with the relevant provisions of such Applicable Regulations.
- 29.9.6** ING Bank shall manage the securities and cash deposits owned by the client separately from its own assets and may only use them for the purposes set forth below. After the actual conclusion of a purchase and sale, the client shall not be entitled to dispose over the securities and cash deposits, however, the ownership of the same shall only be transferred on the day of settlement.
- 29.9.7** Receivables of the client may not be used to satisfy a claim of ING Bank's creditor. The receivables of the client (e.g. financial instruments) managed by ING Bank may not be encumbered, lent, or used temporarily either in the interest of ING Bank or another client, however, they may be set-off against the claims of ING Banks towards the client. ING Bank shall use the securities of the client solely for the performance of the securities transaction in compliance with the agreement concluded with the client. The proceeds arising in connection with this activity of ING Bank shall be due to the client, while losses shall be borne by ING Bank. ING Bank shall ensure that the client be able to dispose over the securities and liquid funds owned by the client.
- 29.9.8** Securities kept in the custody of ING Bank under the order or to the benefit of the client, as well as the liquid funds of the client managed by ING Bank shall serve as a security deposit to cover ING Bank's receivables in terms of fees and commissions. In case the client fails to settle any amount within 5 (five) Business Days from the due date of the payment, ING Bank reserves the right to sell the securities kept for the client, to the extent required to cover such debt, and to use the proceeds of such sale for the settlement of the client's debt to ING Bank. The residual amount (if any)—i.e. the amount remaining after the deduction of the client's debt from the sales price of the securities sold—shall be due to the client.

## **30 Confidentiality and data protection**

- 30.1** According to the general rule business secrets and securities secrets shall be kept by those who become aware of them (including, among others, employees and executive officers of ING Bank).

Nevertheless, clients shall be aware that IFA mandates a number of exemptions from such obligation. Clients are advised to consult section 117-120/A of IFA and talk to their legal advisors. Clients shall also be aware that Applicable Regulations relating to confidentiality and data protection are subject to change and therefore ING Bank may be legally bound in the future to supply data and client information to third parties in addition to those specified in the Applicable Regulation in force as of the date of these Terms.

## 30.2 Data protection

Protection of personal data of Clients and their representatives is of great importance for ING Bank.

The Client and its representatives have the right to be aware of all personal data recorded, managed or disclosed as Client's/representatives' personal data by the ING Bank, unless prohibited by law

The ING Bank processes personal data in accordance with applicable data protection rules, as set out in the ING Privacy Statement, which declares among others, the principles of data protection of the ING Bank, the range of personal data processed by the Bank, and the aim of data processing.

The ING Privacy Statement is available at: [www.ingwb.com](http://www.ingwb.com) or from your usual contact with us.

## 31 Securities lending

**31.1** ING Bank may lend their own securities and the securities which are part of the portfolio they manage. Furthermore, ING Bank may participate as intermediaries in the lending and/or borrowing of securities which are deposited with them or recorded under securities accounts which they maintain.

**31.2** The lender must have unrestricted control of the securities involved in any lending transaction. Any security that is non-transferable or is subject to any restrictions in terms of marketing, or that is subject to any right of preemption, purchase or repurchase, and that is pledged in security for a collateral or lien cannot be involved in lending or borrowing transactions. Registered certificates of securities may be lent only with blank endorsement. Upon the lending of securities the title of ownership shall be conveyed to the borrower.

**31.3** Securities lending agreements must be concluded for specific terms.

**31.4** ING Bank shall be able to lend securities which are deposited with them or recorded under securities accounts which they maintain on behalf of clients only if they have a securities lending and/or borrowing framework contract with the owners of such securities, or securities lending contracts. Securities lending and/or borrowing framework contracts and securities lending contracts cannot be incorporated into any other contract made between ING Bank and the owner of securities.

**31.5** Securities lending and/or borrowing framework contracts and securities lending contracts shall contain:

**31.5.1** the description, ISIN code and series of the securities lent or proposed to be lent;

**31.5.2** the quantity of the securities lent or proposed to be lent;

**31.5.3** with respect to framework contracts, the period under which the securities may be lent;

**31.5.4** the duration of lending;

**31.5.5** lending charges and the commission of the investment service provider;

**31.5.6** a clause stipulating that the lender shall not be entitled to exercise the right attaching to the securities in question under the life of the contract;

**31.5.7** if the securities to be lent are shares, the agreement of the parties relating to voting with the shares.

- 31.6** When securities are lent under a framework contract, ING Bank participating in the transaction shall notify the owner of the securities that his securities have been transferred under lending arrangements, indicating the quantity and the duration. Should ING Bank exceed the limitations set by the owner of the securities in question (the lender in fact), ING Bank shall be subject to unlimited liability for damages caused by such action.
- 31.7** The provisions of the Civil Code on financial loans shall apply to all matters not regulated in the Capital Markets Act or by the parties with regard the lending of securities.

