



STATUTES
OF
THE MAGYAR NEMZETI BANK¹

¹ Consolidated version in effect as of July 1, 2006

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 term “company limited by shares”, 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 shares issued; and
- d) the signature of the President 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 Board of Directors

of the MNB shall issue a new share, corresponding to the damaged share, upon the request and at the cost of the shareholder.

2.3 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 of Finance.

Chapter 3: GENERAL MEETING

3.1 The General Meeting as a decision making body

The General Meeting of the MNB shall make its decisions exclusively in the form of resolutions.

3.2 Issues in the fields of exclusive competence of the General Meeting are

- a) establishing and amending the Statutes;
- b) establishing the balance sheet and the profit and loss statement;
- c) selecting or dismissing the auditor, at the recommendation of the State Audit Office (ÁSZ);
- d) establishing the remuneration of the auditor and defining the contents of the essential elements of the contract to be concluded with the auditor;
- e) taking decision on paying dividend either from the profits or from the accumulated profits reserves.

3.3 Annual Ordinary General Meeting

The Ordinary General Meeting of the MNB shall be held at least once a year, at the latest by the final day of the month of May of the calendar year.

3.4 Convening the Annual Ordinary General Meeting

3.4.1 The Annual Ordinary General Meeting shall be convened by the Chairman of the Board of Directors acting on behalf of it. The Chairman shall, by sending out an invitation, notify in writing the Shareholder, the members of the Board of Directors, the members of the Supervisory Board, those members of the Monetary Council who are not members of the Board of Directors, the representative of the State Audit Office and the auditor of the MNB of the General Meeting at least 15 (fifteen) days prior to the date of the General Meeting.

3.4.2 The letters convening the General Meeting shall be sent via hand delivery or registered mail. The act of hand delivery shall be documented.

3.5 Extraordinary General Meeting

3.5.1 If necessary, an Extraordinary General Meeting may be convened by the Shareholder or the Chairman acting on behalf of the Board of Directors whenever they deem it appropriate. If

requested by the Shareholder, an Extraordinary General Meeting shall be convened at all events.

3.5.2 The rules of the Ordinary General Meeting shall apply to the Extraordinary General Meeting.

3.6 Notice convening the General Meeting

An invitation to a General Meeting shall contain, at least, the following information:

- a) the name and registered office of the MNB;
- b) the date and venue of the General Meeting;
- c) the method of holding the General Meeting,
- d) in case of a Conference General Meeting, the name and contact data of the representative authorised to vote,
- e) the agenda of the General Meeting;
- f) the method of exercising voting rights at the General Meeting.

3.7 Supplementing the agenda of the General Meeting

In the event the Shareholder wishes to make a comment regarding the contents of the invitation or the items on the agenda, he shall notify the Board of Directors of the MNB within 3 (three) days of receiving the notice, to the extent possible. The Board of Directors shall amend the agenda in view of these comments, and shall notify the Shareholder of this having taken place.

3.8 Quorum

The General Meeting has a quorum if the Shareholder's representative is present at the General Meeting either personally or via a representative, or, in case of a Conference General Meeting, instead of being present at the meeting personally, the Shareholder's representative or its authorised representative may exercise the Shareholder's rights through electronic communication devices .

3.9 Opening and conducting the General Meeting

3.9.1 The General Meeting shall be opened and chaired by the Chairman of the Board of Directors.

3.9.2 The Chairman of the General Meeting shall

- a) state whether the General Meeting has a quorum;
- b) appoint the keeper of the minutes;
- c) put forward the draft resolutions to vote;
- d) state the results of each ballot and the resolutions adopted by the General Meeting;
- e) close the General Meeting, provided that votes have been cast concerning each item of the agenda.

3.10 Adopting resolutions

The General Meeting shall adopt resolutions by casting votes, if presence is in person, via a show of hands, or, in case of a Conference General Meeting, by express, unambiguous communication of the vote. If the General Meeting has been convened by a different procedure than that specified under this Chapter, it may adopt a resolution only if the Shareholder with the voting right raises no protest against holding the General Meeting.

