

Announcement

on OTP Fund Management Ltd.'s Rules of Customer Identification

1. Customer identification obligation

Pursuant to Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing ("AML Act"), OTP Fund Management Ltd. may only establish business relationships with customers who present their identity documents to the Fund Manager and whose identification and identity verification is carried out by the Fund Manager.

The identification obligation extends to the customer's authorised representative or the representative acting at the Fund Manager. If the legal person or unincorporated organisation has a representative for service of process, the identification obligation extends to the last name and first name (company name), and the domicile or, in the absence of a domicile, the place of residence (registered office) of the representative for service of process.

If the customer is a legal person or an unincorporated organisation, in addition to the identification of the natural person (including the representative) acting for or on behalf of the customer, the identification of the legal person or unincorporated organisation must also be carried out.

In the context of customer due diligence, the Fund Manager must record the following in respect of the business relationship:

- the type, subject and term of the contract,
- the risk level of the customer (average, high or low),
- the circumstances of performance (place, time, method),
- information about the purpose and nature of the business relationship.

If the customer does not consent to the identification and identity verification, no business relationship can be established with the customer and no transaction order can be executed.

1.1. Customer identification in the case of natural persons

In the case of a natural person, customer identification means the recording by the Fund Manager of the following details of the customer:

- last name and first name
- last name and first name at birth,
- place and date of birth,
- mother's maiden name,
- nationality;
- registered address, or, in the absence thereof, place of stay
- identification document number and type.

Verification of the identity of the customer may only be carried out on presentation of the following documents:

- in the case of Hungarian citizens, the official identity document (identity card, passport, new type of driving licence card) and, if the place of residence or stay is in Hungary, the official address card (unless the official identity document also includes the Hungarian address);
- a foreign natural person's travel document (e.g. passport) or identity card, provided that it entitles the holder to stay in Hungary, or a document certifying the right of stay or authorisation for stay, and, if the person's domicile or place of stay is in Hungary, the official Hungarian address card (the registration certificate and permanent residence card are valid only together with a valid identity card or travel document).

1.2. Customer identification in the case of legal persons and unincorporated organisations

In the case of a legal person or unincorporated organisation, customer identification means the recording of the following details:

- name, short name,
- registered office or, in the case of a foreign company, its branch in Hungary, if any,
- company registration number in the case of a legal person or unincorporated organisation registered with a company court, or number of the decision on establishment (registration, incorporation) or registration number in the case of other legal persons or unincorporated organisations,
- core activity,
- tax number (if any),
- name(s) and position(s) of the authorised representative(s),
- last name and first name (company name) and address (registered office) of the representative for service of process.

In the case of a legal person or unincorporated organisation, in addition to the documents required for customer identification of the person authorised to act for or on behalf of the customer, the following documents must be submitted:

The following documents, issued not more than 30 days ago, may be used to verify the identity of legal persons registered (to be registered) in Hungary or of unincorporated organisations:

- the domestic entity has been registered by the court of registration (order or extract) or the entity entitled to operate as a pre-incorporated company has submitted an application for registration (instrument of incorporation and certificate of initiation of registration);
- in the case of a domestic legal person, if its establishment requires registration with a public authority or court, such registration has been effected (order or extract),
- the registration of the domestic unincorporated organisation has been effected (certificate and deed of foundation);
- prior to the submission of the application for registration with a company court, authority or court, and only in the case of the deposit of the founder's assets, the instrument of incorporation (deed of foundation or articles of association) of the legal person or unincorporated organisation. Within thirty days of registration, it is necessary to provide documentary evidence that the company has been incorporated or registered.