## [ Annex 1 ]

List of contact details (address, phone, fax, email and webpage) and opening hours of the branches of ING Hungary

ING Location	Hungary
Legal name	ING Bank N.V. Hungary Branch proceeding on behalf of its founder ING Bank N.V.
Registered address	H-1068 Budapest, Dózsa György út 84/b. Hungary
Postal address	H-1364. Budapest, P.O Box: 247. Hungary
Regulator	De Nederlandsche Bank (Postbus 98, 1000 AB Amsterdam Westeinde 1, 1017 ZN, The Netherlands; webpage: www.dnb.nl)  National Bank of Hungary (seat: H-1013 Budapest, Krisztina krt. 39. Hungary; postal address: H-1534 Budapest, BKKP, Pf.: 777; website: <a href="http://felugyelet.mnb.hu">http://felugyelet.mnb.hu</a> )
Governing law	Hungarian
Governing jurisdiction	Court of Arbitration of Money and Capital Markets
Exchange memberships	Budapest Stock Exchange
Language for communication	Hungarian and English
Website address	<a href="http://www.ingwb.com">www.ingwb.com</a>
Business hours	from Monday to Friday, from 9 am to 4 pm
Contact for notices	Compliance officer
Other contact details	Telefon: +(36)-1-235-8800; Fax: +(36)1-268-0159

## [ Annex 2 ]

Standard form agreements used by ING Hungary

- Framework agreement for investment services
- Treasury master agreement
- Master facility agreement for spot and forward transactions
- Custody agreement

The documents can be downloaded through the following link:

<https://www.ingwb.com/en/service/privacy-and-legal-statements/hungary/forms-and-documents-ing-hungary>

## [ Annex 3 ]

List of activities outsourced and the entities carrying out outsourced activities

	Regulatory outsourcing service provider	Outsourced activity
1.	<p><b>ING Business Shared Services B.V. Branch Office</b> (registered seat: Philippines, 1634 Bonifacio Global City, Taguig, 27th Floor World Plaza Building, E-Square Zone, Crescent Park West)</p>	<ul style="list-style-type: none"> <li>(i) Reporting FATCA customers' status and related products in relation to the financial markets business line.</li> <li>(ii) Providing client support throughout the full trade process in relation to the financial markets business line.</li> <li>(iii) Capture, modification and deletion of all static data used throughout the full trade process in relation to the financial markets business line.</li> <li>(iv) Reconciling between different data processing systems in relation to the financial markets business line.</li> <li>(v) Inspection of failed trades and outgoing payments in relation to the financial markets business line.</li> <li>(vi) Reporting of transactions and monitoring and reconciliation of reports in relation to the financial markets business line.</li> <li>(vii) Validation, confirmation, approval and settlement related tasks in relation to interest derivative transactions.</li> <li>(viii) Monitoring external and internal communication channels in the treasury business to prevent market abuse.</li> <li>(ix) Activities facilitating compliance with regulations prescribed in relation to the treasury business (MIFID, EMIR, SFDR).</li> <li>(x) Services relating to the product onboarding activities of the treasury business.</li> <li>(xi) Post trade monitoring activity in relation to the treasury business.</li> <li>(xii) Activities relating to the termination of the relationship with the clients of the treasury business.</li> <li>(xiii) Client Enablement services to ensure that the clients are properly supported throughout their trading lifecycle in relation to the treasury business (ensuring</li> </ul>

		<p>compliance with local and international regulations and the internal rules and guidelines of ING).</p> <p>(xiv) <i>Processing, confirmation, accounting, reconciliation of transactions concluded within the framework of investment service activities.</i></p>
2.	<p><b>ING Business Shared Services B.V., organizačná zložka Bratislava</b> (registered seat: Slovakia, 821 09 Bratislava, Plynárska 7/B)</p>	<p>(i) Activities facilitating compliance with regulations prescribed in relation to the treasury business (MIFID, EMIR, SFDR).</p> <p>(ii) Services relating to the product onboarding activities of the treasury business.</p> <p>(iii) Post trade monitoring activity in relation to the treasury business.</p> <p>(iv) Activities relating to the termination of the relationship with the clients of the treasury business.</p> <p>(v) Client Enablement services to ensure that the clients are properly supported throughout their trading lifecycle in relation to the treasury business (ensuring compliance with local and international regulations and the internal rules and guidelines of ING).</p>
3.	<p><b>ING Belgium SA/NV</b> (registered seat: 24. Marnix Avenue, Brussels, B-1000, Belgium)</p>	<p>(vi) Processing of transactions concluded within the framework of investment services.</p>

