

IMPORTANT NOTICE

You must read the following before continuing. The following applies to the Offering Circular following this page (the "**Offering Circular**") or otherwise received as a result of such access, and you are therefore required to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THIS OFFERING CIRCULAR MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES AND WITHIN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" ("QIBs") AS DEFINED IN AND PURSUANT TO RULE 144A OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") ("RULE 144A"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE ATTACHED DOCUMENT.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT TO QIBs PURSUANT TO RULE 144A.

Confirmation of your representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to any securities, you must be a person who is outside the United States unless you are a QIB in the United States. By accepting the email and accessing this Offering Circular, you shall be deemed to have represented to the Joint Lead Managers named herein that you and any customers you represent, unless you are QIBs, are not in the United States; the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia unless you are a QIB in the United States; and that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person.

Any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the potential offering be made by a licensed broker or dealer and any underwriter or any affiliate of any underwriter is a licensed broker or dealer in that jurisdiction, any offering shall be deemed to be made by the underwriter or such affiliate on behalf of the Issuer in such jurisdiction.

This document is being distributed only to and directed only at (i) persons who are outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iii) those persons to whom it may otherwise lawfully be distributed (all such persons together being referred to as "**relevant persons**"). This document is directed only at relevant persons.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Joint Lead Managers named herein, any person who controls any such persons, or any of their respective directors, officers, employees, agents or affiliates accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version.



HUNGARY

US\$ 2,250,000,000 2.125 per cent. Notes due 2031

US\$ 2,000,000,000 3.125 per cent. Notes due 2051

EUR 1,000,000,000 0.125 per cent. Notes due 2028

The issue price of the US\$2,250,000,000 2.125 per cent. Notes due 2031 (the "**USD 2031 Notes**") of Hungary (the "**Issuer**" or "**Hungary**") is 98.629 per cent. of their principal amount. The issue price of the U.S.\$2,000,000,000 3.125 per cent. Notes due 2051 (the "**USD 2051 Notes**") of Hungary is 95.873 per cent. of their principal amount. The issue price of the EUR1,000,000,000 per cent. Notes due 2028 (the "**EUR 2028 Notes**") of Hungary is 98.611 per cent. of their principal amount. Each of the USD 2031 Notes, the USD 2051 Notes, and the EUR 2028 Notes will individually be referred to as the "**Notes**".

Unless previously redeemed or cancelled, the USD 2031 Notes will be redeemed at their principal amount on 22 September 2031, the USD 2051 Notes will be redeemed at their principal amount on 21 September 2051, and the EUR 2028 Notes will be redeemed at their principal amount on 21 September 2028.

The Notes will bear interest from 21 September 2021 (the "**Issue Date**") at the rate of 2.125 per cent. per annum in respect of the USD 2031 Notes, at the rate of 3.125 per cent. per annum in respect of the USD 2051 Notes, at the rate of 0.125 per cent. per annum in respect of the EUR 2028 Notes, and payable: in respect of the USD 2031 Notes, semi-annually in arrear on 22 March and 22 September in each year commencing on 22 March 2022; in respect of the USD 2051 Notes, semi-annually in arrear on 21 March and 21 September in each year commencing on 21 March 2022; and in respect of the EUR 2028 Notes, annually in arrear on 21 September in each year commencing on 21 September 2021. Payments in respect of the USD 2031 Notes and the USD 2051 Notes will be made in US dollars and in respect of the EUR 2028 Notes in Euro without deduction for or on account of taxes imposed or levied by Hungary to the extent described under "*Terms and Conditions — Taxation*".

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities law of any state of the United States or other jurisdiction. The Notes may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities law. Accordingly, the Notes are being offered, sold or delivered by the Joint Lead Managers (as defined in "*Subscription and Sale*"): (a) in the United States only to qualified institutional buyers ("**QIBs**") (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on, and in compliance with, Rule 144A ("**Rule 144A Notes**"); and (b) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act ("**Regulation S**") ("**Regulation S Notes**"). Each purchaser of the Notes will be deemed to have made the representations described in "*Subscription and Sale*" and is hereby notified that the offer and sale of Notes to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The Notes will be subject to transfer restrictions (see "**Transfer Restrictions**")

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The USD 2031 Notes and the USD 2051 Notes will be in registered form in the denomination of US\$200,000 and integral multiples of US\$1,000 in excess thereof and the EUR 2028 Notes will be in registered form in the denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof. The USD 2031 Notes and the USD 2051 Notes may be held and transferred, and will be offered and sold, in the principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof and the EUR 2028 Notes may be held and transferred, and will be offered and sold, in the principal amount of EUR100,000 and integral multiples of EUR1,000 in excess thereof. The USD 2031 Notes, the USD 2051 Notes, and the EUR 2028 Notes will, in each case, initially be represented by global certificates in registered form (the "**Global Certificates**"), which will be issued in respect of the Notes offered and sold in reliance on Rule 144A (the "**Restricted Global Certificates**") and which will be issued in respect of the Notes offered and sold in reliance on Regulation S (the "**Unrestricted Global Certificates**"). The Restricted Global Certificates in respect of the USD 2031 Notes and the USD 2051 Notes will each be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTC**") (the "**DTC Global Certificates**") and the Unrestricted Global Certificates in respect of the USD 2031 Notes and the USD 2051 Notes and the Global Certificates in respect of the EUR 2028 Notes (the "**ICSD Global Certificates**") will be registered in the name of a nominee of the common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Individual note certificates ("**Individual Note Certificates**") evidencing holdings of Notes will only be available in certain limited circumstances.

The ICSD Global Certificates are intended to be held in a manner which would allow Eurosystem eligibility – that is, in a manner which would allow the Unrestricted Notes to be recognised as eligible collateral for Eurosystem monetary policy and intraday credit

operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

This Offering Circular does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") (the "**UK Prospectus Regulation**"). Application has been made for the Notes to be admitted to listing on the Official List of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's main market (the "**Main Market**"). The Main Market is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"). The Notes will not be subject to the prospectus requirements of the UK Prospectus Regulation as a result of the Issuer's status as the government of a state, but will be issued in compliance with applicable Listing Rules of the Financial Conduct Authority (the "**FCA**").

Application may also be made by the Issuer for the EUR 2028 Notes to be registered with the Budapest Stock Exchange BÉT XBond and be subject of secondary market trading on BET XBond subject to and in accordance with the provisions of Act No. CXX of 2001 on the Capital Markets, the rules and regulations of BÉT XBond and the requirements specified by the Budapest Stock Exchange as operator of BÉT XBond, in each case 15 Hungarian business days after the Notes being admitted to listing on the Official List of the London Stock Exchange.

It is expected that delivery of the Global Certificates will be made on 21 September 2021 or such later date as may be agreed (the "**Closing Date**") by the Issuer and the Joint Lead Managers. See "*Summary of Provisions Relating to the Notes in Global Form*".

Joint Lead Managers

BNP PARIBAS

CITIGROUP

**GOLDMAN SACHS BANK
EUROPE SE**

J.P. MORGAN

This Offering Circular is dated 17 September 2021

Hungary accepts responsibility for the information contained in this Offering Circular and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular to the best of its knowledge is in accordance with the facts in all material respects and contains no omission of any material fact likely to affect its import.

Hungary has confirmed to the Joint Lead Managers named under "*Subscription and Sale*" that this Offering Circular contains all information regarding Hungary and the Notes which is (in the context of the issue of the Notes) material to investors in the context of their investment decision; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Offering Circular on the part of Hungary are honestly held or made and are not misleading in any material respect; this Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

Hungary has not authorised the making or provision of any representation or information regarding Hungary or the Notes other than as contained in this Offering Circular or as expressly approved for such purpose by Hungary. Any such representation or information should not be relied upon as having been authorised by Hungary or the Joint Lead Managers.

Neither the Joint Lead Managers nor any of their respective affiliates have authorised the whole or any part of this Offering Circular and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Circular. Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of Hungary since the date of this Offering Circular.

This Offering Circular does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

The distribution of this Offering Circular and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by Hungary and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of this Offering Circular and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Notes may not be offered, sold or delivered in the United States or to U.S. persons.

Prospective purchasers of the Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Hungary of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes.

In this Offering Circular, unless otherwise specified, references to "**Euro**", "**EUR**" or "**€**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended, (references to "**\$**", "**USD**", "**US\$**" and "**US dollars**" are to United States Dollars and references to "**HUF**" and "**forints**" are to Hungarian Forints. References in this Offering Circular to a "Condition" are to the numbered condition corresponding thereto set out in the "*Terms and Conditions*" in respect of either the USD 2031 Notes, the USD 2051 Notes, or the EUR 2028 Notes, as applicable.

The National Bank of Hungary's foreign exchange rate for US dollars on 10 September 2021 was HUF 296.34 = USD 1.00, and National Bank of Hungary's foreign exchange rate for Euro on the same day was HUF 351.10 = € 1.00."

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

MiFID II product governance / professional investors and ECPs – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

In connection with the issue of the Notes, Citigroup Global Markets Europe AG (the "Stabilisation Manager") (or persons acting on behalf of such relevant Stabilisation Manager), may over-allot the relevant Notes or effect transactions with a view to supporting the market price of the relevant Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of such Notes and 60 days after the date of the allotment of such Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or person(s) acting on behalf of any such Stabilisation Manager) in accordance with all applicable laws and rules.

NOTICE TO PROSPECTIVE UNITED STATES INVESTORS

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon or endorsed the merits of the offering of the Notes or the accuracy or the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

This offering is being made in the United States in reliance upon an exemption from registration under the Securities Act for an offer and sale of the Notes which does not involve a public offering. Each purchaser or holder of interests in the Notes will be deemed, by its acceptance or purchase of any such Notes, to have made certain acknowledgements, representations and agreements as set out in "*Subscription and Sale*" and "*Transfer Restrictions*".

This Offering Circular is being furnished on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes. This Offering Circular is being furnished only (1) to a limited number of investors in the United States only to persons reasonably believed to be QIBs and (2) to investors outside the United States. Any reproduction or distribution of this Offering Circular, in whole or in part, in the United States and any disclosure of their contents or use of any information herein or therein in the United States for any purpose, other than in considering an investment by the recipient in the Notes, is prohibited. Each potential investor in the Notes, by accepting delivery of this Offering Circular agrees to the foregoing.

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RISK FACTORS

You should read this entire Offering Circular carefully. Words and expressions defined elsewhere in this Offering Circular have the same meanings in this section. Investing in the Notes involves certain risks. In addition, the purchase of the Notes may involve substantial risks and be suitable only for investors who have the knowledge and experience in financial and business matters to enable them to evaluate the risks and merits of an investment in the Notes. You should make your own inquiries as you deem necessary without relying on Hungary or any Joint Lead Manager and should consult with your financial, tax, legal, accounting and other advisers, prior to deciding whether to make an investment in the Notes. You should consider, among other things, the following:

1. **Risks relating to the Notes**

The trading market for the Notes may be volatile and may be adversely impacted by many factors.

The market for the Notes issued by Hungary is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in the United States and European and other industrialized countries. There can be no assurance that events in the United States, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

There may be no active trading market for the Notes.

The Notes are a new issue of securities with no established trading market. There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of Hungary. Although an application will be made to list and trade the Notes on the Official List and on the Main Market of the London Stock Exchange, respectively, there is no assurance that an active trading market will develop or will be maintained.

Certain economic risks are inherent in any investment denominated in a currency other than the currency of the country in which the purchaser is resident or the currency in which the purchaser conducts its business or activities.

An investment in a security denominated in a currency other than the currency of the country in which the purchaser is resident or the currency in which the purchaser conducts its business or activities may present currency related risks not associated with a similar investment in a security denominated in the home currency. Such risks include, without limitation, the possibility of significant changes in rates of exchange between the home currency and the Euro, or between the home currency and the Dollar. Such risks generally depend on events over which Hungary has only partial control, such as economic and political events and the supply of and demand for the Euro, the Dollar and the home currency. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in such rate that may occur during the term of the Notes. Depreciation of the Euro or the Dollar against the relevant home currency could result in a decrease in the effective yield of a particular security below its coupon rate and, in certain circumstances, could result in a loss to the investor on a home currency basis.

This description of foreign currency risks does not describe all the risks of an investment in securities denominated in a currency other than the home currency. Prospective investors should consult their own financial and legal advisers as to the risks involved in an investment in the Notes.

Economic disruption in Europe and volatility in the value of the euro could have an adverse effect on the value of the Euro Notes.

The value of the Notes is affected by current global economic conditions, including regional and international rates of economic growth. Developments in the global economy, including the British exit from the European Union, have led to increased market volatility and decreased consumer confidence in the United Kingdom and the European Union. The potential impact of these developments on the value of the Notes is uncertain.

