



**STATUTES
OF
MAGYAR NEMZETI BANK**

Chapter 1: COMPANY DATA

1.1 Name of the company:

Magyar Nemzeti Bank

(hereinafter referred to as the MNB)

In accordance with Act LVIII of 2001 on the Magyar Nemzeti Bank (hereinafter referred to as the MNB Act), the company name of the MNB need not be registered in the company register.

1.2 Registered office

The registered office of the MNB is at 8–9 Szabadság tér, Budapest 1054.

1.3 Legal status

The MNB is a legal entity operating as a company limited by shares. Under the terms of the MNB Act, the form of the company (closed company limited by shares) and/or its abbreviation need not be indicated in the company name of the MNB.

1.4 Tasks of the MNB

The tasks of the MNB shall be governed by the MNB Act.

Chapter 2: REGISTERED CAPITAL AND SHARES OF THE MNB

2.1 Registered capital of the MNB

The MNB Act establishes the registered capital of the MNB.

The registered capital shall consist of 1, that is, one registered share, with a nominal value of HUF 10,000,000,000, that is, ten billion Hungarian forints.

2.2 Production of the MNB's share

2.2.1 The MNB's share is produced by printing. The share shall indicate:

- a) the MNB's company name and registered office;
- b) the shareholder's name;
- c) the date of issue, the amount of registered capital at the time of issue and the number of the share issued; and
- d) the signature of the Governor of the MNB as stipulated by the regulations on corporate signature.

2.2.2 The legal provisions on the destruction of securities shall be applied in the event of the loss of or damage to the share. In the event of the share being damaged, the MNB shall issue a new share, corresponding to the damaged share, upon the request and at the cost of the shareholder.

Chapter 3: SHAREHOLDER OF THE MNB

3.1 Shareholder of the MNB

The share of the MNB is owned by the Hungarian State. The Hungarian State as a shareholder (hereinafter referred to as the Shareholder) is represented by the Minister responsible for the Budget (hereinafter referred to as the Minister).

3.2 Shareholder Resolution

3.2.1 Pursuant to the MNB Act, the MNB shall operate without a General Meeting. In issues falling under its exclusive competence, the Shareholder shall take its decisions in writing (hereinafter referred to as the Shareholder Resolution).

3.2.2 The Shareholder shall, under its exclusive competence:

- a) establish and amend the Statutes;
- b) establish the balance sheet and the profit and loss account;
- c) elect and dismiss the Auditor;
- d) establish the Auditor's fee and the essential provisions of the agreement to be concluded with the Auditor;
- e) take the decision on the payment of dividend from the profit of the year or the accumulated profit reserve.

3.2.3 The Shareholder shall make the Resolution on the balance sheet and the profit and loss account each year by the last day of May of the year in question.

Chapter 4: MONETARY COUNCIL

4.1 Legal status of the Monetary Council

The Monetary Council (hereinafter referred to as the Council) is the main decision making body of the MNB in matters relating to the basic tasks as laid down in the MNB Act, the choice of the exchange rate system and all parameters thereof, and the MNB's role as lender of last resort to credit institutions.

4.2 Composition of the Council

4.2.1 The Council shall consist of at least 5 (five) and at most 7 (seven) members. The number of the Council members may exceed 7 (seven) until the number of Council members as at July 3, 2007 (excluding the Governor and the Deputy Governors of the MNB) is reduced to 4 (four).

4.2.2 Members of the Council comprise:

- a) the Governor of the MNB as the Chairman of the Council;
- b) the Deputy Governors of the MNB;
- c) other persons, who shall be designated by the President of the Republic.

4.2.3. Every year, at its first meeting, the Council elects, by simple majority of votes of the members present, the Deputy Chairman of the Council. In the event the appointment of the Deputy Chairman expires, the Monetary Council shall, at its subsequent meeting, elect a new Deputy Chairman.

4.3 Powers of the Council

The powers of the Council are governed by the MNB Act and the Rules of Procedure of the Council.

4.4 Rules of Procedure of the Council

The Council shall define its own Rules of Procedure within the limits determined by the MNB Act and other laws.

4.5 Meetings of the Council

The Council shall meet as frequently as required, but at least once a month. These ordinary meetings and any extraordinary meetings convened at different dates shall be convened and chaired by the Chairman. Any member of the Council may request the Chairman to convene a meeting.

Chapter 5: THE GOVERNOR

5.1 Legal status of the Governor

The MNB is headed by its Governor, who shall be responsible for the implementation of the decisions of the Monetary Council and for the management of the MNB's operation. In compliance with Article 247 of the Act on Business Associations, the Governor shall qualify as a senior official.

5.2 The Governor's powers

5.2.1 The Governor shall:

- a) manage the performance of the duties specified in Article 4 of the MNB Act;
- b) manage the internal audit organisation of the MNB with regard to the tasks outside the competence of the Supervisory Board;
- c) exercise the employer's rights with regard to the employees of the MNB (excluding the members of the Monetary Council referred to in Article 49(4)(c) of the MNB Act), with the exception of the right of the appointment and dismissal of Deputy Governors;
- d) take any other decisions related to the management of the MNB's operation outside the competence of the Monetary Council.

