

Information about the differences between the rules applicable to eligible counterparties and professional clients, and their consequences

Dear Business Partner,

1. OTP Bank Plc. hereby informs Clients in writing about the material differences between the rules applicable to eligible counterparties and professional clients and will also explain the material consequences of the different categorisation.
2. The significance of categorisation lies in the varying degrees of application of the investor protection requirements of the relevant legislation. As a result, a Business Partner categorised as a professional client is entitled to a wider range of investor protection rights in the context of the investment service activities and ancillary services of OTP Bank Plc. than eligible counterparties.
3. As a result of being categorised as an eligible counterparty, the Business Partner loses part of the protection previously enjoyed as a professional client and the requirements applicable to Business Partners categorised as professional clients no longer apply to them.
4. **Differences between the rules on eligible counterparties and professional clients and their consequences in the Investment Firms Act, Commission Delegated Regulation (EU) 2017/565 and other related legislation**
 - 4.1 Receiving and forwarding orders, execution of orders for the benefit of the client, proprietary trading

The categorisation of eligible counterparty applies only to receiving and forwarding orders, execution of orders for the benefit of the client and proprietary trading investment services. For all other investment services and ancillary services, Business Partners categorised as eligible counterparties are subject to the same rules as Business Partners who are categorised as professional clients.
 - 4.2 Providing information to the Business Partner
 - 4.2.1 Pursuant to the Investment Firms Act and Commission Delegated Regulation (EU) 2017/565, OTP Bank Plc. is also obliged to inform in due course before the conclusion of agreements on providing investment services and ancillary services, and before providing such services the Business Partners with an eligible counterparty categorisation. When fulfilling the information requirements, OTP Bank Plc. is entitled to take into account the Business Partner's categorisation as a professional client or eligible counterparty and to fulfil less stringent information requirements for Business Partners with eligible counterparty categorisation than for Business Partners categorised as professional clients.
 - 4.2.2 OTP Bank Plc. has the right to enter into agreements with Business Partners with eligible counterparty categorisation on the limited application of the detailed requirements for information on costs and related charges set out in Commission Delegated Regulation (EU) 2017/565. The limitation cannot apply in a case when the relevant financial instruments contain a derivative element and the Business Partner who is an eligible counterparty intends to offer those to its clients.
 - 4.2.3 In the case of eligible counterparties, Article 40 (4) of the Investment Firms Act and Article 44 of Commission Delegated Regulation (EU) 2017/565 on requirements for fair, clear and not misleading information are not applicable. However, this does not mean that OTP Bank Plc. is not obliged to ensure honest, fair and professional conduct and fair, clear and not misleading communication in the case of Business Partners with eligible counterparty categorisation.
 - 4.2.4 In the case of eligible counterparties, the provisions of the Investment Firms Act that restrict OTP Bank Plc. from receiving any fee or commission from a third party or paying any fee or commission to a third party or receiving any non-financial benefit from a third party or providing such benefit to a third party in connection with the provision of its investment services or ancillary services or the related disclosure rules do not apply.
 - 4.2.5 In the case of Business Partners with eligible counterparty categorisation, the rules of the Investment Firms Act according to which OTP Bank Plc. must ensure that it does not remunerate its employees or evaluate their performance in a way that conflicts with its obligation to act in the best interests of its clients do not apply.
 - 4.2.6 In the case of Business Partners with eligible counterparty categorisation, the requirements of the Investment Firms Act that require specific information when an investment service is offered as part

of a package or as a condition of the an agreement or package with another service or product do not apply.

4.3 Reporting to clients

The provisions of the Investment Firms Act and Commission Delegated Regulation (EU) 2017/565 on reporting to client are also applicable to Business Partners with eligible counterparty categorisation, with the option for OTP Bank Plc. to conclude agreements with Business Partners with eligible counterparty categorisation on the content and timing of such reports.

4.4 Compliance test

Pursuant to the Investment Firms Act and Commission Delegated Regulation (EU) 2017/565, OTP Bank Plc. is not required to apply a compliance test, i.e. to assess whether the Business Partner with an eligible counterparty categorisation has the experience and knowledge necessary to understand the risks associated with the given product or investment service. In such a case, OTP Bank Plc. is not obliged to draw the client's attention to the inappropriate nature of the financial instrument or transaction covered by the contract.

4.5 Agreements

With regards to Business Partners with eligible counterparty categorisation, the provisions of Commission Delegated Regulation (EU) 2017/565, under which OTP Bank Plc. concludes a written basic agreement with the client on paper or on any other durable medium, and the content requirements for the basic agreement set out in Commission Delegated Regulation (EU) 2017/565, do not apply.

4.6 Execution of the order in the best interest of the client

With regards to eligible counterparties, the requirements on the most favourable execution of the order for the client set out in the Investment Firms Act and Commission Delegated Regulation (EU) 2017/565 do not apply.

4.7 Client order handling

The provisions of the Investment Firms Act and Commission Delegated Regulation (EU) 2017/565 on the handling of client orders apply only to a limited extent to Business Partners with eligible counterparty categorisation.

4.8 Determining the target market for financial instruments

When determining the target market for financial instruments, OTP Bank Plc. takes into account the categorisation of its clients. If the target market of the final client consists only of eligible counterparties, OTP Bank Plc. is entitled to conduct a less comprehensive assessment, as Business Partners with eligible counterparty categorisation are expected to have detailed knowledge of the market environment, commercial viability and other key factors and risks associated with the specific investment decision.

4.9 This information document covers the material differences between the statutory rules applicable to eligible counterparties and professional clients and does not imply that OTP Bank Plc. applies the lower investor protection requirements to all Business Partners who are eligible counterparties or that it provides the activities and services listed herein in all cases.

5. Miscellaneous provisions

5.1 This information document forms an integral part of the request.

5.2 The matters not regulated by the present information document shall be governed by the Business Regulation and the announcements and business regulations referenced therein.

5.3 Unless otherwise specified, the terms used in this document shall have the meanings given to them in OTP Bank Plc.'s Business Regulations on Investment Services (for the purposes of this document: Business Regulations).