3.11 Minutes of the General Meeting

Minutes shall be kept of all General Meetings of the MNB, and such shall be signed by the keeper of the Minutes, the Chairman of the General Meeting and the Shareholder's representative or its authorised representative present at the Meeting or taking part at such via an electronic communication device, as the party authenticating the Minutes.

3.12 The Conference General Meeting

The General Meeting may be convened by the Chairman, acting on behalf of the Board of Directors, or on the initiative of the Shareholder, and held in such manner as the Shareholder's representative or its authorised representative does not take part personally, but via an electronic communication device that makes unlimited communication possible, and facilitates the exercise of rights equivalent to personal presence, under acceptable security conditions. Only such electronic communication devices may be used at Conference General Meetings as make personal identification of the participants of the General Meeting possible and provide the possibility to contribute immediately to the points of the agenda and to the remarks made relating to such, in a manner equivalent to personal presence – especially telephone or video-telephone. Besides taking the minutes of the meeting, the Conference General Meeting shall be recorded and archived with the help of a voice recording device.

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 9 (nine) and at most 11 (eleven) members. The number of the Council members may exceed 11 until the original appointment of the Vice Presidents who are members of the Council on December 29, 2004, expires.

4.2.2 Members of the Council comprise:

- a) the President of the MNB as the Chairman of the Council;
- b) the Vice Presidents of the MNB who are members of the Council on December 29, 2004, till their appointment expires;

- c) after the appointment of all members as per point b) above will have expired, i.e. after date when the mandate with the latest expiry terminates, one Vice President appointed by the President of the MNB;
 - d) 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.

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 legal provisions, as well as the provisions of these Statutes.

4.5 Meetings of the Council

The Council shall meet as frequently as required, but at least twice 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: BOARD OF DIRECTORS

5.1 Legal status of the Board of Directors

The Board of Directors (hereinafter referred to as the Board) is the operative governing body of the MNB, with a responsibility for implementing the decisions of the Monetary Council and managing the operations of the MNB.

5.2 Members of the Board

5.2.1 The Board shall comprise at least 4 (four) and at most 6 (six) members, including:

- a) the President of the MNB as the Chairman of the Board; and
- b) the Vice Presidents of the MNB.

5.2.2 The Chairman shall act on behalf of the Board.

5.3 Powers of the Board

The powers of the Board shall be governed by the MNB Act and the Rules of Procedure of the Board. The Board of Directors may form committees which shall serve to prepare decisions. Such committees shall operate under the continuous supervision of the Board. The Board of Directors may also establish the Rules of Procedure of such committees.

5.4 Rules of Procedure

The Board shall establish its own Rules of Procedure in accordance with the MNB Act and other legal provisions, as well as the provisions of these Statutes.

5.5 Meetings of the Board

The Board shall meet as frequently as required. Its ordinary meetings shall be held in accordance with its working schedule, on Tuesdays to the extent possible. These ordinary meetings of the Board and any extraordinary meetings held at dates other than those specified in the working schedule shall be convened and chaired by the Chairman.

Chapter 6: PRESIDENT OF THE MNB

6.1 President of the MNB

6.1.1 The President of the MNB shall perform the tasks conferred upon him by the legal provisions, the Statutes as well as the resolutions of the General Meeting, the Monetary Council and the Board of Directors. The President of the MNB shall decide upon any question falling outside of the exclusive competence of the aforementioned bodies.

6.1.2 The President of the MNB shall appoint a Vice President to act in his absence as his general representative - excluding the exercising of rights and the performing of obligations arising from the chairmanship of the Monetary Council. The President of the MNB shall appoint his general representative by means of a written private document, which shall be valid until withdrawal, and he shall notify the President of the Republic of this appointment.