## [ Annex 4 ]

List of intermediaries (tied agents and investment firms) used by ING Hungary

### **Financial Market:**

- Erste Befektetési Zrt.
- Carl Kliem S.A
- Continental Capital Markets
- ICAP / EBS
- Eurowien Belföldi Pénzügyi Ügynöki Rt.
- FX Bankközi Közvetítő Zrt.
- ICAP Europe Ltd.
- ICAP Harlow
- Tullett Prebon
- GFI
- Cantor Fitzgerald
- BGC
- KEPLER (volt CEDEF)
- OHV / Oolders, Heijning & Voogelaar



## [ Annex 5 ]

List of fees and costs associated with ING Hungary's Services

### **LIST OF TERMS AND SERVICE PRICES**

#### **for Investment services**

- FOR CORPORATES

The documents can be downloaded through the following link:

<https://www.ingwb.com/en/service/privacy-and-legal-statements/rules-and-regulations>

## [ Annex 6 ]

Complaint handling policy

<https://www.ingwb.com/en/service/privacy-and-legal-statements/rules-and-regulations>

## [ Annex 7 ]

Information on ING Wholesale Banking Order Execution Policy and Overview of ING Wholesale Banking Execution Venues

- ING Wholesale Banking Order Execution Policy
- Overview of ING Wholesale Banking Execution Venues

The documents can be downloaded through the following link:

<https://www.ingwb.com/en/service/privacy-and-legal-statements/rules-and-regulations>

## [ Annex 8 ]

Information on ING Wholesale Banking Conflict of Interest Policy

The document can be downloaded through the following link:

<https://www.ingwb.com/en/service/privacy-and-legal-statements/rules-and-regulations>

## [ Annex 9 ]

ING Wholesale Banking Appropriateness Questionnaire

The document can be downloaded through the following link:

<https://www.ingwb.com/en/service/privacy-and-legal-statements/rules-and-regulations>

## [ Annex 10 ]

Information on ING Wholesale Banking Classification Policy

The document can be downloaded through the following link:

<https://www.ingwb.com/en/service/privacy-and-legal-statements/rules-and-regulations>

## APPENDIX 3

### Additional Terms for Retail Clients

#### 1 Introduction

The provisions set out in this Appendix, which are incorporated into and supplement the Terms, are included in order to comply with Applicable Regulations in respect of Retail Clients. To the extent that there are any differences between this Appendix and the Terms, particularly but not exclusively in relation to your client classification, the terms of this Appendix will prevail. Words and expressions which are defined in paragraph 1.1 of the Terms bear the same meaning in this Appendix.

#### 2 Your capacity

As separately notified to you, we will treat you for all purposes, all Services and all Transactions as a Retail Client]. You may request in writing to be treated as a Professional Client. Should we agree to opt you up to Professional Client status, you understand that you will be entitled to fewer protections under Applicable Regulations. You will be required to confirm in writing that you acknowledge and understand the consequences of losing such protection. Appendix 4 sets out the main differences in the treatment afforded to different types of client under Applicable Regulations.

#### 3 Important information

We have provided you in Appendix 2 with information about us and our Services, investments and strategies which is designed to assist you in understanding the nature and risks of such services, investments or strategies. This information will be updated and sent to you from time to time. The appropriate paragraphs of Appendix 2 should always be read before entering into a Transaction.

#### 4 Appropriateness assessments

In deviation of section 4.1 and 4.2. of the Terms the followings shall be applicable:

##### 4.1 No assumption of knowledge and experience of Retail Clients

If you classify as a Retail Client, we are required to assess whether you have the knowledge and experience to understand the Transaction, Financial Instruments and Services as defined in these Terms. This does not apply when we provide execution only services in connection with Non-complex Financial Instruments to Retail Clients. Retail Clients are clearly informed that in such cases, we are not required and we may not assess whether your knowledge and experience is adequate to understand the risks of any Financial Instrument, Transaction or Service, and as a result, Retail Clients may in such case not benefit from our assessment of the appropriateness of a Transaction, Financial Instrument or Service. Reference is made to section 4.3 of these Terms in which clients are warned for this situation. We accept no liability on the basis that Retail Clients lack or claim to lack the knowledge and experience to understand any Financial Instrument, Transaction or Services.