As a result of the sovereign debt crisis in Europe, there was significant price volatility in the secondary market for sovereign debt of European and other nations at the beginning of the last decade. If such price volatility resumes, it could lead to a decline in the recoverability and value of the Notes. Europe has appeared to begin recovering from that sovereign debt crisis, with some Eurozone countries experiencing moderate growth, yet it continues to face uncertainty. Continued sluggish economic growth or negative growth in the European Union could adversely affect the value of the Notes.

Definitive USD 2031 Notes and USD 2051 Notes not denominated in an integral multiple of US\$200,000 or its equivalent may be illiquid and difficult to trade.

The USD 2031 Notes and the USD 2051 Notes have denominations consisting of a minimum of US\$200,000 plus integral multiples of US\$1,000 in excess thereof. It is possible that the Notes may be traded in amounts that are not integral multiples of US\$200,000. In each, such holder who, as a result of trading such amounts, holds an amount which is less than US\$200,000 in his account with the relevant clearing system at the relevant time may not receive a Certificate in respect of such holding (should Certificates be printed) and would need to purchase a principal amount of Notes such that its holding amounts to US\$200,000.

If Certificates are issued, holders should be aware that Certificates which have a denomination that is not an integral multiple of US\$200,000 may be illiquid and more difficult to trade than Notes denominated in an integral multiple of US\$200,000.

Definitive EUR 2028 Notes not denominated in an integral multiple of EUR100,000 or its equivalent may be illiquid and difficult to trade.

The EUR 2028 Notes have denominations consisting of a minimum of EUR100,000 plus integral multiples of EUR1,000 in excess thereof. It is possible that the Notes may be traded in amounts that are not integral multiples of EUR100,000. In each, such holder who, as a result of trading such amounts, holds an amount which is less than EUR100,000 in his account with the relevant clearing system at the relevant time may not receive a Certificate in respect of such holding (should Certificates be printed) and would need to purchase a principal amount of Notes such that its holding amounts to EUR100,000.

If Certificates are issued, holders should be aware that Certificates which have a denomination that is not an integral multiple of EUR100,000 may be illiquid and more difficult to trade than Notes denominated in an integral multiple of EUR100,000.

The Notes may not be a suitable investment for all investors.

You must determine the suitability of investment in the Notes in the light of your own circumstances. In particular, you should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes and the merits and risks of investing in the Notes;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on your overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from your currency;
- (iv) understand thoroughly the terms of the notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect your investment and your ability to bear the applicable risks.

The Notes are unsecured.

The Notes constitute unsecured obligations of Hungary.

The Notes will contain provisions that permit Hungary to amend the payment terms without the consent of all holders.

The Notes will contain provisions regarding acceleration and voting on amendments, modifications, changes and waivers, which are commonly referred to as "collective action clauses." Under these provisions, certain key provisions of the Notes may be amended, including the maturity date, interest rate and other payment terms, without the consent of all holders of the outstanding debt securities, as specified in the Terms and Conditions. See "*Terms and Conditions*".

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. You should consult your legal advisers to determine whether and to what extent (1) the Notes are legal investments for you, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to your purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Securities laws will restrict your ability to transfer the Notes.

The Notes have not been registered under the Securities Act and applicable state securities laws and will be subject to transfer restrictions in order to ensure compliance with federal and state securities laws. You may not sell the Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws, or pursuant to an effective registration statement. The Notes contain provisions that will restrict the notes from being offered, sold or otherwise transferred except pursuant to certain exemptions under the Securities Act. See "Transfer Restrictions"

Hungary is a sovereign state and accordingly it may be difficult to enforce judgments or awards against certain assets.

Hungary will irrevocably submit to the jurisdiction of the English courts and in addition accepts that disputes may be referred to arbitration. Hungary will irrevocably waive immunity in connection with any action arising out of or based upon the Notes brought by any holder of Notes. In the absence of a waiver of immunity by Hungary with respect to such actions, it would not be possible to obtain a judgment or award in such an action against Hungary unless a court or arbitral tribunal were to determine that Hungary is not entitled to sovereign immunity with respect to such action. However, such waiver of immunity is subject to exclusions in respect of certain assets as set out below. In addition, the Issuer reserves the right to plead sovereign immunity under the US Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it in any court of or in the United States of America under any United States federal or State securities law. For further information see Condition 18(f) (*Jurisdiction – Waiver of Immunity*).

In the event that a claimant enforces a judgment or award against Hungary by attempting to attach assets located outside Hungary, such assets may be immune from attachment notwithstanding Hungary's waiver of sovereign immunity. Save as necessary to ensure the effectiveness of service, Hungary does not agree to waive immunity with respect to: (i) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961; (ii) "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963; (iii) any other property or assets used solely for official non-commercial state purposes in Hungary or elsewhere; (iv) military property or military assets of Hungary related thereto; or (v) any non-transferable national assets and national assets with priority importance as defined in or in accordance with applicable Hungarian laws.

There is a risk that, notwithstanding the waiver of sovereign immunity by Hungary, a claimant will not be able to enforce a court judgment or arbitral award against certain assets of Hungary in certain jurisdictions (including the imposition of any arrest order or attachment or seizure of such assets and their subsequent sale) without Hungary having specifically consented to such enforcement at the time when the enforcement is sought.

The recognition or enforcement of judgements rendered by a non-EU foreign court by Hungarian courts

The recognition or enforcement of any judgment so rendered by a non-EU foreign court may only be limited in accordance with the Convention on Choice of Court Agreements done at The Hague on 30 June 2005

(the "**Hague Convention**") and Act XXVIII of 2017 on Private International Law (the "**Conflicts Law**"). However, given the asymmetric nature of the jurisdiction clause of the Notes (Condition 18(d) (*Non-exclusivity*)), it is uncertain whether the Hague Convention will apply.

Based on the provisions of the Conflicts Law, judgments of a non-EU foreign court can be recognised and enforced by the Hungarian courts if the parties to the dispute have agreed to the jurisdiction of the non-EU foreign court and the agreement on jurisdiction satisfies the formality requirements of Hungarian law. Under Hungarian law, an agreement on jurisdiction can be made by the parties (i) in writing, (ii) verbally, if evidenced in writing, (iii) in a form which complies with the practices previously formed among the parties or (iv) in terms of international trade, also in a form which complies with commercial practice in such trade and of which the parties should have been aware.

2. **Risks relating to Hungary**

The worldwide economic effects of the outbreak of the Coronavirus could adversely affect Hungary's economy.

The outbreak of Coronavirus disease 2019 ("**COVID-19**") has had an adverse economic impact. COVID-19 was reportedly first detected in Wuhan, Hubei Province, China, and first reported to the World Health Organization ("**WHO**") country office in China on 31 December 2019. On 30 January 2020, the WHO declared COVID-19 a public health emergency of international concern and on 11 March 2020, declared the outbreak a pandemic. COVID-19 has had numerous worldwide effects on general commercial activity. In Hungary, following the discovery of the first case of COVID-19 in the country, the government implemented various protective measures, including declaring a state of danger to cope with the first wave of the pandemic with effect from 11 March 2020, decreeing a national curfew, suspending international passenger flights and extending tax amnesty. Thereafter, to combat the second wave of the pandemic, the government reintroduced the state of danger as from 4 November 2020.

Hungary's GDP contracted by 5.0 per cent. in 2020 as a result of the economic slowdown caused by the COVID-19 pandemic. At this time, given the uncertainty of the lasting effect of COVID-19, any further financial impact on Hungary's economy cannot be determined. In the medium to long term, if the spread of COVID-19 is prolonged, it could continue to significantly adversely affect the economies and financial markets of Hungary and of many other countries, resulting in an economic downturn that could, among other effects, reduce international trade flows. The occurrence of these events could continue to have an adverse effect on Hungary's economy.

Hungary's economy and economic growth might be affected by eventual adverse external factors.

As with most countries, Hungary's economy and macroeconomic goals might be susceptible to eventual adverse external factors, including the ongoing instability in the European banking system and weakness of the sovereign debt market of certain members of the European Monetary System. If global economic growth stalls and Hungary's primary trading partners experience economic difficulties, it could result in lower export earnings by Hungary, which relies on the export market. The European Union, particularly Germany, is Hungary's largest export market. A decline in demand for imports from Hungary's major trading partners, such as the European Union, from whatever source, could have a material adverse impact on Hungary's balance of trade and adversely affect Hungary's economic growth.

The tapering of the ongoing quantitative easing programs of the European Central Bank could have a material adverse impact on Hungary's capital market and adversely affect Hungary's financial stability.

The monetary policy of the European Central Bank has substantial indirect effect on the Hungarian capital market. The possible termination of the ongoing quantitative easing programs of the European Central Bank could set the stage for higher interest rates in the future. A tighter ECB monetary policy stance could have a material adverse impact on Hungary's capital markets and the government's borrowing costs, negatively impacting Hungary's fiscal position. Hungary's ESA-based fiscal deficit was 8.1 per cent. of GDP in 2020, and Hungary currently has high fiscal financing requirements, partly due to the ongoing COVID-19 pandemic. Any deterioration in the relationship between Hungary and the EU Commission, or any reduction in EU funds (e.g., from the Recovery and Resilience Facility) allocated to Hungary going forward, could have a material adverse impact on Hungary's capital market and financial stability.

There can be no assurance that Hungary's credit rating will not change.

Long-term foreign currency and local currency debt of Hungary is currently rated BBB by Standard & Poor's and Baa3 by Moody's. Hungary's foreign currency and local currency sovereign credit rating issued by Fitch Ratings is currently BBB. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Rating agencies continue to assess rating levels, including to monitor the potential impact of the current coronavirus pandemic generally. There can be no assurance that the rating or outlook of Hungary will not be placed on watch or be subject to change in the future, whether due to the economic impact of the COVID-19 pandemic, on the macro-economic environment or otherwise. A downgrade in rating or a negative change in outlook could have a materially adverse impact on the cost of funding of Hungary, and could have a further impact on the Hungarian economy including on the GDP and budget.

INFORMATION INCORPORATED BY REFERENCE

Hungary's annual report on Form 18-K for the year ended 31 December 2020, filed with the Securities and Exchange Commission (the "SEC") on 10 September 2021, containing Hungary's economic and statistical information as of 31 December 2020 (the "**Hungary Annual Report**"), available at www.sec.gov, and any amendment thereto filed with the SEC on Form 18-K/A on or prior to pricing, is considered part of and incorporated by reference in this Circular.

Unless specifically incorporated by reference into this Offering Circular, information contained on a website referred to herein does not form part of this Offering Circular.

JURISDICTION AND ENFORCEABILITY OF JUDGMENTS

Hungary is a foreign sovereign. It may, therefore, be difficult for investors to obtain or enforce judgments against Hungary. See "Risk Factors– Hungary is a sovereign state and accordingly it may be difficult to enforce judgments or awards against certain assets".

Hungary consents to jurisdiction of the courts of England for the matters described in "Condition 18(a) (*Jurisdiction*)" and waives any objection to the courts of England being nominated as the forum to hear and determine any such matters, and agrees not to claim that any such court is not a convenient or appropriate forum.

To the extent that Hungary may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or arbitral award, or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), Hungary agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction, provided that Hungary does not waive any immunity with respect to: (i) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961; (ii) "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963; (iii) any other property or assets used solely for official non commercial state purposes in Hungary or elsewhere; (iv) military property or military assets of Hungary related thereto; or (v) any non transferable national assets and national assets with priority importance as defined in or in accordance with applicable Hungarian laws. See "Condition 18(f) (*Jurisdiction – Waiver of Immunity*)".

In the absence of an explicit submission to jurisdiction by Hungary with respect to actions brought in the United States, it may not be possible to obtain a judgment in an action brought against Hungary in a court in the United States unless the court were to determine that Hungary is not entitled under the Foreign Sovereign Immunities Act to sovereign immunity with respect to such action. Further, even if a United States judgment could be obtained in such an action, it may not be possible to enforce in Hungary a judgment based on such a United States judgment. Execution upon property of Hungary located in the United States to enforce a United States judgment may not be possible except under the limited circumstances specified in the Foreign Sovereign Immunities Act.

Hungary has agreed, as part of the terms and conditions of the Notes, that Noteholders may refer certain disputes to be settled by arbitration in accordance with the Arbitration Rules of the London Court of International Arbitration. See "Condition 19 (*Arbitration*)". Hungary is a party to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention"). A foreign arbitral award obtained in a state that is party to the New York Convention should be recognized and enforced by a Hungarian court, if all required formalities are met, but remains subject to the qualifications and restrictions of the Convention and of Hungarian law.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, expected to amount (in each case after deduction of a combined management and underwriting fee and certain other transaction related expenses) to approximately: (i) US\$2,215,115,000 in respect of the USD 2031 Notes; (ii) US\$1,912,360,000 in respect of the USD 2051 Notes; and (iii) EUR984,525,255 in respect of the EUR 2028 Notes, and will be used by Hungary for general funding purposes.