Chapter 7: SUPERVISION OF THE MNB

7.1 State Audit Office

7.1.1 When supervising the MNB, the scope of authority of ÁSZ shall be governed by the Act on the State Audit Office and the Act on the Magyar Nemzeti Bank.

7.2 Auditor

7.2.1 The mandate of the Auditor of the MNB shall last for a maximum period of 5 (five) years and the same person shall not be re-appointed within 5 (five) years after his mandate has ended.

7.2.2 The ÁSZ shall make a recommendation for the auditor's person and it may also request the General Meeting to recall the person from office.

7.2.3 The Auditor shall examine the authenticity and legal compliance of the Financial Statements prepared in accordance with the Act on Accounting as well as every other important business statement to be submitted to the General Meeting. The Auditor shall

submit to the General Meeting a written report containing the findings related to the above requirements. The Auditor is entitled to

- a) review the MNB's books;
- b) request information from the officials and employees of the MNB;
- c) examine the cashier's desk, securities holdings, contracts and bank account of the MNB;
- d) convene an Ordinary General Meeting if such is not convened by the deadline set forth in these Statutes.

7.2.4 The Auditor shall not disclose any state secrets, bank secrets, securities or business secrets. The obligation of professional secrecy remains in force even after the Auditor's mandate has ended.

7.3 Supervisory Board

7.3.1 Legal status of the Supervisory Board

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

7.3.1.2 The internal audit body of the MNB shall be controlled by the Supervisory Board with the restrictions referred to in Article 52/A. Subsection (3) of the MNB Act, or by the Executive Board in matters not taking within the competence of the Supervisory Board.

7.3.1.3 The Supervisory Board's scope of authority shall not extend to the tasks described in Article 4 (1)-(7) of the MNB Act, and the impact of such on the profit and loss of the MNB. The Supervisory Board shall prepare the report as described in Article 35. (3) of the Act on Business Associations in accordance with the provisions of this Article 7.3.1.3.

7.3.1.4 The Supervisory Board may request information in relation to issues pertaining to its scope of authority from the Board of Directors, the members of the Board of Directors and the Directors of the MNB, 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.

7.3.2 Composition of the Supervisory Board

The members of the Supervisory Board shall be:

- c) the Chairman, elected by Parliament,
- d) three other members, elected by Parliament,
- e) a representative of the Minister of Finance,
- f) a consultant commissioned by the Minister of Finance.

7.3.3 Rules of Procedure

In accordance with the MNB Act and other legal provisions, the Supervisory Board shall establish its own rules of procedure, which shall be approved by the Shareholder by a Shareholder Resolution.

Chapter 8: CORPORATE SIGNATURE, REPRESENTATION

8.1 Signatories and method of signing

When the corporate signature of the MNB is applied, the President of the MNB on his own or any other two persons, jointly, of the staff authorised to sign on behalf of the MNB shall sign his (their) name(s) under the typed, hand-written, stamped or printed name of the company.

8.2 Signatures on securities

When securities are being issued, the provisions of 8.1 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 President of the MNB in accordance with the rules for corporate signature may also be applied via printing.

8.3 Signatures on banknotes

Banknotes shall be signed by the President of the MNB and two Vice Presidents jointly and their signatures made in accordance with the rules on corporate signature shall be reproduced on the banknotes by printing.

8.4. Representation

The MNB may be represented before third parties by the Governor in any matter and also by the Deputy Governors in such issues as fall within the scope of their professional responsibility.

In respect of a specific range of issues, the Board of Directors may grant the right of representation to employees of the MNB.

Chapter 9: OTHER PROVISIONS

9.1 Financial Year

The financial year of the MNB corresponds to the calendar year.

9.2 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.

9.3 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 10: DATE OF ENTERING INTO FORCE

These Statutes shall enter into force on July 1, 2006..

Budapest May 10, 2006²

Dr. János Veres
Minister of Finance
on behalf of the Shareholder

Countersigned by:

Dr. Erika Kovács

² The day of preparing and signing the consolidated version of the Statutes