##### 4.2 Our assessment of your knowledge and experience and warnings

In relation to Services which do not involve the provision of investment advice or portfolio management, we may request you to inform us of your knowledge and experience in connection with any Financial Instrument, Transaction or Service, so as to

enable us to assess whether any Financial Instrument, Transaction or Service is appropriate for you.

If you do not provide us with such information upon our request, or if you provide us with insufficient information, we may be unable to assess whether any Financial Instrument, Transaction or Service is appropriate for you. In such case we will inform you accordingly and warn you that we are unable to assess the appropriateness of one or more Financial Instrument, Transaction or Service for you. In such case, we may be unable to act in your best interest and we may decide or we may be obliged not to proceed with any Financial Instrument, Transaction or Service.

If you provide us with the information of your knowledge and experience with regard to one or more Financial Instrument, Transaction or Service following our request thereto, and on the basis of such information provided by you we assess that you do not have the requisite knowledge and experience about one or more Financial Instrument, Transaction or Service, we will strongly warn you accordingly. In such case you should seek external legal or financial advice not from us but from a third party who is not Affiliated with us, prior to entering into a Transaction, Financial Instrument or Service.

If we have prominently warned you that we cannot assess the appropriateness of one or more Financial Instruments, Transaction or Service for you, or if we prominently warned you that one or more Financial Instruments, Transactions or Services are not appropriate for you, and you nevertheless decide to enter into such Financial Instrument or Transaction or to proceed with such Service from us, you accept that you may run potential risks that you may not anticipate, as a result of your lack of experience and knowledge of the relevant Financial Instrument, Transaction or Service.

We accept no liability for any failure by you to provide us with all and up-to-date information to assess the appropriateness of any Financial Instrument, Transaction or Service for you, or for any action we or you take, or do not take, as a consequence thereof, regardless whether we have warned you that we are unable or not required to assess the appropriateness of any Financial Instrument, Transaction or Service for you, and regardless whether we have warned you in case when we have assessed that one or more Financial Instruments, Transactions or Services are not appropriate for you.

## **5 Client reporting**

Section 9.1. shall be applicable with respect to Retail Clients as well.

## **6 Collateral**

In addition to section 11.1 (Right to require Collateral):

“When you are a Retail Client and we are not allowed to use title transfer collateral arrangements on the basis of Applicable Regulations, we may require you to enter into security interest collateral arrangements (or otherwise provide Collateral) in order to cover your present or future actual or contingent or prospective obligations.”



## APPENDIX 4

### Protections owed to different client types

#### 1 Opt up from Retail Client to Professional Client

Under Applicable Regulations, you are granted fewer protections if you are classified as a Professional Client than you receive if you are classified as a Retail Client. In particular:

- i. You are likely to receive less information about us, our services and your investments (for example on costs, commissions, fees and charges).
- ii. When assessing the appropriateness of a product or service, the regulation allows us to assume that you have sufficient knowledge and experience to understand the relevant investment risks.
- iii. If we are required to assess the suitability of a personal recommendation, the regulation allows us to assume that you have sufficient experience and knowledge to understand the risks involved and can sometimes assume that you are able financially to bear any investment risks consistent with your investment objectives.
- iv. When applying best execution we are not under all circumstances required to prioritise the total consideration of the transaction as being the most important factor in achieving the best possible result for you.
- v. We are not required to inform you about disturbances which may hinder the proper and speedy execution of your order(s).
- vi. Should we provide you with periodic statements, we are not required to provide them as frequently as for retail clients.
- vii. You are likely to have fewer rights to compensation of loss in the event of our bankruptcy under any scheme under local law for the payment of compensation.

#### 2 Opt up from Professional Client to Eligible Counterparty

If you request to be considered as an eligible counterparty, you are entitled to a lower level of investor protection than you are entitled to as professional client. More specific, ING Wholesale Banking will not be required to:

- i. inform you about all steps taken into account to obtain the best possible result for you when executing your orders
- ii. provide you with information with respect to the commission and fees we pay or receive
- iii. indicate to you the fact that some specific products or services which we offer in a combined manner, are also available individually, including specifying the related costs per component;
- iv. provide you with information about ING Wholesale Banking, our services and applicable compensation schemes;
- v. provide you with detailed risk related information about the products or services you take from us;
- vi. provide you with detailed reports with regard to the execution of your orders; and
- vii. lay down in a written agreement the essential rights and obligations which apply to the provision of investment services.