TERMS AND CONDITIONS

Terms and Conditions of the USD 2031 Notes

The following is the text of the Terms and Conditions of the USD 2031 Notes which, upon issue, will represent the terms and conditions applicable to all USD 2031 Notes, and, subject to completion and amendment, will be endorsed on each Note in definitive form and will be attached and (subject to the provisions thereof) apply to each Global Note representing the Notes. Within the following section "Terms and Conditions of the USD 2031 Notes", please note that the use of the term the "Notes" applies only to the USD 2031 Notes. Elsewhere in the Offering Circular, the use of the term the "Notes" applies to the USD 2031 Notes, the USD 2051 Notes, and the EUR 2028 Notes each individually:

The US\$2,250,000,000 2.125 per cent. Notes due 2031 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 13 (*Further issues*) and forming a single series therewith) of Hungary (the "**Issuer**") are constituted by a deed of covenant dated 21 September 2021 (as amended or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer and are the subject of a fiscal agency agreement dated 21 September 2021 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Citibank Europe plc as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), Citibank, N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), the transfer agents named therein (the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). References herein to the "**Agents**" are to the Registrar, the Fiscal Agent, the Transfer Agents and the Paying Agents and any reference to an "**Agent**" is to any one of them. Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below.

1. Form, Denomination and Status

- (a) *Form and denomination:* The Notes are in registered form in the denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof (each, an "**Authorized Denomination**").
- (b) *Status of the Notes:* The Notes are the direct, unconditional and unsecured obligations of the Issuer and rank and will rank *pari passu*, without preference among themselves, with all other unsecured and unsubordinated External Indebtedness of the Issuer, from time to time outstanding, *provided, further*, that the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other External Indebtedness and, in particular, shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due on the Notes and *vice versa*.

2. Register, Title and Transfers

- (a) *Register:* The Registrar will maintain a register (the "**Register**") in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the "**Holder**" of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly. A certificate (each, a "**Note Certificate**") will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (b) *Title:* The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on

the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

- (c) *Transfers*: Subject to paragraphs (f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however*, that a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorized Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.
- (d) *Registration and delivery of Note Certificates*: Within five business days of the surrender of a Note Certificate in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (e) *No charge*: The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (f) *Closed periods*: Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.
- (g) *Regulations concerning transfers and registration*: All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

3. **Negative Pledge and Covenants**

- (a) So long as any Note remains outstanding (for the purposes of these Conditions, "**outstanding**" shall have the meaning ascribed to such term in the Fiscal Agency Agreement), Hungary undertakes that, if it or the National Bank of Hungary creates or permits to subsist any Security Interest upon the whole or any part of its or their assets or revenues, present or future, to secure: (i) any Public External Indebtedness of Hungary having an original maturity of at least one year; or (ii) any Public External Indebtedness of the National Bank of Hungary having an original maturity of at least one year and incurred on or prior to 31 December 1998, the Issuer shall, at the time or prior thereto, secure equally and rateably therewith the obligations of the Issuer under the Notes.
- (b) So long as any Note remains outstanding, the Issuer shall: (i) continue to procure that either the Issuer or the National Bank of Hungary exercises full ownership, power and control over the International Monetary Assets as they exist from time to time; and (ii) duly obtain and maintain in full force and effect all governmental consents, licences,

approvals and authorisations, and/or make or cause to be made all (if any) registrations, recordings and filings, which may at any time be required to be obtained and/or made in Hungary for the execution, delivery or performance of all obligations arising under the Notes and the validity or enforceability thereof.

In these Conditions:

"External Indebtedness" means any obligation in respect of existing or future Indebtedness denominated or payable, or at the option of the holder thereof payable, in a currency other than the lawful currency of Hungary provided that, if at any time the lawful currency of Hungary is the Euro, then any Indebtedness as described herein, expressed in or payable or optionally payable in Euro, more than 50 per cent. of the aggregate principal amount of which is initially placed outside Hungary and issued after the date on which the Euro becomes the lawful currency of Hungary, shall be included;

"IMF" means the International Monetary Fund;

"Indebtedness" means any indebtedness of any Person (whether incurred as principal or surety) for money borrowed;

"International Monetary Assets" means all of Hungary's official holdings of gold and all of Hungary's, and Hungary's Monetary Authorities', holdings of: (i) Special Drawing Rights; (ii) Reserve Positions in the IMF; and (iii) Foreign Exchange; the terms "Special Drawing Rights", "Reserve Positions in the Fund" and "Foreign Exchange" have, as to the types of assets included, the meanings given to them in the IMF's publication entitled *"International Financial Statistics"* or such other meaning as shall be formally adopted by the IMF from time to time;

"Monetary Authorities" means the National Bank of Hungary and, if and to the extent that it performs the functions of a monetary authority for or on behalf of Hungary or the government thereof, any currency board, exchange stabilisation fund or treasury;

"National Bank of Hungary" means Magyar Nemzeti Bank, the central bank of Hungary or any other entity which, from time to time, acts as a central bank of Hungary, as the case may be;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Public External Indebtedness" means External Indebtedness which: (i) is in the form of, or represented by, bonds, notes or other similar securities; and (ii) is, or may be, quoted, listed or ordinarily purchased and sold on any stock exchange, automated trading system or over-the-counter or other securities market; and

"Security Interest" means any lien, pledge, hypothecation, mortgage, security interest, charge or any other encumbrance, agreement or arrangement which has a similar legal and economic effect including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

4. **Interest**

The Notes bear interest from 21 September 2021 (the **"Issue Date"**) at the rate of 2.125 per cent. per annum (the **"Rate of Interest"**). Interest on the Notes is payable semi-annually in arrear on 22 March and 22 September in each year (each, an **"Interest Payment Date"**) from and including 22 March 2022 (the **"First Interest Payment Date"**) to and including the Maturity Date. There will be a long first coupon in respect of the period from the Issue Date to the First Interest Payment Date.

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified

the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable on the First Interest Payment Date shall be US\$10.684 in respect of each Calculation Amount. The amount of interest payable on each Interest Payment Date (other than the First Interest Payment Date) shall be US\$10.625 in respect of each Calculation Amount. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Authorised Denomination of such Note divided by the Calculation Amount, where:

"Calculation Amount" means US\$1,000; and

"Day Count Fraction" means in respect of any period, the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

5. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 22 September 2031 (the **"Maturity Date"**), subject as provided in Condition 6 (*Payments*).
- (b) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraph (a) (*Scheduled redemption*) above.
- (c) *Purchase:* The Issuer may at any time purchase Notes in the open market or otherwise and at any price, provided that such purchase is made in accordance with the United States Securities Act of 1933, as amended (the **"Securities Act"**) and any other applicable securities laws.
- (d) *Cancellation:* All Notes so redeemed or purchased by the Issuer shall be cancelled and may not be reissued or resold.

6. **Payments**

- (a) *Principal:* Payments of principal shall be made by US dollar cheque drawn on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, or by transfer to a US dollar account (or other account to which US dollar may be credited or transferred) maintained by the payee with, a bank that processes payments in US dollars and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by US dollar cheque drawn on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to a US dollar account (or other account to which US dollar may be credited or transferred) maintained by the payee with, a bank in New York City and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to a US dollar account (or other account to which US dollar may be credited or transferred), payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day and no interest shall accrue for such intervening period) will

be initiated and, where payment is to be made by US dollar cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a business day, (B) if the Noteholder is late in surrendering its Note Certificate (if required to do so) or (C) a cheque mailed in accordance with this Condition 6 (*Payments*) arriving after the due date for payment or being lost in the mail. In this paragraph "**business day**" means:

- (i) in the case of payment by transfer to a US dollar account (or other account to which US dollar may be credited or transferred) as referred to above, any day which is a day on which banks are open for general business in London and New York; and
 - (ii) in the case of surrender (or, in the case of part payment only, endorsement) of a Note Certificate, any day on which banks are open for general business (including dealings in foreign currencies) in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed).
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

7. **Taxation**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Hungary or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

- (a) held by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with Hungary other than the mere holding of, or receipt of payment on, the Note; or
- (b) where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than Hungary, references in these Conditions to Hungary shall be construed as references to Hungary and/or such other jurisdiction.

8. **Events of Default**

If any of the following events occurs and is continuing:

(a) *Events of Default:*

- (i) Non-payment: the Issuer fails to pay any amount of interest in respect of the Notes within 15 days of the due date for payment thereof; or
- (ii) Breach of other obligations: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Fiscal Agency Agreement and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or

(b) *Events of Acceleration:*

- (i) Failure to take action etc: any action, condition or thing at any time required to be taken, fulfilled or done in order: (A) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, (B) to ensure that those obligations are legal, valid, binding and enforceable and (C) subject to their official translation into the Hungarian language, to make the Notes admissible in evidence in the courts of Hungary is not taken, fulfilled or done within 30 days of receipt by the Issuer of written notice thereof; or
- (ii) Unlawfulness: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes and such unlawfulness is not remedied by the Issuer within 30 days' written notice thereof;

then, in the case of any event mentioned in either (a) or (b) above, all of the Notes may by written notice addressed and delivered by the holders of at least 25 per cent. of the aggregate principal amount of the outstanding Notes to the Fiscal Agent, be declared immediately due and payable, whereupon, unless prior to such date the Issuer shall have cured or otherwise rectified the relevant event, all of the Notes shall become immediately due and payable at their principal amount together with accrued interest. The Issuer shall ensure that it will use all reasonable endeavours to give prompt notice of any such declaration to all Noteholders.

- (c) *Rescission of the Declaration of Acceleration:* if the Issuer receives notice in writing from holders of at least 50 per cent. in aggregate principal amount of the outstanding Notes and/or a resolution is passed at a meeting of Noteholders duly convened and held in accordance with the Fiscal Agency Agreement to the effect that the Event(s) of Default and/or Event(s) of Acceleration giving rise to a declaration of acceleration made pursuant to Condition 8(a) or (b) above is or are cured or is or are waived by them following any such declaration and that such holders request the Issuer to rescind the relevant declaration, the Issuer shall, by notice in writing to the Noteholders (with a copy to the Fiscal Agent), rescind the relevant declaration whereupon it shall be rescinded and shall have no further effect. No such rescission shall affect any other or any subsequent Event of Default and/or Event of Acceleration or any right of any Noteholder in relation thereto.

9. **Prescription**

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

10. **Replacement of Note Certificates**

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

11. **Agents**

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or fiscal agent and additional or successor paying agents and transfer agents; *provided, however*, that the Issuer shall at all times maintain a fiscal agent and a registrar.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

12. **Meetings of Noteholders; Modification**

(a) *Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions:*

The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the Fiscal Agency Agreement. The Issuer will determine the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.

The Fiscal Agency Agreement contains the provisions for convening meetings of Noteholders to consider matters relating to the Notes including, without limitation, the modification of any provision of these Conditions. Any such modification may be made if, having been approved in writing by Hungary, it is sanctioned by an Extraordinary Resolution. If the Fiscal Agency Agreement does not include such procedures, or additional procedures are required, the Issuer and the Fiscal Agent will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.

The meeting of Noteholders shall be convened by the Fiscal Agent upon the request (addressed to the Fiscal Agent or to the Issuer, with a copy to the other, and setting out the purpose of the requested meeting) in writing of the Noteholders holding not less than 10 per cent. of the aggregate principal amount of the outstanding Notes (as defined in Condition 12(j) (*Notes controlled by the Issuer*)). The Fiscal Agent will agree the time and place of the meeting with the Issuer promptly. The Issuer or the Fiscal Agent, as the case may be, will notify the Noteholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.

The notice convening any meeting will specify, *inter alia*;

(A) the date, time and location of the meeting;

- (B) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;
- (C) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
- (D) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;
- (E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;
- (F) whether Condition 12(b) (*Modification of this Series of Notes only*), or Condition 12(c) (*Multiple Series Aggregation – Single limb voting*), or Condition 12(d) (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;
- (G) if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
- (H) such information that is required to be provided by the Issuer in accordance with Condition 12(f) (*Information*);
- (I) the identity of the Aggregation Agent and the Calculation Agent, if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 12(g) (*Claims Valuation*); and
- (J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.

All information to be provided pursuant to Condition 12(a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions.

Any reference to "**debt securities**" means any notes (including the Notes), bonds, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year.

"**Debt Securities Capable of Aggregation**" means those debt securities which include or incorporate by reference this Condition 12(a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) and Condition 12(k) (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

An "**Extraordinary Resolution**" means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.

A "**record date**" in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.

A "**Written Resolution**" means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.

(b) *Modification of this Series of Notes only*

Any modification of any provision of, or any action in respect of these Conditions may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.