In the case of sole traders and other self-employed persons, the following documents must be presented:

- a) By sole traders who carry out their activities on the basis of Act CXV of 2009 on Sole Traders and Sole Proprietorships:
 - sole traders card or a certificate or notification issued by the body keeping the register of sole traders,
- b) By self-employed persons carrying out activities under other legislation:
 - a copy of the document of registration with the NTCA (National Tax and Customs Administration),
 - a document or certificate entitling the holder to perform the activity (e.g. a document certifying membership in a chamber, etc.),
- c) By primary agricultural producers:
 - a copy of the document of registration with the NTCA,
 - primary producer card with a sales slip,
- d) Individuals with a tax number
 - a copy of the document of registration with the NTCA

In the case of a legal person or unincorporated organisation registered abroad, a certificate of registration or incorporation under the law of its own country, dated not more than 30 days ago, with the required legalisation or Apostille, and a certified Hungarian translation of these documents are required. Certified Hungarian translations of the documents required for identification may be performed by the Hungarian Office for Translation and Attestation (OFFI), a specialised translator or a specialised translator-reviser from Hungary. In the case of a translation by a specialised translator or a specialised translator-reviser, a copy of the document certifying the translator and interpreter qualifications must be attached.

1.3. Declaration of the identity of the beneficial owner

In the event of customer identification, the customer or the customer's representative or agent acting on behalf of the customer must make a written declaration to the Fund Manager, in person, as to the identity of the beneficial owner of the customer.

The representative of the customer or the agent acting on behalf of the customer must also declare whether the beneficial owner qualifies as a politically exposed person, a close relative of a politically exposed person or a close associate of a politically exposed person. If so, the declaration must state under which paragraph of the AML Act the beneficial owner qualifies as a politically exposed person.

In the absence of such a declaration, the Fund Manager shall be obliged to refuse to establish a business relationship or to execute the transaction.

Beneficial owner:

- a) any natural person who holds directly or, as defined in Section 8:2(4) of the Act V of 2013 on the Civil Code (hereinafter "Civil Code"), indirectly, at least twenty-five per cent of the voting rights or ownership interest in a legal person or an unincorporated organisation, or otherwise exercises effective direction or control

- over a legal person or an unincorporated organisation, if the legal person or unincorporated organisation is not a company incorporated on a regulated market that is subject to disclosure requirements in accordance with Community law or equivalent international standards,
- b) any natural person who has a dominant influence in a legal person or an unincorporated organisation, as defined in Section 8:2(2) of the Civil Code,
 - c) any natural person on whose behalf a transaction order is carried out or who otherwise exercises effective direction or control over the activities of a natural person customer, furthermore
 - d) in the case of foundations, the natural person
 - a. who is the beneficiary of at least twenty-five per cent of the foundation's assets, if the prospective beneficiaries have already been determined,
 - b. for whose benefit the foundation is established or operated, if the beneficiaries are yet to be determined, or
 - c. who is a member of the managing body of the foundation or has a dominant influence over at least twenty-five per cent of the foundation's assets, or acts as its representative,
 - d. in the absence of a natural person as defined in paragraphs 1 to 3, who acts on behalf of the foundation, and
 - e) in the case of a fiduciary asset management contract:
 - a. the settlor and, in the case of a settlor who is not a natural person, its beneficial owner within the meaning of paragraph (a) or (b),
 - b. the trustee and, in the case of a trustee who is not a natural person, its beneficial owner within the meaning of paragraph (a) or (b),
 - c. the beneficiary or the group of beneficiaries and, in the case of a beneficiary who is not a natural person, its beneficial owner within the meaning of paragraph (a) or (b),
 - d. the natural person who otherwise exercises control or direction over the assets under management, and
 - e. where applicable, the person controlling the trust and, in the case of a person controlling the trust who is not a natural person, its beneficial owner within the meaning of paragraph (a) or (b); and
 - f) in the absence of a natural person as defined in paragraphs (a) to (e), the executive officer of the legal person or unincorporated organisation. In this case, all executive officers must be listed in the beneficial owner's declaration and these beneficial owners.

Control [Section 8:2 Civil Code]:

(1) Majority control is a relationship through which a natural person or a legal person (controlling shareholder) has more than half of the votes or a dominant influence in a legal person.

(2) The controlling shareholder shall have a dominant influence over a legal person if he is a member or shareholder of that legal person, and

- a) has the right to elect or remove the majority of the executive officers or members of the supervisory board of that legal person, or
- b) other members or shareholders of the legal person, by agreement with the controlling shareholder, vote in the same way as the controlling shareholder or exercise their voting rights through the controlling shareholder provided that together they hold more than half of the votes.

(3) A majority control shall also exist where the controlling shareholder is granted the rights under paragraphs (1) to (2) through indirect control.