- 5.2.2 The Governor may confer his powers referred to in the previous article to the Deputy Governors. With a view to the preparation of decisions, the Governor may set up committees and establish their rules of procedure; he shall continuously monitor the operation of such committees.
- 5.3 If unable to attend due to any reason other than the exercising of rights and the performance of duties resulting from presiding over the Monetary Council, the Governor of the MNB can be substituted for by the Deputy Governor having general powers, appointed by the Governor. The Governor of the MNB shall appoint his general deputy in writing, in a private document valid until withdrawn; the President of the Republic, the Prime Minister and the competent Parliamentary committee shall be notified of such appointment.

Chapter 6: SUPERVISION OF THE MNB

6.1 State Audit Office (hereinafter referred to as the ÁSZ)

The powers to control the MNB shall be governed by the Act on the State Audit Office.

6.2 Auditor

- 6.2.1 The Auditor of the MNB shall be appointed for a maximum of 5 (five) years and shall not be re-appointed within 5 (five) years after his mandate has expired.
- 6.2.2 The President of the ÁSZ shall be consulted before the appointment and the dismissal of the MNB's Auditor is proposed.
- 6.2.3 The Auditor shall examine the authenticity and legal compliance of the Financial Statements prepared in accordance with the Accounting Act as well as any other material business report to be submitted to the Shareholder. The Auditor shall submit to the Shareholder a written report containing his findings concerning these issues.

The Auditor may:

- a) review the MNB's books;
- b) request information from the senior officer and employees of the MNB;
- c) examine the cash, securities, the contracts and the bank account of the MNB.

- 6.2.4 The Auditor shall not disclose any state secrets, bank secrets, securities or business secrets that come to his knowledge in relation with his duties. This confidentiality obligation shall remain in force following the termination of his mandate.

6.3 Supervisory Board

6.3.1 Legal status of the Supervisory Board

- 6.3.1.1 The Supervisory Board is the body responsible for the continuous supervision of the MNB on behalf of the owner.

6.3.1.2 The internal audit organisation of the MNB shall be controlled by the Supervisory Board with the restrictions referred to in Article 52/A. (3) of the MNB Act or by the Governor in matters outside the competence of the Supervisory Board.

6.3.1.3 The competence of the Supervisory Board shall not include the tasks described in Article 4 (1)-(7) of the MNB Act, and the impact of such tasks on the profit and loss of the MNB. The Supervisory Board shall prepare the report provided for in Article 35(3) of the Act on Business Associations in accordance with these restrictions.

6.3.1.4 The Supervisory Board may request information in issues pertaining to its scope of authority from the Governor, the Deputy Governors and the Managing Director(s) either verbally or in writing. Such requests shall be answered by the person so requested or the person appointed by him/her, in writing in 5 working days, and possibly also verbally at the subsequent meeting of the Supervisory Board.

6.3.2 Composition of the Supervisory Board

Members of the Supervisory Board shall include:

- a) the Chairman, elected by Parliament,
- b) its other members elected by Parliament,
- c) the representative of the Minister,
- d) the consultant appointed by the Minister.

6.3.3 Rules of Procedure of the Supervisory Board

Pursuant to the MNB Act and other legal provisions and the provisions of this Statutes, the Supervisory Board shall establish its own rules of procedure, which shall be approved by the Shareholder in a Shareholder Resolution.

Chapter 7: CORPORATE SIGNATURE, REPRESENTATION AND THE EMPLOYER'S POWERS

7.1 Signatories and corporate signature

No signature on behalf of the MNB shall be valid or binding unless made as follows: the Governor of the MNB shall sign his name under the typed, hand-written, stencilled or printed name of the company or alternatively, any two employees authorised to sign on behalf of the MNB shall jointly sign their names as above.

7.2 Corporate signature on securities

As far as the issuance of securities is concerned, the above provision shall be modified to the extent that, subject to the legal provisions on the printing of securities, the name of the MNB and the signature of the Governor of the MNB made in accordance with the rules on corporate signature may also be reproduced by a typographic process.

7.3 Corporate signature on banknotes

Banknotes shall be signed jointly by the Governor of the MNB and two Deputy Governors; their signatures made in accordance with the rules on corporate signature shall be reproduced on the banknotes by a typographic process.

7.4. Representation

The MNB may be represented in front of third parties by the Governor in any matter and by the Deputy Governors and the Managing Director(s) in the issues falling under their specific competence.

In specific types of issues, the Governor may vest MNB employees with representation rights.

7.5 Employer's rights

With the exception of the powers concerning the appointment and dismissal of Deputy Governors and the establishment of their remuneration, the Governor shall exercise the employer's rights over the Deputy Governors, the Managing Director(s), the heads of the organisational units under his competence and the employees under his direct supervision, not pertaining to any specific organisational unit. The Deputy Governors and Managing Directors shall exercise the employer's rights over the heads of the organisational units under their competence and the employees under their direct supervision, not pertaining to any specific organisational unit. The heads of the organisational units shall exercise the employer's rights over the employees under their supervision.

Chapter 8: MISCELLANEOUS

8.1 Financial Year

The financial year of the MNB shall correspond to the calendar year.

8.2 Rules on Conflict of Interest

The rules on conflict of interest relating to the staff of the MNB are governed by Articles 57–58 of the MNB Act.

8.3 Information service

For the purpose of providing its customers with information, the MNB is entitled to issue

- a) announcements;
- b) statements; and
- c) information notices.

Chapter 9: ENTRY INTO FORCE

This Statutes shall enter into force on July 3, 2007.

Budapest, June 29, 2007¹

Dr. János Veres
Minister of Finance
for the Shareholder

Countersigned by:

Dr. Erika Kovács

¹ The day this Statutes was drawn up and executed.