A "**Single Series Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 12(a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) by a majority of:

- (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or
- (B) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

A "**Single Series Written Resolution**" means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

- (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or
- (B) in the case of a matter other than a Reserved Matter more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

Any Single Series Written Resolution may be contained in one document or in several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders.

Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Noteholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

(c) *Multiple Series Aggregation – Single limb voting*

- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.
- (ii) A "**Multiple Series Single Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 12(a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).
- (iii) A "**Multiple Series Single Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation)

which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of debt securities.

- (iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be, of each other affected series of Debt Securities Capable of Aggregation.

- (v) The "**Uniformly Applicable**" condition will be satisfied if:

- (A) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms, for (i) the same new instrument or other consideration or (ii) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
- (B) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to different currency of issuance).

- (vi) It is understood that a proposal under Condition 12(c)(i) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).

- (vii) Any modification or action proposed under Condition 12(c)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 12(c) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(d) *Multiple Series Aggregation – Two limb voting*

- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt

Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.

(ii) A "**Multiple Series Two Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 12(a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:

- (A) at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
- (B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

(iii) A "**Multiple Series Two Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

- (A) at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
- (B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

(iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be, of each other affected series of Debt Securities Capable of Aggregation.

(v) Any modification or action proposed under Condition 12(d)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 12(d) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(e) *Reserved Matter:*

In these Conditions "**Reserved Matter**" means any proposal to:

- (i) change any date, or the method of determining the date, fixed for payment of principal or interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal or interest or any other amount payable on any

date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;

- (ii) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favourable to the Noteholders which are subject to the Conditions as so modified than:
 - (A) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or
 - (B) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.
- (iii) to change the definition of "debt securities" or "Debt Securities Capable of Aggregation";
- (iv) to change the definition of "Uniformly Applicable";
- (v) to change the currency in which any amount due in respect of the Notes is payable or the place of payment in which any payment in respect of the Notes is to be made;
- (vi) amend the status of Notes under Condition 1 (*Form, Denomination and Status*);
- (vii) amend the obligation of the Issuer to pay additional amounts under Condition 7 (*Taxation*);
- (viii) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 8 (*Events of Default*);
- (ix) amend the law governing the Notes, the courts to the jurisdiction to which the Issuer has submitted in the Notes, the Issuer's obligation to maintain an agent for service of process in England or the Issuer's waiver of immunity, in respect of actions or proceedings brought by any Noteholder set out in Condition 17 (*Governing Law*) and Condition 18 (*Jurisdiction*);
- (x) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;
- (xi) to impose any condition on or otherwise change the Issuer's obligation to make payments of principal, interest or any other amount in respect of the Notes, including by way of the addition of a call option;
- (xii) change the definition of "Extraordinary Resolution", "Single Series Extraordinary Resolution", "Multiple Series Single Limb Extraordinary Resolution", "Multiple Series Two Limb Extraordinary Resolution", "Written Resolution", "Single Series Written Resolution", "Multiple Series Single Limb Written Resolution" or "Multiple Series Two Limb Written Resolution" in the Conditions and/or Fiscal Agency Agreement;

- (xiii) change the definition of "outstanding" or modify Condition 12(j) (*Notes controlled by the Issuer*);
- (xiv) instruct any Noteholder or committee appointed on behalf of all Noteholders pursuant to Condition 12(e) to withdraw, settle or compromise any proceeding or claim being asserted pursuant to Condition 8 (*Events of Default*);
- (xv) confer upon any committee appointed pursuant to Condition 12(e) any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;
- (xvi) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security; or
- (xvii) amend this definition.

(f) *Information*

Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 12(b) (*Modification of this Series of Notes only*), Condition 12(c) (*Multiple Series Aggregation – Single limb voting*) or Condition 12(d) (*Multiple Series Aggregation – Two limb voting*), the Issuer shall publish in accordance with Condition 12(k) (*Aggregation Agent; Aggregation Procedures*), and provide the Fiscal Agent with the following information:

- (i) a description of the Issuer's economic and financial circumstances which are, in the Issuer's opinion, relevant to the request for any potential modification or action, a description of the Issuer's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;
- (ii) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
- (iii) a description of the Issuer's proposed treatment of securities representing External Indebtedness that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and
- (iv) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Noteholders in Condition 12(a) (*Convening Meetings of Noteholders; Conduct of meetings of Noteholders; Written Resolutions*).

(g) *Claims Valuation*

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with Condition 12(c) (*Multiple Series Aggregation – Single limb voting*) and Condition 12(d) (*Multiple Series Aggregation – Two limb voting*), the Issuer may appoint a Calculation Agent. The Issuer shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the par value of the Notes and such affected series of debt securities will be calculated. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the Notes and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

(h) *Manifest Error*

The Notes and these Conditions may, subject to the prior written approval of the Issuer, be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not material.

(i) *Noteholders' Representative Committee*

(i) *Appointment*: The Noteholders may, by a resolution passed at a meeting of Noteholders duly convened and held in accordance with the Fiscal Agency Agreement by a majority of more than 25 per cent. in aggregate principal amount of the Notes then outstanding, or by notice in writing to the Fiscal Agent signed by or on behalf of the holders of more than 25 per cent. in aggregate principal amount of the Notes then outstanding, appoint any persons as a committee to represent the interests of the Noteholders if any of the following events shall have occurred:

- (a) an Event of Default or an Event of Acceleration;
- (b) any event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 8 (*Events of Default*) become an Event of Default or an Event of Acceleration;
- (c) any public announcement by the Issuer, to the effect that the Issuer is seeking or intends to seek a rescheduling or restructuring of the Notes or any other affected series of debt securities (whether by amendment, exchange offer or otherwise); or
- (d) with the agreement of the Issuer, at a time when the Issuer has reasonably reached the conclusion that its debt may no longer be sustainable whilst the Notes or any other affected series of debt securities are outstanding.

(ii) Upon receipt of a written notice that a committee has been appointed in accordance with Condition 12(i)(i) (*Appointment*), and a certificate delivered pursuant to Condition 12(i)(v) (*Certification*), the Issuer shall give notice of the appointment of such a committee to:

- (a) all Noteholders in accordance with Condition 12(k)(vii) (*Manner of publication*); and
- (b) the holders of each affected series of debt securities in accordance with the terms and conditions of such affected series of debt securities,

as soon as practicable after such written notice and such certificate are delivered to the Issuer.

(iii) *Powers*: Such committee in its discretion may, among other things, (i) engage legal advisers and financial advisers to assist it in representing the interests of the Noteholders, (ii) adopt such rules as it considers appropriate regarding its proceedings, (iii) enter into discussions with the Issuer and/or other creditors of the Issuer, (iv) designate one or more members of the committee to act as the main point(s) of contact with the Issuer and provide all relevant contact details to the Issuer. The Issuer shall pay any reasonably incurred fees and expenses of any such committee as may be agreed with it (including, without limitation, the fees and expenses of the committee's legal advisers and financial advisers, if any) within 30 days of the delivery to the Issuer of a reasonably detailed invoice and supporting documentation.

Except to the extent provided in this Condition 12(i)(iii) (*Powers*), such committee shall not have the ability to exercise any powers or discretions which the Noteholders could themselves exercise.

(iv) *Engagement with the committee and provision of information*

The Issuer shall:

- (a) subject to Condition 12(i)(v), engage with the committee in good faith;
- (b) provide the committee with information equivalent to that required under Condition 12(f) (*Information*) and related proposals, if any, in each case as the same become available, subject to any applicable information disclosure policies, rules and regulations; and

If more than one committee has been appointed by holders of affected series of debt securities in accordance with the provisions of this Condition 12(i) (*Noteholders' Representative Committee*) and/or equivalent provisions set out in the terms and conditions of any affected series of debt securities, the Issuer shall not be obliged to engage with such committees separately. Such committees may appoint a single steering group (to be comprised of representatives from such committees), whereupon the Issuer shall engage with such steering group.

(v) *Certification*

Upon the appointment of a committee, the person or persons constituting such a committee (the "**Members**") will provide a certificate to the Issuer and to the Fiscal Agent signed by the authorised representatives of the Members, and the Issuer and the Fiscal Agent may rely upon the terms of such certificate.

The certificate shall certify:

- (i) that the committee has been appointed;
- (ii) the identity of the initial Members; and
- (iii) that such appointment complies with the terms and conditions of the relevant bond documentation.

Promptly after any change in the identity of the Members, a new certificate which each of the Issuer and the Fiscal Agent may rely on conclusively, will be delivered to the Issuer and the Fiscal Agent identifying the new Members. Each of the Issuer and the Fiscal Agent will assume that the membership of the committee has not changed unless and until it has received a new certificate.

The provisions of this Condition 12(i)(v) shall apply, *mutatis mutandis*, to any steering group appointed in accordance with Condition 12(i)(iv) (*Engagement with the committee and provision of information*).

In appointing a person or persons as a committee to represent the interests of the Noteholders, the Noteholders may instruct a representative or representatives of the committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other affected series of debt securities.

(j) *Notes controlled by the Issuer:*

For the purposes of (i) determining the right to attend and vote at any meeting of Noteholders, or the right to sign or confirm in writing, or authorize the signature of, any Written Resolution, and (ii) Condition 8 (*Events of Default*), Condition 12 (*Meetings of Noteholders; Modification*) and Schedule 4 (*Provisions for Meetings of the Noteholders*) to the Agency Agreement, any Notes which are for the time being held by or on behalf of

the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer, shall be disregarded and be deemed not to remain outstanding, (for the avoidance of doubt, such definition of outstanding applies solely for the purposes listed in this Section 12(j) where:

- (i) **"public sector instrumentality"** means any department, ministry or agency of the government of Hungary or any corporation, trust, financial institution or other entity owned or controlled by the government of Hungary or any of the foregoing; and
- (ii) **"control"** means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Note will also be deemed to be not outstanding if the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Note has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Note in accordance with its terms.

In advance of any meeting of Noteholders, or in connection with any Written Resolution, the Issuer shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to paragraph (iv) (*Certificate*) of Condition 12(k) (*Aggregation Agent; Aggregation Procedures*), which includes information on the total number of Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer and, as such, such Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Fiscal Agent shall make any such certificate available for inspection during normal business hours at its Specified Office and, upon reasonable request, will allow copies of such certificate to be taken.

(k) *Aggregation Agent; Aggregation Procedures*

- (i) *Appointment:* The Issuer will appoint an Aggregation Agent to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Notes, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions in respect of the Notes and in respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.
- (ii) *Extraordinary Resolutions:* If an Extraordinary Resolution has been proposed at a duly convened meeting of Noteholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.
- (iii) *Written Resolutions:* If a Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these

Conditions and the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

- (iv) *Certificate:* For the purposes of paragraph (ii) (*Extraordinary Resolutions*) and paragraph (iii) (*Written Resolutions*) of this Condition 12(k), the Issuer will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in paragraph (b) (*Modification of this Series of Notes only*), paragraph (c) (*Multiple Series Aggregation – Single limb voting*) or paragraph (d) (*Multiple Series Aggregation – Two limb voting*) of Condition 12 (*Meetings of Noteholders; Modification*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

- (a) list the total principal amount of Notes and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and
- (b) clearly indicate the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of paragraph (j) (*Notes controlled by the Issuer*) of Condition 12 (*Meetings of Noteholders; Modification*) on the record date identifying the holders of the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

- (v) *Notification:* The Aggregation Agent will cause each determination made by it for the purposes of this Condition 12(k) (*Aggregation Agent; Aggregation Procedures*) to be notified to the Fiscal Agent and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.
- (vi) *Binding nature of determinations; no liability:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition (*Aggregation Agent; Aggregation Procedures*) by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (vii) *Manner of publication:* The Issuer will publish all notices and other matters required to be published pursuant to the bond documentation including any matters required to be published pursuant to Condition 12 (*Meetings of Noteholders; Modification*), this Condition 12(k) (*Aggregation Agent; Aggregation Procedures*), Condition 12(i) (*Noteholders' Representative Committee*) and Condition 8 (*Events of Default*):

- (a) on www.akk.hu;

- (b) through the systems of Clearstream Banking S.A., Euroclear Bank SA/NV and DTC and/or any other international or domestic clearing system(s) through which the Notes are for the time being cleared; and
- (c) in such other places and in such other manner as may be required by applicable law or regulation.

13. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and the issue price so as to form a single series with the Notes), provided that either (i) such additional notes, for purposes of US federal income taxation (regardless of whether any holders of such notes are subject to the US federal income tax laws), are not treated as issued with original issue discount (or are issued with a *de minimis* amount of original issue discount as defined in US Treasury Regulation 1.1273-1(d)), or (ii) such additional securities are issued in a "**qualified reopening**" for US federal income tax purposes.