(4) A person has indirect control over a legal person if he has control over another legal person (intermediate legal person) which has voting rights in the legal person. The degree of indirect control is the share of control of the intermediate legal person which the controlling shareholder has over the intermediate legal person. If the controlling shareholder has a control that exceeds half of the votes in the intermediate legal person, the control of the intermediate legal person in the legal person shall be fully considered as indirect control of the controlling shareholder.

(5) Direct and indirect shares of ownership or voting rights of close relatives shall be counted together.

1.4. Declaration on politically exposed person status

In the case of customer identification, the natural person (retail) customer is required to make a written declaration to the service provider by personal appearance as to whether he/she qualifies as a politically exposed person and, if he/she qualifies as a politically exposed person, to declare the source of his/her funds and wealth, as well as the specific section of the AML Act under which he/she qualifies as a politically exposed person.

Politically exposed person: a natural person who performs an important public function or who has performed an important public function within one year before the customer due diligence measures are carried out, and a close relative or close associate of such a person.

Persons performing an important public function:

- a) head of state, head of government, ministers or deputy ministers, secretaries of state; in Hungary: the head of state, prime minister, ministers and secretaries of state,
- b) members of parliament or members of similar legislative bodies; in Hungary: members of parliament and minority spokespersons,
- c) members of the governing bodies of political parties; in Hungary: members and officers of the governing bodies of political parties,
- d) members of the supreme court, the constitutional court or other high-ranking judicial body whose decisions may not be appealed; in Hungary, members of the Constitutional Court, the regional court of appeal and the Curia,
- e) members of courts of auditors or of the boards of central banks; in Hungary, the President and Vice-President of the State Audit Office, members of the Monetary Council and the Financial Stability Board,
- f) ambassadors, chargés d'affaires and high-ranking officials of the armed forces; in Hungary, the head of the central body of the law enforcement body and his deputy, the Director General of the Civil National Security Services and his deputy, and the Chief of General Staff and the deputies of the Chief of General Staff,
- g) members of the administrative, management or supervisory bodies of enterprises in majority state ownership; in Hungary: managing directors of enterprises in majority state ownership, including members of the management body exercising control or supervisory rights over such enterprises;
- h) heads, deputy heads or members of an executive body of an international organisation, or a person performing an equivalent function.

Close relative of a politically exposed person: the spouse or partner of the politically exposed person; the biological, adopted, step and foster children of the politically exposed person, as well as the spouse or partner of those listed; the biological, adoptive, stepparent and foster parent of the politically exposed person;

Close associate of a politically exposed person:

- a) any natural person who is, jointly with the person performing an important public function, the beneficial owner of the same legal person or unincorporated organisation, or is in a close business relationship with such person;
- b) any natural person who is the sole owner of a legal person or an unincorporated organisation established for the benefit of the person performing an important public function.

2. Obligation to notify changes to customer identification data

During the term of the contractual relationship, the customer must notify the Fund Manager of any changes in the data provided during the identification process or in the identity of the beneficial owner within 5 working days of becoming aware of such changes.

3. Making copies of the documents presented

For legal compliance purposes, the Fund Manager must make a copy of the document presented containing the information specified in Sections 1.1 and 1.2, including all personal data indicated in the document, in order to verify the identity of the person concerned. (The Fund Manager will only copy the "Official certificate of address" side of the address card, not the "Official certificate of personal identification number" side, unless authorised by law.)

4. Proof of source of funds

The Fund Manager may request the provision of information on the source of funds and the production of documents relating to the source of funds in order to verify this information.

If the documents relating to the source of funds are not in Hungarian, a certified Hungarian translation must be attached. Certified Hungarian translations may be performed by the Hungarian Office for Translation and Attestation (OFFI), a specialised translator or a specialised translator-reviser from Hungary. In the case of a translation by a specialised translator or a specialised translator-reviser, a copy of the document certifying the translator and interpreter qualifications must be attached.

The Fund Manager may refuse to execute a transaction order if the submitted proof is inadequate or if there are doubts as to its authenticity.

The Fund Manager may request information on the source of wealth. As part of this, the customer must declare the source of the customer's assets, including tangible or intangible assets, exceeding HUF 3 million.