## APPENDIX 5

### DEPOSITOR INFORMATION TEMPLATE

Basic information about the protection of deposit	
Deposits in ING Bank N.V. are protected by:	The Dutch statutory Deposit Guarantee Scheme, executed by De Nederlandsche Bank N.V. (Dutch Central Bank) (DNB). <sup>(1)</sup>
Limit of protection:	EUR 100 000 per depositor per credit institution <sup>(2)</sup>  The following trademarks are part of your credit institution:  ING, ING Bank, ING Bank N.V.
If you have more deposits at the same credit institution:	All your deposits at the same credit institution are 'aggregated' and the total is subject to the limit of EUR 100 000 <sup>(2)</sup>
If you have a joint account with other person(s):	The limit of EUR 100 000 applies to each depositor separately <sup>(3)</sup>
Reimbursement period in case of credit institution's failure:	20 working days <sup>(4)</sup>
Currency of reimbursement:	euro
Contact:	De Nederlandsche Bank N.V. PO box 98 1000 AB Amsterdam visiting address: Westeinde 1 1017 ZN Amsterdam  telephone (from Monday to Friday between 9:00 and 17:00):  from the Netherlands: 0800-0201068 from abroad: + 31 20 524 91 11 email: info@dnb.nl
More information:	<a href="http://www.dnb.nl">http://www.dnb.nl</a> go to 'English' section, search for 'Deposit Guarantee Scheme'.
ADDITIONAL INFORMATION:	

Other important information:

In general, all retail depositors and businesses are covered by the Deposit Guarantee Scheme. Exceptions for certain deposits are stated on the website of the responsible Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are covered, the credit institution shall also confirm this on the statement of account.

FOOTNOTES:

<sup>(1)</sup> Scheme responsible for the protection of your deposit:

Your deposit is covered by the Dutch statutory Deposit Guarantee Scheme. If insolvency of your credit institution should occur, your deposits would be repaid up to EUR 100 000.

<sup>(2)</sup> General limit of protection:

If a deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the Dutch Deposit Guarantee Scheme. This repayment covers at maximum EUR 100 000 per credit institution. This means that all deposits at the same credit institution are added up in order to determine the coverage level. If, for instance a depositor holds a savings account with EUR 90 000 and a current account with EUR 20 000, he or she will only be repaid EUR 100 000.

This method will also be applied if a credit institution operates under different trademarks. The ING Bank N.V. also trades under ING, ING Bank, ING Bank N.V. This means that all deposits with one or more of these trademarks are in total covered up to EUR 100 000.

<sup>(3)</sup> Limit of protection for joint accounts:

In case of joint accounts, the limit of EUR 100 000 applies to each depositor.

In the exceptional case of bankruptcy of your credit institution on the moment you have a deposit directly resulting from real estate transactions relating to private residential properties your deposits will be protected for a period of three months after the deposit for an additional amount which will not exceed EUR 500 000.

More information can be obtained under <http://www.dnb.nl> go to 'English' section, search for 'Deposit Guarantee Scheme'.

<sup>(4)</sup> Reimbursement:

The responsible Deposit Guarantee Scheme is the Dutch statutory Deposit Guarantee Scheme which is executed by De Nederlandsche Bank N.V. (Dutch Central Bank) (DNB); PO box 98 1000 AB Amsterdam; visiting address: Westeinde 1, 1017 ZN Amsterdam; telephone (from Monday to Friday between 9:00 and 17:00): from the Netherlands: 0800-0201068, from abroad: + 31 20 524 91 11; email: [info@dnb.nl](mailto:info@dnb.nl); website: [www.dnb.nl](http://www.dnb.nl) go to 'English' section, search for 'Deposit Guarantee Scheme'. It will repay your deposits (up to EUR 100 000) within 20 (twenty) working days at the latest.

If you have not been repaid within these deadlines, you should contact the Deposit Guarantee Scheme since the time to claim reimbursement may be barred after a certain time limit.

The reimbursement period will gradually be brought back to 7 (seven) working days. During this transition period, the Dutch Central Bank (DNB) can upon request award you an appropriate amount to cover basic needs.

Further information can be obtained under <http://www.dnb.nl> go to 'English' section, search for 'Deposit Guarantee Scheme'.