14. **Notices**

Notices to the Noteholders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

15. **Additional Information**

For so long as any Notes remain outstanding, the Issuer will make available to any Noteholder or beneficial owner of an interest in the Notes, or to any prospective purchasers designated by such noteholder or beneficial owner, upon request of such Noteholder or beneficial owner, information required to be delivered under paragraph (d)(4) of Rule 144A unless, at the time of such request, the Issuer is subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, or is exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act.

16. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

17. **Governing Law**

The debt obligations represented by the Notes, the Notes and any non-contractual obligations arising out of or in connection with such debt obligations and the Notes are governed by English law.

18. **Jurisdiction**

- (a) *Jurisdiction:* The Issuer agrees for the benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings ("**Proceedings**"), and to settle any dispute or difference arising out of or in connection

with the Notes, or any non-contractual obligations arising out of or in connection with them, including any question as to the existence, validity or termination of the Notes (a "**Dispute**"), which may arise out of or in connection with the Notes, or any non-contractual obligations arising out of or in connection with them, and, for such purposes, irrevocably submits to the jurisdiction of such courts.

- (b) *Appropriate forum*: The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.
- (c) *Process agent*: The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to the Embassy of Hungary in London at 35 Eaton Place, London SW1X 8BY. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of any Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.
- (d) *Non-exclusivity*: The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if, and to the extent, permitted by law.
- (e) *Consent to enforcement etc*: Subject to paragraph (f) below, the Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.
- (f) *Waiver of immunity*: To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or arbitral award, or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), the Issuer agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction, provided that (save as necessary to ensure the effectiveness of service under Condition 18(c) (*Process agent*) above) the Issuer does not waive any immunity with respect to: (i) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961; (ii) "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963; (iii) any other property or assets used solely for official non-commercial state purposes in Hungary or elsewhere; (iv) military property or military assets of Hungary related thereto; or (v) any non-transferable national assets and national assets with priority importance as defined in or in accordance with applicable Hungarian laws.

19. **Arbitration**

- (a) *Disputes may be settled by arbitration*: Without prejudice to the provisions of Condition 18 (*Jurisdiction*) above, any Noteholder may, at its discretion, refer any Dispute, to be settled by arbitration in accordance with the Arbitration Rules of the London Court of International Arbitration (the "**LCIA Rules**"), which are deemed to be incorporated by reference into this Condition 19 (and copies of which may be obtained free of charge from the Specified Office of the Paying Agent in London).
- (b) *Appointment of the arbitral tribunal*: The arbitral tribunal shall be composed of three (3) arbitrators, one of whom shall be the presiding arbitrator. The claimant(s) and the

respondent(s) shall nominate an arbitrator respectively. The third arbitrator, who shall be the presiding arbitrator, shall be nominated by the two party-nominated arbitrators within thirty (30) days of the last of their appointments.

- (c) *Place and language of the arbitration proceedings:* The place and seat of the arbitration shall be London, England and the language of the arbitral proceedings shall be English.
- (d) *The award:* All and any awards of the arbitral tribunal shall be made in writing in accordance with the LCIA Rules and shall be final and binding on the relevant parties. The parties waive any right of application to determine a preliminary point of law or appeal on a point of law under Sections 45 and 69 of the Arbitration Act 1996. If the arbitral tribunal fails to agree on any issue in the award, the arbitrators shall decide that issue by a majority. Failing a majority decision on any issue, the presiding arbitrator shall decide that issue. The final award shall be made within six (6) months from the appointment of the third arbitrator, but insofar as this is impractical it shall be made as soon as possible thereafter.
- (e) *Notice of arbitration:* In relation to any arbitration proceedings, the provisions of Condition 14 (*Notices*) shall apply in respect of this Condition 19 in addition to the notification provisions of the LCIA Rules.
- (f) *Expedition of arbitration:* The arbitral tribunal shall conduct the arbitration in accordance with the LCIA Rules and at all times in such a manner as to ensure a speedy resolution of the Dispute.

The **ISSUER** expressly agrees and consents to each of the provisions of Condition 18 (*Jurisdiction*) and Condition 19 (*Arbitration*).

Terms and Conditions of the USD 2051 Notes

The terms and conditions of the USD 2051 Notes will be identical to those described under "*Terms and Conditions of the USD 2031 Notes*" above, except that (i) use of the term the "Notes" applies only to the USD 2051 Notes and (ii) as follows:

- (a) the reference in the introductory paragraph to the "US\$2,250,000,000 2.125 per cent. Notes due 2031" shall be replaced by a reference to the "U.S.\$2,000,000,000 3.125 per cent. Notes due 2051" and references to "Notes" shall be construed accordingly;
- (b) the first paragraph of Condition 4 (*Interest*) shall be deleted and replaced with:

"The Notes bear interest from 21 September 2021 (the "**Issue Date**") at the rate of 3.125 per cent. per annum (the "**Rate of Interest**"). Interest on the Notes is payable semi-annually in arrear on 21 March and 21 September in each year (each, an "**Interest Payment Date**") from and including 21 March 2022 (the "**First Interest Payment Date**") to and including the Maturity Date."
- (c) in the third paragraph of Condition 4 (*Interest*) the first two sentences:

"The amount of interest payable on the First Interest Payment Date shall be US\$10.684 in respect of each Calculation Amount. The amount of interest payable on each Interest Payment Date (other than the First Interest Payment Date) shall be US\$10.625 in respect of each Calculation Amount."

Shall be deleted and replaced with:

"The amount of interest payable on each Interest Payment Date shall be US\$15.625 in respect of each Calculation Amount."; and
- (d) the reference in Condition 5(a) (*Redemption and Purchase – Scheduled redemption*) to "22 September 2031" shall be replaced by a reference to "21 September 2051".

Terms and Conditions of the EUR 2028 Notes

The terms and conditions of the EUR 2028 Notes will be identical to those described under "*Terms and Conditions of the USD 2031 Notes*" above, except that (i) use of the term the "Notes" applies only to the EUR 2028 Notes and (ii) as follows:

- (a) the reference in the introductory paragraph to the "US\$2,250,000,000 2.125 per cent. Notes due 2031" shall be replaced by a reference to the "EUR1,000,000,000 0.125 per cent. Notes due 2028" and references to "Notes" shall be construed accordingly;
- (b) the reference in the first paragraph of Condition 1 (*Form, Denomination and Status*) to "US\$200,000 and integral multiples of US\$1,000" shall be replaced by a reference to "EUR100,000 and integral multiples of EUR1,000";
- (c) the first paragraph of Condition 4 (*Interest*) shall be deleted and replaced with:

"The Notes bear interest from 21 September 2021 (the "**Issue Date**") at the rate of 0.125 per cent. per annum (the "**Rate of Interest**"). Interest on the Notes is payable annually in arrear on 21 September in each year (each, an "**Interest Payment Date**") from and including 21 September 2022 (the "**First Interest Payment Date**") to and including the Maturity Date."

- (d) in the third paragraph of Condition 4 (*Interest*) the first two sentences:

"The amount of interest payable on the First Interest Payment Date shall be US\$10.684 in respect of each Calculation Amount. The amount of interest payable on each Interest Payment Date (other than the First Interest Payment Date) shall be US\$10.625 in respect of each Calculation Amount."

Shall be deleted and replaced with:

"The amount of interest payable on each Interest Payment Date shall be EUR1.25 in respect of each Calculation Amount.";

- (e) the definition of Calculation Amount in Condition 4 (*Interest*) shall be replaced by reference to "EUR1,000";
- (f) in Condition 4 (*Interest*) the definitions of in respect of "Day Count Fraction", "Calculation period", "Regular Date" and "Regular Period", shall be inserted, in accordance with the following:

"Calculation Period" means the relevant period for which interest is to be calculated from (and including) the first day in such period to (but excluding) the last day in such period; and

"Day Count Fraction" means:

- (a) if the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (i) the actual number of days in such Regular Period and (ii) the number of Regular Periods in any year; and
- (b) if the Calculation Period is longer than one Regular Period, the sum of:
 - (i) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (i) the actual number of days in such Regular Period and (ii) the number of Regular Periods in any year; and
 - (ii) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (i) the actual number of days in such Regular Period and (ii) the number of Regular Periods in any year;

"Regular Date" means 21 September in any year; and

"Regular Period" means each period from (and including) any Regular Date to (but excluding) the next successive Regular Date.";

- (g) the reference in Condition 5(a) (*Redemption and Purchase – Scheduled redemption*) to the Maturity Date "22 September 2031" shall be replaced with "21 September 2028";
- (h) the reference in Condition 6 (*Payments*) to "US dollar" shall be replaced by a reference to "Euro";
- (i) the references in Condition 6(a) (*Payments – Principal*) to "that processes payments in US dollars" and in Condition 6(b) (*Payments – Interest*) to "New York City" shall each be replaced by a reference to "in a city in which banks have access to the Target System";
- (j) the reference in Condition 6(d)(i) (*Payments – Payments on business days*) to "day on which banks are open for general business" shall be replaced by "TARGET Settlement Day"; and
- (k) a new Condition 6(g) shall be inserted as follows:

"Interpretation: In these Conditions:

"TARGET2" means the Trans European Automated Real Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro;

and

"TARGET System" means the TARGET2 system.";

- (l) in second paragraph of Condition 7 (*Taxation*) the reference to "in a city on which banks have access to the TARGET System" shall be inserted immediately preceding "by the Fiscal Agent"; and
- (m) the reference in Condition 12(k)(vii) (*Meetings of Noteholders; Modification – Manner of publication*) to "Clearstream Banking S.A., Euroclear Bank SA/NV and the Depositary Trust Company" shall be replaced by "Clearstream Banking S.A. and Euroclear Bank SA/NV".

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

New Safekeeping Structure

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that ICSD Global Certificates to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

The ICSD Global Certificates are intended to be held in a manner which would allow Eurosystem eligibility – that is, in a manner which would allow such Notes to be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Clearing System Accountholders

In relation to any Notes represented by one or more Global Certificates, references in the relevant Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name the relevant Global Certificate is for the time being registered in the Register which (a) in the case of a DTC Global Certificate held by or on behalf of DTC, will be Cede & Co. as nominee for DTC or (b) in the case of any ICSD Global Certificate which is held by or on behalf of a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that common safekeeper or a nominee for that common safekeeper.

Each of the persons shown in the records of DTC, Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Certificate (each an "**Accountholder**") must look solely to DTC, Euroclear, Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under such Global Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Certificate will be determined by the respective rules and procedures of DTC, Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Certificate, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Certificate.

Transfers of Interests in Global Certificates

Transfers of interests in Global Certificates within DTC, Euroclear and Clearstream, Luxembourg or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the Issuer, the Joint Lead Managers or the Agents will have any responsibility or liability for any aspect of the records of any DTC, Euroclear and Clearstream, Luxembourg or any other relevant clearing system or any of their respective participants relating to payments made on account of beneficial ownership interests in a Global Certificate or for maintaining, supervising or reviewing any of the records of DTC, Euroclear and Clearstream, Luxembourg or any other relevant clearing system or the records of their respective participants relating to such beneficial ownership interests.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes. Consequently, the ability to transfer interests in a Global Certificate to such persons will be limited. Because clearing systems only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing systems, or otherwise take actions in respect of such interest, may be affected by the lack of an Individual Note Certificate representing such interest.

Subject to compliance with the transfer restrictions applicable to the Registered Note Certificates described under "*Transfer Restrictions*", transfers between DTC participants, on the one hand, and Euroclear or Clearstream, Luxembourg accountholders, on the other will be effected by the relevant clearing systems in accordance with their respective rules and through action taken by the DTC Custodian, the Registrar and the Transfer Agent.

On or after the issue date for any series of Notes, transfers of Notes of such series between accountholders in Euroclear and/or Clearstream, Luxembourg and transfers of Notes of such series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Transfers between DTC participants, on the one hand, and Euroclear or Clearstream, Luxembourg accountholders, on the other will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Certificates will be effected through the DTC Custodian, the Registrar and the Transfer Agent receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Registrar or the Transfer Agent, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately. The customary arrangements for delivery versus payment between Euroclear and Clearstream, Luxembourg account holders or between DTC participants are not affected.

For a further description of restrictions on the transfer of Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

Upon the issue of a Restricted Global Certificate to be held by or on behalf of Euroclear, Clearstream, Luxembourg, DTC or the DTC Custodian will credit the respective principal amounts of the individual beneficial interests represented by such Global Certificate to the account of the Euroclear, Clearstream, Luxembourg or DTC participants, as applicable. Ownership of beneficial interests in such Global Certificate will be shown on, and the transfer of such ownership will be effected only through, records maintained by Euroclear, Clearstream, Luxembourg or DTC or its nominee(s). DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Note Certificates represented by a Global Certificate held by or on behalf of DTC (including, without limitation, the presentation of such Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in such Global Certificate are credited, and only in respect of such portion of the aggregate principal amount of such Global Certificate as to which such participant or participants has or have given such direction. However, in certain circumstances, DTC will exchange the relevant Global Certificate for Individual Note Certificates (which will bear the relevant legends set out in "*Transfer Restrictions*").