5. "Know your customer" questionnaire and declaration of source of wealth

The Fund Manager may request the completion of a Due Diligence Questionnaire as an enhanced customer due diligence measure as defined in the AML Act. If the customer refuses to fill in the Due Diligence Questionnaire or does not declare the data requested, the Fund Manager may refuse to establish a business relationship.

The Fund Manager may ask the customer to complete a declaration of source of wealth in order to comply with the legal obligation.

6. Data processing

The Fund Manager processes personal and non-personal data in connection with the investment services (including ancillary services) provided by the Fund Manager and all other services provided by the Fund Manager (as Controller), on the basis of the legal obligation under the AML Act and in the legitimate interest of the Fund Manager, for the purpose of customer identification and verification of identity and during the business relationship. The scope of the personal data processed and the purposes of processing are set out in this Announcement and in the Information on Data Processing attached as Annex 22 to the CEO Order.

In order to perform the duties falling within the scope of its obligations under the AML Act and the legislation based on the authorisation granted therein, the Fund Manager shall identify and assess money laundering and terrorist financing risk factors related to the nature and amount of the business relationship or transaction order, the customer, the product, the service, the geographical area and the instrument used, for which it may request and process additional data on the customer's occupation, expected account turnover, the country of origin and destination of transfers, and the customer's partners.

The Fund Manager shall process personal data for compliance with a legal obligation under the AML Act and the legislation based on the authorisation granted therein and in the legitimate interest of the Fund Manager, only for the purposes of carrying out its tasks to prevent and combat money laundering and terrorist financing, and to the extent necessary for the performance of those tasks. The Fund Manager shall be entitled to process personal data for a period of eight years from the termination of the business relationship or the execution of the transaction order, and shall be obliged to retain data that does not constitute personal data, including all data generated in the context of the business relationship, which period may be extended for a maximum of ten years upon request from an authorised authority. When the right or obligation to process data ceases, the Fund Manager shall delete or destroy the data.

During the period of data processing, the Fund Manager shall, in the event of any data, facts or circumstances indicating money laundering, terrorist financing or the suspicion that an object originates from a criminal offence, transmit the data it has processed to the financial intelligence unit established to combat money laundering and terrorist financing and to assist in the prevention, detection and investigation of criminal offences, which operates within the National Tax and Customs Administration. The financial intelligence unit may, to the extent necessary for the performance of its duties, make a request to the Fund Manager to obtain any data and secrets as part of its analysis and evaluation activities, and the Fund Manager shall be obliged to transmit the data and secrets specified in the request to the financial intelligence unit. The Magyar Nemzeti Bank may request documents relating to the data processed by the Fund Manager as part of an off-site inspection, and may copy and review data as part of an on-site inspection.

In order to increase the effectiveness of the fight against money laundering and terrorist financing, following notification to the financial intelligence unit, data relating to money laundering, terrorist financing or the suspicion that an object originates from a criminal offence may be transmitted between credit institutions and financial service providers, as well as between these institutions and their branches and majority-owned subsidiaries in third countries, provided that such branches and majority-owned subsidiaries are subject to requirements equivalent to those of Hungarian law.

The Fund Manager may, for the purpose of preventing money laundering and terrorist financing, disclose personal and non-personal data to financial institutions and payment service providers which are not financial institutions involved in the processing, clearing and settlement of payment transactions, for the purpose of the execution of payment orders, on the basis of the consent of the customer or the performance of a contract, in the context of the provision of payment services and the processing, clearing and settlement of payment transactions.

The Fund Manager shall only transfer data to a third country outside the European Economic Area if the third country or the service provider having its registered office, branch or establishment there complies with the provisions of Chapter V of Regulation 2016/679 EU on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

If the customer provides personal data of a natural person, the customer acknowledges that the customer must inform the data subject about the processing.

More information on data processing may be found on OTP Fund Management Ltd.'s website in the Privacy Notice at:

https://www.otpbank.hu/hirdetmeny/aktualis/T_Penzmosas_Adatkez

7. Final provisions

Simultaneously with the entry into force of this announcement, the Announcement on OTP Fund Management Ltd.'s Rules of Customer Identification published on 31.05.2023 and in force from 01.06.2023 is hereby repealed.

OTP Fund Management Ltd.

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