

EXTRAORDINARY ANNOUNCEMENT

pursuant to the Capital Market Act and Decree No: 24/2008. (VIII.15.) of the Minister of Finance.

Az **ENEFI Vagyonkezelő Nyrt.** ("Company") hereby informs its Honourable Investors that the parties involved have filed an application for revision to the Curia against the decision of the Metropolitan Court of Justice rejecting the action filed by the parties involved against the former decision (H-PJ-III-B-3/2017.) of MNB in the subject of influencing the market and insider trading and new hearings have been announced in the subject of the application for revision.

Antecedents

1. As the company had disclosed, MNB had charged a fine for influencing the market and insider trading.
2. The fined parties exercised legal remedy against the resolution due to the lack of grounds thereof.

The Metropolitan Court of Justice overrode the condemning decision of MNB as the defendant in 2019 and ordered the authority to conduct new proceedings considering that it was judged that *'... taking the complexity of the present case into consideration, the defendant did not explore the facts in sufficient detail to establish the violations of law and did not conduct the inspections and demonstrations in the depth required...'*

Amongst others the Metropolitan Court of Justice concluded in its judgement:

'The actions of the claimants are founded.'

'It can be concluded from the decision that the defendant applied references and general statements as legal conclusions, did not give specific explanation and therefore it did not sufficiently fulfil its liability of clarifying facts and providing explanation according to the relevant rules of proceedings.'

'Exploring individual transactions at a daily level were missing from the decision as well as the data of inspecting transactions or the detailed statistical analyses of transactions. The defendant only stated as a fact without any supporting conclusion that taking the demand-offer relations within a given day into account, the claimant performed non-purchaser purchases but no such purchase was specified within any trading day. Neither the table in the decision nor the table in the preparatory document indicates how the authority arrived from these to the general final conclusion made, or how the figures and values indicated were calculated, i.e. by the comparison of what and what other figures the price-gouging effect was detected. The figures presented in table No: 1 of the decision do not support the artificial position of the price level; it is not suitable to prove it because it contains no

information about the other participants on the market, their transactions and in general about the market movements taking place in the examined period. The court of justice found several elements of the facts disputed by the claimants in an established manner as problematic.'

'There is no causal explanation on what the defendant establishes that the examined transactions had no realistic business objective that excluded the implementation of market influencing.'

'It is reflected in the declarations of the defendant referred to that the decision lacks the exploration and verification of violations of law forming a logical chain in cause and reason relations, while such obligation of the authority is set out in section (b), Article 202 and section a), paragraph (1), Article 201 of the Capital Market Act and the Commentary to the Capital Market Act.

'Due to their deficiencies, the figures listed in the parts highlighted from and detailed in the decision were not suitable to draw the legal conclusions of the decision because the specific presentation of those factual elements failed which would doubtlessly prove the illegal nature of the conduct of the claimants. The claimant had grounds to dispute the cause-reason relationship of the conduct established as infringements, the fact that the infringements were proven, the legal conclusions of the defendant and accordingly the applicability and the extent of the sanction.'

'As the claimants pointed out, it is doubtless that the subject of the present lawsuit is the justification of the decision of the defendant, so the court must consider what is stated in it, it cannot be completed or explained by the authority as it had happened in the present lawsuit.'

'The circumstances detailed and pointed out above at least give rise to reasonable doubts against the reality of facts stated by the authority, the authority failed to provide the resolution of the controversies listed by the claimant and finally the to explore facts to a necessary and sufficient extent reaching certainty and actual demonstration even though the pieces of evidence explored and available in the proceeding must be assessed one by one and as a whole. Nevertheless, this must not mean that the authority ignores evidence not fitting its concept and logic, it fails to assess and indicate such evidence in the decision. The administrative body must not establish facts on assumptions, and must not fail to conduct actual analysis that would help check or exclude the statements of the claimant, that is the authority must conduct its proceedings taking the individual characteristics of the case into account.'

'Consequently, the court of justice concluded that the defendant did not make a decision taking the individual characteristics of the case into account and the necessary and sufficient proof was missing, therefore it annulled the decision applying paragraph (1), Article 339 of the Code of Civil Procedure since it is defective and the occasional controversies were not resolved and it did not contain comprehensive conclusions of cause and reason.'

3. MNB exercised legal remedy against the decision, requesting the Curia to reject the decision.

The Curia did not make a decision in the subject of the case however overrode the resolution of the Metropolitan Court of Justice and ordered the court to conduct new proceedings referring to the fact that the court shall judge the case with an explained decision without being ordered to conduct new proceedings considering that *'if the demonstration can be conducted in the lawsuit and thus the case can be factually decided, then the demonstration and the assessment of evidence shall not be delegated to the administrative body.'* According to the viewpoint of the Curia *'in case of controversy of evidence obtained in administrative proceedings and lawsuits, no new proceedings shall be ordered but by assessment under paragraph (1), Article 206 of the Code of Civil Procedure it shall be determined which of them are real and the conclusion shall be made whether the action s founded or not based on.'*

4. After the foregoing and replacing the judge, the Metropolitan Court of Justice rejected the action filed by the claimants without actual procedural action in a long-lasting repeated procedure.

The parties involved applied for revision against the decision to the Curia considering that it was unfounded according to their view.

According to the application for revision, amongst others:

The decision of the Metropolitan Court of Justice in the repeated procedure is based on an incorrect interpretation of law containing reference to such previous court decisions without practical changes, the facts of which and the capital market transaction inspected therein is completely different from the facts and capital market transactions in the present lawsuit and serving as the basis of the decision of the defendant.

The characteristics of the two factual situations are different to such an extent that this circumstance itself should prevent the Metropolitan Court of Justice from applying the conclusions of the court decisions referred to without changes in the Decision.

As the most significant difference, perhaps it is enough to point out that the conclusions of the court decision referred to in the Decision were recorded in connection with qualification according to section a), Article 202 of the Capital Market Act while the subject of the lawsuit is the inspection of conduct set out in section b), Article 202 of the Capital Market Act so the decision of the Metropolitan Court of Justice is based on confusing the two market influencing cases.

As a consequence of the foregoing, the decision contains several conclusions absurd in terms of capital market law, which are in addition to being unfounded, as a final decision are suitable to result in severe problems in the interpretation of law, incorrect precedents and grounds of reference on the capital market.

In addition to the foregoing, the Metropolitan Court of Justice

- confuses the declarations presented by the claimants in the fact of market influencing and insider trading and the evidence submitted,
- did not assess the available evidence, amongst others, the documents submitted, and the testimonies of the witnesses heard in the administrative procedure,
- records against documentation what the defendant qualified as insider information in its Decision,
- inspects a period and makes a disadvantageous conclusion for the claimant on account of this which the defendant did not revise in terms of the given facts in the decision even going beyond the content of the administrative decision contested,
- as a result of the foregoing, the Court of Justice practically created a new factual position which was not contained by the inspected decision of the defendant,
- in addition to the foregoing, the Metropolitan Court of Justice did not observe the notice compulsory instructions set out in the decision of the Curia.

Taking the absurdity and significant problems in the interpretation of law, of the decision into account, according to the parties applying for revision, it would be expected that MNB itself submitted an application for revision against the decision to the Curia, but the parties involved have no information of this at the moment.

ENEFI Vagyonkezelő Nyrt.