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Certificates among participants and account holders of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Fiscal Agent, the Registrar, the Joint Lead Managers or the Agents will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their respective operations.

While a Global Certificate is lodged with DTC, Euroclear, Clearstream, Luxembourg or any relevant clearing system, Individual Note Certificates for the relevant series of Notes will not be eligible for clearing and settlement through such clearing systems.

Individual Note Certificates

The Global Certificate will become exchangeable in whole, but not in part, for Individual Note Certificates if (a) DTC, Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days

(other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) occurs and Hungary receives a notice in writing from a holder or holders representing more than 50 per cent. in aggregate principal amount of the outstanding Notes and/or a resolution is passed to the effect that the holder or holders representing more than 50 per cent. in the aggregate principal amount of outstanding Notes direct for the Global Certificate to be exchanged for Individual Note Certificates.

Whenever the Global Certificate is to be exchanged for Individual Note Certificates, such Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Certificate (the "**Holder**"), DTC, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Certificate at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Note Certificates have not been issued and delivered by 5.00 p.m. (London time) on the thirtieth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Certificate; or

(b) any of the Notes evidenced by the Global Certificate has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the Holder of the Global Certificate on the due date for payment in accordance with the terms of the Global Certificate,

then the Global Certificate (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the Holder will have no further rights thereunder (but without prejudice to the rights which the Holder or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of DTC, Euroclear and/or Clearstream, Luxembourg as being entitled to interests in the Notes will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Certificate became void, they had been the registered Holders of Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of DTC, Euroclear and/or (as the case may be) Clearstream, Luxembourg.

Conditions applicable to Global Certificates

Each Global Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Certificate which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Certificate, the Issuer shall procure that the payment is entered pro rata in the records of DTC, Euroclear and Clearstream, Luxembourg.

Payment on business days: if the currency of all payments made in respect of a Global Certificate is in: (i) Euro, "**business day**" means any day on which the TARGET System is open; or (ii) US dollars, "**business day**" means any day which is a day on which banks in London and New York are open for general business.

Payment Record Date: Each payment in respect of a Global Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**record date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Certificate is being held is open for business.

Notices: Notwithstanding Condition 14 (*Notices*), so long as the Global Certificate is held on behalf of DTC, Euroclear, Clearstream, Luxembourg or any other clearing system notices to Holders of Notes represented by the Global Certificate may be given by delivery of the relevant notice to DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 14 (*Notices*) on the date of delivery to DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the London Stock Exchange and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in England (which is expected to be the *Financial Times*) or published on the website of the London Stock Exchange.

DESCRIPTION OF HUNGARY

The description of the issuer is set out in the Hungary Annual Report, which has been incorporated by reference into this Offering Circular. The information included in this section supplements and should be read in conjunction with the documents incorporated by reference herein, including the Hungary Annual Report and any amendment thereto filed with the SEC on Form 18-K/A. To the extent the information in this section is inconsistent with the information contained in the Hungary Annual Report, the information in this section replaces such information. Initially capitalized terms used in this section have the respective meanings assigned to those terms in the Hungary Annual Report.

Recent Developments

Public Debt

2021 Financing Plan

According to the financing plan issued by GDMA Pte Ltd. in December 2020, the net financing need for 2021 was expected to reach HUF3,332 billion. The total amount of government debt redemptions and pre-financing in 2021 was expected to amount to HUF7,053 billion, local currency debt maturities were expected to amount to HUF4,101 billion, foreign currency debt redemptions were expected to amount to HUF935 billion, and pre-financing was expected to amount to HUF2,017 billion. For 2021, total gross issuances were expected to amount to HUF8,965 billion, and total gross issuances in foreign currency were expected to amount to HUF544 billion. HUF2,933 billion worth of government bonds denominated in local currency were expected to be offered at auctions, while another HUF1,500 billion were expected to be sold at switch auctions. Retail securities issuances were expected to amount to HUF3,355 billion, while discount treasury bills in the amount of HUF633 billion were expected to be sold at auctions.

GDMA Pte Ltd. determined the following benchmark targets for government debt management in 2021: (a) the share of the foreign currency denominated debt within the total central government debt should remain between 10 per cent. and 20 per cent., (b) foreign currency obligations after swaps should be 100 per cent. denominated in euros, with an allowance for a 5 per cent. deviation from this target, (c) within the forint-denominated debt, the share of the fixed rate elements should be between 70 per cent. and 90 per cent., and that of floating rate debt, which includes all short-term debt, between 10 per cent. and 30 per cent., (d) within the foreign currency denominated debt, the share of the fixed rate elements should be between 70 per cent. and 90 per cent., and that of floating rate debt, between 10 per cent. and 30 per cent., (e) the average time to refixing of the forint debt portfolio should exceed 4.0 years, and (f) the average term to maturity of the forint debt portfolio should exceed 4.5 years.

On 10 May 2021, GDMA Pte Ltd. issued a revised financing plan for 2021. According to the revised financing plan, the net financing need for 2021 was expected to reach HUF3,990 billion, an increase of HUF658 billion over the financing need contemplated in the prior financing. In order to cover the HUF658 billion higher net financing need, GDMA Pte Ltd. increased the planned issuances of retail securities by HUF100 billion, that of discount treasury bills by HUF111 billion and that of Hungarian Government Bonds ("HGBs") by HUF312 billion. Additionally, GDMA Pte Ltd. planned to raise an additional HUF100 billion through foreign currency financing.

GDMA Pte Ltd. holds regular domestic bond auctions based on an annual auction calendar. Primary Dealers (currently 14 foreign and local banks) are entitled to enter the primary market. In addition to BSE listing a *Mercato dei Titoli di Stato* ("MTS") trading platform is operated by GDMA Pte Ltd. and EuroMTS Limited (otherwise known as MTS Hungary, a division of MTS Cash Domestic Markets).

On 13 September 2021, GDMA Pte Ltd. announced a revised financing plan for 2021. According to the revised financing plan, the net financing need for 2021 is expected to reach HUF4,550 billion, an increase of HUF560 billion over the net financing need announced in May 2021. According to the revised financing plan, an up to EUR 4.5 billion net foreign currency bond issuance has been approved. With respect to the debt to GDP ratio, the better than expected performance of the Hungarian economy allows for additional debt issuance for the purpose of creating liquidity reserves for potential discretionary and strategic government spending and 2022 budget deficit pre-financing. According to the 13 September 2021, announcement, a foreign currency debt offering in 2021 would bridge any potential delay in the Recovery and Resilience Facility ("RRF") negotiations with the European Commission. Hungary continues to believe

that an agreement can be reached with respect to its RRF. Favourable market conditions and current yields provide for a window to come to market before central bank stimulus is reduced globally.

The foreign currency bond issuance will support the increase in the net financing requirement in 2021 and provide 2022 pre-financing of up to HUF1,000 billion. Higher than planned tax revenues will decrease financing needs by HUF 500 billion, while net EU-related cashflows (HUF200 billion), higher social expenditures (HUF150 billion) and other net discretionary expenditures (HUF710 billion) will increase the net financing requirement in 2021 leading to a net increase of HUF 560 billion. Other net discretionary expenditures include (1) further economic recovery (CAPEX) or current expenditure on disease control, (2) funding for higher education other than RRF resources and (3) potential strategic investments not yet defined.

According to the revised financing plan issued on 13 September 2021, the net financing requirement of HUF 4,550 billion is consistent with the ESA deficit of 7.5 per cent. of GDP. The revised total net financing requirement for 2021 of HUF 4,550 billion is expected to be financed by a net issuance of HUF 4,660 billion. Any net issuance exceeding the financing requirement will increase liquidity reserves. According to the September 2021 financing plan, maturities will amount to HUF5,425 billion (HUF1,196 billion HGBs, HUF658 billion Treasury Bills, HUF2,635 billion HUF retail securities, HUF5 billion HUF Loans and HUF931 billion foreign currency financing) and switches and buy-backs will amount to HUF1,874 billion (HUF1,430 billion HGB switches, HUF444 billion foreign currency and HGB buybacks). Liquidity reserves will increase by HUF 854 billion. Switch issuance will amount to HUF1,500 billion and gross issuance will amount to HUF10,459 billion. Of the HUF10,459 billion gross issuance, issuance of Hungarian Government Bonds will amount to HUF3,560 billion; Treasury Bills will amount to HUF707 billion; local currency denominated retail securities will amount to HUF3,635 billion and foreign currency financing will amount to HUF2,557 billion. In addition, HUF744 billion of 2020 FX pre-financing will add to available local resources. The originally planned domestic wholesale bond issuance plan will likely be fulfilled earlier than year-end 2021, nonetheless, the Government Debt Management Agency ("AKK") plans to continue with domestic wholesale bond auctions in the usual order to further increase liquidity reserves.

According to this revised financing plan, AKK still intends to reach the goal of HUF 11 trillion in retail government securities owned by households through 2023, doubling the 2018 outstanding stock. AKK intends to further extend the average term-to-maturity of domestic and international debt to the extent permitted by market conditions. Furthermore, AKK intends to continue to develop Hungary's ESG debt market presence through additional HUF-denominated and Asian green bond issuances.

AKK intends to continue with its previous practice of actively managing the debt maturity profile in line with previous years' practice.

According to the modified plan announced on 13 September 2021, as of 31 August 2021, HUF 2,785 billion or 82 per cent. of the HGB auction issuance target has already been reached and HUF989 billion of switch issuance had taken place. The fulfilment of the revised FX financing target as of 31 August 2021, was 7 per cent. (HUF177 billion vs. HUF2,557 billion in the financing plan announced on 13 September 2021). Total issuance stood at 56 per cent. of target (HUF5,376 billion vs. HUF9,604 billion in the modified annual plan excluding switch issuance and other non-auction issued HGBs).

Government Measures to Alleviate the Negative Impact of COVID-19 and Related Economic Shutdown

The government measures taken in 2020 to alleviate the economic impact of the pandemic amount to HUF13,970 billion, equalling 29.3 per cent. of GDP. These measures consist of pandemic measures, economic policy measures and financing measures.

Pandemic measures amount to HUF 1,027 billion, economic policy measures amount to HUF 4,740 billion and financing measures amount to HUF 8,203 billion.

Economic policy measures consist of discretionary tax and social measures and expenditure measures.

Discretionary tax and social measures amount to approximately HUF 426 billion. Discretionary tax and social measures include the 2 percentage points cut of the social security tax in the amount of HUF 160 billion; temporary cuts of certain employer and Employee taxes until June 30 in the amount of HUF 69

billion; other tax measures in the amount of HUF 185 billion; and lengthened eligibility for maternity related social transfers in the amount of HUF 11 billion.

Expenditure measures amounting to HUF 4,314 billion. Expenditure measures are financed from reallocated domestic budgetary sources in the amount of HUF 943 billion; overrun of domestic appropriations in the amount of HUF 3,088 billion; reallocated EU-co-financed expenditures in the amount of HUF 219 billion and other expenditure measures amount to HUF 64 billion.

Financing measures amount to HUF 8,203 billion. Financing measures consist of the payment moratorium in the amount of HUF 3,600 billion; new capital, guarantee and loan programs in the amount of HUF 2,103 billion; and the Funding for Growth Scheme of the central bank in the amount of HUF 2,500 billion.

The following table sets forth the government measures to alleviate the economic impact of the pandemic:

Government Measures to Alleviate the Economic Impact of the Pandemic

	Measures during 2020	
	HUF billion	per cent. of GDP ¹
Pandemic measures	1,027	2.2%
Economic policy measures	4,740	9.9%
Discretionary tax and social measures.....	426	0.9%
<i>Further 2 per cent.-points cut of the social security tax</i>	160	0.3%
<i>Temporary cuts of certain employer and employee taxes until June 30</i>	69	0.1%
<i>Other tax measures</i>	185	0.4%
<i>Lengthened eligibility for maternity related social transfers</i>	11	0.0%
Expenditure measures	4,314	9.0%
<i>To be financed from reallocated domestic budgetary sources</i>	943	2.0%
<i>To be financed from overrun of domestic appropriation</i>	3,088	6.5%
<i>To be financed from reallocated EU-co-financed expenditures</i>	219	0.5%
<i>Other expenditure measures</i>	64	0.1%
Financing measures	8,203	17.2%
Payment moratorium (total size of the measure)	3,600	7.5%
Total amount of new capital, guarantee and loan programs (up to Aug 24).....	2,103	4.4%
Central Bank's Funding for Growth Scheme	2,500	5.2%
Total	13,970	29.3%

Source: Ministry of Finance

The following table sets forth the yearly average GDP growth rate relative to the corresponding period of the previous year for Hungary and the EU and the expected GDP growth rates for Hungary and the EU for the years indicated:

GDP Growth Rate Fact and Forecast

	2012	2013	2014	For the year ended 31 December			2018	2019	2020	2021 ⁽ⁱ⁾	2022 ⁽ⁱ⁾
				2015	2016	2017					
Hungary	(1.4)	1.9	4.2	3.8	2.1	4.3	5.4	4.6	(5.0)	6.3	5.0
EU	(0.7)	0.0	1.6	2.3	2.0	2.8	2.1	1.8	(5.9)	4.8	4.5

Source: Eurostat, European Commission

Notes:

(1) 2021 Summer Forecast of the European Commission.

According to data compiled by Eurostat, the real GDP growth rate was negative and amounted to -1.4 per cent. in case of Hungary and -0.7 per cent. in case of the EU (excluding Great Britain) in 2012. In 2013, GDP grew by 1.9 per cent. in case the of Hungary and stagnated in the case of the EU. Between 2014 and 2019, GDP growth rates were positive and fluctuated between 1.9 per cent. and 5.4 per cent. in the case of Hungary and fluctuated between 1.6 per cent. and 2.8 per cent. in the case of the EU.

In 2020 GDP decreased by 5.0 per cent. in the case of Hungary compared to a 5.9 per cent. average decrease in EU countries.

According to the 2021 Summer Forecast of the European Commission, the GDP growth rate is projected to be positive and to reach 6.3 per cent. and 5.0 per cent. in the case of Hungary for the years 2021 and 2022, respectively; the GDP growth rate is forecast to be positive and to reach 4.8 per cent. and 4.5 per cent. in the case of the EU for the years 2021 and 2022, respectively.

The following table sets forth the yearly average GDP growth rate relative to the corresponding period of the previous year for selected EU member states (excluding Ireland and Malta) and the EU average for the years indicated:

GDP Growth Rates for Selected EU Member States⁽¹⁾

	For the Year ended 31 December						For the six-year period ended 31 December
	2014	2015	2016	2017	2018	2019	2019
	(per cent.)						
Romania.....	3.6	3.0	4.7	7.3	4.5	4.1	4.5
Poland.....	3.4	4.2	3.1	4.8	5.4	4.7	4.3
Hungary.....	4.2	3.8	2.1	4.3	5.4	4.6	4.1
Estonia.....	3.0	1.9	3.2	5.8	4.1	4.1	3.7
Czechia.....	2.3	5.4	2.5	5.2	3.2	3.0	3.6
Cyprus.....	-1.8	3.2	6.4	5.2	5.2	3.1	3.6
Slovenia.....	2.8	2.2	3.2	4.8	4.4	3.3	3.5
Lithuania.....	3.5	2.0	2.5	4.3	3.9	4.3	3.4
Luxembourg.....	4.3	4.3	4.6	1.8	3.1	2.3	3.4
Bulgaria.....	1.9	4.0	3.8	3.5	3.1	3.7	3.3
Slovakia.....	2.6	4.8	2.1	3.0	3.7	2.5	3.1
Latvia.....	1.1	4.0	2.4	3.3	4.0	2.0	2.8
Sweden.....	2.7	4.5	2.1	2.6	2.0	2.0	2.7
Spain.....	1.4	3.8	3.0	3.0	2.4	2.0	2.6
Croatia.....	-0.3	2.4	3.5	3.4	2.8	2.9	2.5
Denmark.....	1.6	2.3	3.2	2.8	2.0	2.1	2.3
Portugal.....	0.8	1.8	2.0	3.5	2.8	2.5	2.2
Netherlands.....	1.4	2.0	2.2	2.9	2.4	2.0	2.2
EU.....	1.8	2.3	2.0	2.6	2.0	1.7	2.1
United Kingdom.....	2.9	2.4	1.7	1.7	1.3	1.4	1.9
Germany.....	2.2	1.5	2.2	2.7	1.1	1.1	1.8
Belgium.....	1.6	2.0	1.3	1.6	1.8	1.8	1.7
Austria.....	0.7	1.0	2.0	2.4	2.6	1.4	1.7
France.....	1.0	1.1	1.1	2.3	1.9	1.8	1.5
Finland.....	-0.4	0.5	2.8	3.2	1.1	1.3	1.4
Italy.....	0.0	0.8	1.3	1.7	0.9	0.3	0.8
Greece.....	0.7	-0.4	-0.5	1.3	1.6	1.9	0.8

Source: Eurostat, European Commission

Notes:

(1) Excluding Ireland and Malta.

According to the Eurostat data, between 2014 and 2019 the GDP growth rate in Hungary fluctuated between 2.1 per cent. and 5.4 per cent.; the average annual GDP growth rate between 2014 and 2019 (calculated as the arithmetic average of the growth rates 2014, 2015, 2016, 2017, 2018 and 2019) amounted to 4.1 per cent. in case of Hungary. Between 2014 and 2019 GDP growth rate in the EU fluctuated between 1.8 per cent. and 2.6 per cent.; the average annual GDP growth rate between 2014 and 2019 amounted to 2.1 per cent. in case of the EU.

The following table sets forth selected investment projects announced between 2015 and 2020:

Table V: Selected Investments Projects announced prior to 2020

	(HUF billions)
Mercedes-Benz	490
Mol	396
Samsung SDI	390
BMW	320
SK Innovation	239
Budapest Airport	225
Audi	173
Toray Industries	128
Doosan	106
Hankook	89
Procter&Gamble	55
Wanhua	48
Rehau	47
Lufthansa	43
Richter	40
Hanon Systems	37
Arconic-Köfém	35
Becton Dickinson	34
Infineon	32
CMC	32
B. Braun Medical	31
Continental	31
Hell	30
Pepco	27
NHK Spring	26
Linamar	25
Schaeffler Savaria	24
Flex Films	23
GMD Europe	20
Valeo	19
Glaxosmithkline	18
Linamar	18
Joyson Safety Systems	16
Giant	15
Master Good	15
Dana	15
Krones AG	15
Inzi Controls	15
Conagen	15
Unilever	15
Other projects under HUF 15bn	357

Source: Ministry of Finance

Between 2015-2020, several investment announcements were made including, (a) Mercedes-Benz's announcement of investments in the amount of HUF 490 billion; (b) MOL's (Hungarian Oil and Gas Public Limited Company) announcement of investments in the amount of HUF 396 billion; and (c) Samsung SDI's announced investments in the amount of HUF 390 billion. Several other companies announced investments each exceeding the amount of HUF 15 billion. Other projects under HUF 15 billion each amounted to HUF 357 billion in total.

The following table sets forth selected investment projects announced after early 2020:

Table W: Selected Investments Projects announced after early 2020

Projects announced after early 2020	(HUF billions)
SK Innovation (battery factory)	680.0
Mercedes (press plant, electric vehicle factory)	100.0

Projects announced after early 2020	
	(HUF billions)
Vitesco (automotive electronics)	78.5
Doosan (electric battery foil factory)	75.0
Sisecam (glass industry packaging plant)	73.0
Semcorp (lithium-ion battery foil factory)	65.5
JYSK (logistics base)	63.0
Pick Szeged (new salami factory)	60.0
Rheinmetall (combat vehicle factory)	60.0
Lego (capacity expansion)	53.0
Bosch Automotive (new technologies)	52.5
Nestlé (pet food factory)	50.0
Lotte Aluminum (battery parts factory)	44.0
Dynamit Nobel Defense (military industry)	36.0
Lidl (logistics center)	35.0
Coca-Cola (capacity expansion)	30.0
Continental (vehicle electronics prod. lines)	29.2
Glencore (vegetable oil refinery)	22.2
Zalakerámia (cladding material factory)	22.0
Hanon Systems (car air conditioning system)	18.0
Unilever (packaging plant)	17.5
Chervon-Auto (car parts factory)	17.5
Metrans (rail-road logistics terminal)	15.7
Seiren (car seat cover)	15.2
Lipóti (bread factory)	15.0
Tamási Hús (bacon production capacity exp.)	14.1
Linde (industrial and medical gas factory)	14.1
Shenzhen Kedali Ind. (battery component factory)	14.1
Bosch (hand tool factory capacity exp.)	14.0
Rosenberger (electronics supplier)	13.5
Schott (pharmaceutical packaging)	13.5
Flisom (solar panel factory)	12.5
BorsodChem (nitric acid production)	12.0
Diligent (SaaS product development R&D center)	11.3
Kischemicals (pesticide plant)	11.0
Shenzhen Kedali Ind. (battery components)	11.0
Dongwha (battery electrolyte factory)	11.0
BorgWarner (production of turbochargers)	10.9
Sangsin (electric battery parts factory)	10.5
Huntsman (chemical capacity expansion)	10.0
Other projects under HUF 10.0 billion	333.4

Source: Ministry of Finance

After early 2020, SK Innovation announced investments in the amount of HUF 680 billion; Mercedes announced investments in the amount of HUF 100 billion and Vitesco announced investments in the amount of HUF 78.5 billion. Several other companies announced investments exceeding the amount of HUF 10 billion. Other projects under HUF 10 billion amounted to HUF 333.4 billion in total.

TAXATION

The following is a general discussion of certain tax consequences of the acquisition, holding and disposition of the Notes by the Holders. It does not purport to be a comprehensive description of all tax considerations, and, in particular, does not consider any specific facts or circumstances that may apply to a particular Holder. This summary is based on the laws of Hungary and the United States currently in force and as applied on the date of this offering circular which are subject to change, possibly with retroactive effect.

Prospective Holders are advised to consult their own tax advisers as to the tax consequences of the acquisition, ownership and disposition of the Notes, including the effect of any state or local taxes, under the tax laws of Hungary and each country where they are tax residents.

Non-Hungarian Tax Residents

Private individual Holders

The interest paid by the Issuer upon the Notes to a non-Hungarian tax resident private individual Holder can only be subject to 15 per cent withholding tax in Hungary, if the disburser (such as the Paying Agent) of the interest (proceeds) is a tax resident in Hungary, in which case it is obliged to assess, withhold, pay and report this tax liability to the Hungarian Tax Authority, if any. In the absence of a Hungarian paying agent withholding the tax, the Holder himself must assess, file a tax return on, and pay the applicable tax in Hungary.

The provisions of any applicable tax convention may exempt the Holder from the withholding tax or may reduce its rate. Holders claiming exemption from withholding tax or the application of a reduced withholding tax rate are required to furnish the paying agent with a certificate of their tax residence and a declaration of beneficial ownership. Tax withheld by the paying agent in excess of the rate allowed by the applicable double tax convention can be reimbursed by the Hungarian tax authority at the request of the Holder.

Holders other than private individuals

A non-Hungarian tax resident holder other than a private individual is not subject to tax in Hungary with respect to any income resulting from the acquisition, holding, redemption or sale of the Notes, provided that it does not have a permanent establishment in Hungary to which such transaction with the Notes can be related.

Hungarian Tax Residents

Individual holders

The income of a Hungarian tax resident private individual Holders, arising from the acquisition, holding, redemption or sale of the Notes and qualifying as interest income in accordance with the provisions of Act CXVII of 1995 on Personal Income Tax, is subject to personal income tax in Hungary at the rate of 15 per cent. Preferential tax rate or tax exemption is available for long-term investments, subject to specific conditions laid down by the applicable laws.

Holders other than private individuals

The income of Hungarian tax resident entities (companies, partnerships and any other business entities) arising from the acquisition, holding, redemption or sale of the Notes is subject to corporate income tax in Hungary at the rate of 9 per cent in accordance with the provisions of Act LXXXI of 1996 on Corporate Income Tax and Dividend Tax (unless that entity has opted for a special tax regime available to such entity).

Transfer Tax

The receipt of the Notes is subject to Hungarian transfer tax when the Notes are transferred gratuitously (by way of gift or otherwise for no consideration) and delivered in Hungary. The general rate of transfer tax is 18 per cent.

Inheritance of the Notes is exempt from inheritance tax in Hungary.

United States Federal Income Taxation

The following summary describes certain material U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes acquired pursuant to this offering. This summary is based on the provisions of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), the regulations promulgated thereunder by the U.S. Department of the Treasury (the "**Treasury Regulations**"), and rulings and decisions interpreting the Code, each as in effect as of the date of this offering circular. All of these authorities may be repealed, revoked or modified at any time, possibly with retroactive effect. No assurances can be given that any changes in these authorities will not affect the accuracy of the discussions set forth in this summary. The Issuer has not sought any ruling from the U.S. Internal Revenue Service (the "**IRS**") with respect to the statements made and the conclusions reached in this summary, and there can be no assurance that the IRS or the courts will agree with all of such statements and conclusions.

This summary addresses only beneficial owners that hold a Note as a capital asset for U.S. federal income tax purposes (generally, property held for investment). This summary does not purport to discuss all aspects of U.S. federal income taxation that may be relevant to a particular investor in light of that investor's individual circumstances, such as investors whose functional currency for U.S. federal income tax purposes is not the US dollar or certain types of investors subject to special tax rules (e.g., financial institutions, insurance companies, dealers in securities or currencies, certain securities traders, banks, regulated investment companies, real estate investment trusts, persons subject to special tax accounting rules under Section 451(b) of the Code, partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes, persons holding the Notes through partnerships or other pass-through entities, pension plans, tax-exempt organizations and investors holding Notes as a position in a "straddle," "conversion transaction" or "constructive sale" transaction). In addition, this summary does not discuss the U.S. federal estate and gift tax, alternative minimum tax consequences or any non-U.S., U.S. state, or U.S. local tax considerations.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the Notes, the U.S. federal income tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Holders of Notes that are partnerships and partners in such partnerships should consult their own tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of Notes.

The Issuer expects, and the remainder of this summary assumes, that the Notes will not be issued with more than de minimis "original issue discount" for U.S. federal income tax purposes.

This summary is for general informational purposes only. Prospective purchasers of Notes should consult their own tax advisors concerning the U.S. federal income tax consequences of the purchase, ownership and disposition of Notes in light of their particular circumstances, as well as the effect of any relevant U.S. state, U.S. local, non-U.S. or other tax laws.

Deemed Taxable Exchange

A change made to the terms of the Notes pursuant to the "collective action clauses" may give rise to a deemed taxable exchange of the Notes for U.S. federal income tax purposes upon which gain or loss is realized if such change constitutes a "significant modification" (as defined in the Code) (a "Significant Modification"). Such gain or loss would generally be measured by the difference between the fair market value of the Note after the Significant Modification and the holder's tax basis in such Note before the Significant Modification. A modification of a Note that is not a Significant Modification does not create a deemed exchange for U.S. federal income tax purposes. Under applicable Treasury Regulations, the modification of a Note is a Significant Modification if, based on all of the facts and circumstances and taking into account all modifications of the Note collectively (other than modifications that are subject to special rules), the legal rights or obligations that are altered and the degree to which they are altered are "economically significant." The applicable Treasury Regulations also provide specific rules to determine whether certain modifications, such as a change in the timing of payments, are significant. See the discussion under "Terms and Conditions — Meetings of Noteholders; Modification" for more information about potential amendments of certain key terms of the Notes.

U.S. Holders

The following discussion applies to you if you are a "U. S Holder." A person is a "U.S. Holder" if the person is a beneficial owner of a Note and is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States,
- a corporation or other entity treated as a corporation created or organized in or under the laws of the United States or any state thereof or the District of Columbia,
- an estate whose income is subject to U.S. federal income taxation regardless of its source, or
- a trust (A) if a U.S. court can exercise primary jurisdiction over the trust's administration and one or more "United States persons" as defined in the Code (each a "U.S. Person") have authority to control all substantial decisions of the trust, or (B) that was in existence on 20 August 1996 and has made a valid election under applicable Treasury Regulations to be treated as a U.S. trust.

If you are not a U.S. Holder, this discussion does not apply to you and you should refer to "*Non-U.S. Holders*" below.

Payments of Interest and Additional Amounts. Payments or accruals of stated interest on a Note generally will be taxable to a U.S. Holder as ordinary income at the time they are received or accrued, depending on the U.S. Holder's regular method of tax accounting. In addition to interest on a Note, a U.S. Holder will be required to include any tax withheld from the interest payment as ordinary income, even though such U.S. Holder did not in fact receive it, and any additional amounts paid in respect of such tax withheld.

Interest (and any additional amounts paid in respect of tax withheld) on the Notes will constitute income from sources outside the United States. Under the U.S. "foreign tax credit" rules, that interest generally will, depending on a U.S. Holder's circumstances, be classified as "passive" or another category of income, which may be relevant in computing the U.S. "foreign tax credit" allowable to a U.S. Holder under the U.S. federal income tax laws.

With respect to the EUR 2028 Notes, a U.S. Holder that uses the cash method of accounting for U.S. federal income tax purposes, will be required to include in income the U.S. dollar value of the Euro interest, translated at the spot rate of exchange on the date of receipt, whether or not the Euro is converted into U.S. dollars.

With respect to the EUR 2028 Notes, a U.S. Holder that uses an accrual method of accounting for U.S. federal income tax purposes may determine the amount of income recognized with respect to an interest payment by using one of two methods. Under the first method, a U.S. Holder will accrue interest income on a Note in Euros and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period or, with respect to an interest accrual period that spans two taxable years, at the average exchange rate for the portion of the period within the taxable year. Alternatively, such U.S. Holder may elect to translate all interest income on the notes at the spot rate in effect on the last day of the accrual period in the taxable year or, with respect to an interest accrual period that spans two taxable years, at the spot rate on the last day of the portion of the period within the taxable year. Additionally, under this second alternative, such U.S. Holder may translate the Euro interest accrued into U.S. dollars on the date the interest payment is received if that date is within five business days of the end of the accrual period. If made, this election must be applied consistently to all debt instruments held at the beginning of the first taxable year to which the election applies and to all debt instruments subsequently acquired. The election cannot be changed without the consent of the IRS. A U.S. Holder that uses the accrual method of accounting will recognize foreign currency gain or loss on the receipt of an interest payment (including, on the sale or other disposition of a note, a payment attributable to accrued but unpaid interest) to the extent the spot rate of exchange on the date the payment is received differs from the rate applicable to a previous accrual of that income as determined above. Such foreign currency gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income received on a Note.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of a Note. A U.S. Holder generally will recognize gain or loss upon the sale, exchange, retirement, redemption or other taxable disposition of a Note in an amount equal to the difference between the amount realized upon that sale, exchange, retirement, redemption or other taxable disposition (other than amounts representing accrued and unpaid interest, which, will be taxed as such to the extent not previously included in income) and the U.S. Holder's adjusted tax basis in the Note. The "amount realized" is generally the sum of cash plus the fair market value of any property received upon the sale, exchange, retirement, redemption or other taxable disposition of a Note. A U.S. Holder's "adjusted tax basis" in a Note generally will equal the U.S. Holder's initial investment in the Note. Subject to the discussion below of foreign currency gain or loss, such gain or loss generally will be capital gain or loss and will be long-term gain or loss if the Note was held for more than one year. Under current U.S. federal income tax law, net long-term capital gains of non-corporate U.S. Holders may be taxed at lower rates than items of ordinary income. The ability of a U.S. Holder to offset capital losses against ordinary income is limited. Any capital gain or loss recognized on the sale, exchange, retirement, redemption or other taxable disposition of a Note generally will be treated as income or loss from sources within the United States for U.S. "foreign tax credit" limitation purposes.

If a Note is sold or retired for an amount in foreign currency, the amount realized will be the U.S. dollar value of such amount on the date such Note is disposed of or retired, except that in the case of a Note that is traded on an established securities market (within the meaning of the applicable Treasury Regulations), if the U.S. Holder is a cash basis taxpayer, or an accrual basis taxpayer that so elects, the U.S. Holder will determine the amount realized based on the U.S. dollar value of the foreign currency on the settlement date of the sale. With respect to the EUR 2028 Notes, a U.S. Holder's "adjusted tax basis" in the note will equal the U.S. dollar amount of the Euro amount that it paid for the Note and decreased (but not below zero) by any additional amounts received with respect to tax withheld on the Note. The U.S. dollar amount that is actually paid for a Note may differ from the amount determined under the preceding sentence, since the U.S. dollar purchase price will be determined using a currency exchange rate determined as of the pricing date, rather than the settlement date. A U.S. Holder may recognize U.S. source foreign currency gain or loss in an amount equal to such difference.

With respect to the EUR 2028 Notes, a U.S. Holder must treat any portion of the gain or loss recognized on the sale, exchange, retirement, redemption or other taxable disposition of a Note as ordinary income to the extent that gain or loss is attributable to changes in the exchange rate between the U.S. dollar and the Euro. Gain or loss attributable to changes in such exchange rate will equal the difference between (i) the U.S. dollar value of the principal amount of the Note determined on the date the payment is received or the Note is disposed of, and (ii) the U.S. dollar value of the principal amount of the note determined on the date the Note was acquired. Such gain or loss, however, will be taken into account only to the extent of the total gain or loss realized on the sale, exchange, retirement, redemption or other taxable disposition. For purposes of the foregoing, generally the principal amount of a Note is the purchase price in Euros on the date such Note was acquired or disposed, as applicable. Foreign currency losses in excess of US\$50,000 may result in a reporting requirement. U.S. Holders should consult their own tax advisors regarding foreign currency losses on the sale, exchange, retirement, redemption or other taxable disposition of the EUR 2028 Notes.

Medicare Tax. A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8 per cent. Medicare tax on the lesser of (i) the U.S. Holder's "net investment income" (or, in the case of an estate or trust, the "undistributed net investment income") for the relevant taxable year and (ii) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). A U.S. Holder's net investment income generally will include its interest income and its net gains from the disposition of the Notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). U.S. Holders should consult their own tax advisors regarding the applicability of the Medicare tax to the income and gains in respect of their investment in the Notes.

Information with Respect to Foreign Financial Assets.

Owners of "specified foreign financial assets" with an aggregate value in excess of US\$50,000 on the last day of the taxable year, or US\$75,000 at any time during the taxable year (or, in some circumstances, a higher threshold) may be required to file information reports with respect to such assets with their U.S. federal income tax returns. "Specified foreign financial assets" may include financial accounts maintained

by non-U.S. financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts that have non-U.S. issuers or counterparties, and (iii) interests in non-U.S. entities. The Notes may be treated as specified foreign financial assets and you may be subject to this information reporting regime. Failure to file information reports may subject you to penalties. U.S. Holders should consult their own tax advisors regarding the application of this reporting requirement to their ownership of Notes.

Non-U.S. Holders

The following discussion applies to you if you are a beneficial owner of a Note and you are not a partnership for U.S. federal income tax purposes or a "U.S. Holder" as defined above (a "Non-U.S. Holder").

Payments of Interest and Additional Amounts. Subject to the discussion of backup withholding below, payments of interest and any additional amounts paid with respect to tax withheld on the Notes generally will not be subject to U.S. federal income tax, including withholding tax, if paid to a Non-U.S. Holder, unless the interest is "effectively connected" with such Non-U.S. Holder's conduct of a trade or business within the United States (and in addition, if such Non-U.S. Holder is claiming benefits under an applicable income tax treaty, the interest is attributable to a permanent establishment or fixed base (in each case, within the meaning of such treaty) maintained by such Non-U.S. Holder within the United States). In that case, the Non-U.S. Holder generally will be subject to U.S. federal income tax in respect of such interest in the same manner as a U.S. Holder, as described above (unless the interest is excluded under an applicable tax treaty). A Non-U.S. Holder that is classified as a corporation for U.S. federal income tax purposes may, in certain circumstances, also be subject to an additional U.S. "branch profits tax" in respect of any such "effectively connected" interest income.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of a Note. Subject to the discussion below of backup withholding, a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on any gain realized on the sale, exchange, retirement, redemption or other disposition of a Note unless: (1) the gain is "effectively connected" with the conduct by such Non-U.S. Holder of a trade or business within the United States (and in addition, if such Non-U.S. Holder is claiming benefits under an applicable income tax treaty, the gain is attributable to a permanent establishment or fixed base (in each case, within the meaning of such treaty) maintained by such Non-U.S. Holder in the United States), or (2) such Non-U.S. Holder is a non-resident alien individual, who is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met.

Non-U.S. Holders who are described under (1) above generally will be subject to U.S. federal income tax on such gain in the same manner as a U.S. Holder and, if the Non-U.S. Holder is classified as a corporation for U.S. federal income tax purposes, such Non-U.S. Holder may also be subject to the U.S. "branch profits tax" as described above under "—Payments of Interest and Additional Amounts." Non-U.S. Holders described under (2) above generally will be subject to a 30 per cent. U.S. federal tax on the gain derived from the sale, exchange, retirement, redemption or other disposition of a Note, which may be offset by certain U.S.-source capital losses (notwithstanding the fact that such Non-U.S. Holder is not considered a U.S. resident for U.S. federal income tax purposes). Any amount attributable to accrued but unpaid interest on the Notes generally will be treated in the same manner as payments of interest, as described above under "—Payments of Interest and Additional Amounts."

Backup Withholding and Information Reporting

If you are a U.S. Holder, and unless you prove that you are exempt, information reporting requirements generally will apply to payments of principal and interest and any additional amounts paid with respect to tax withheld on the Notes made to you if such payments are made within the United States. Such payments will be considered made within the United States if they are transferred to an account maintained in the United States or mailed to a United States address, and the amount is paid by or through a custodian or nominee that is a "U.S. Controlled Person," as defined below. Further, if you are a U.S. Holder, and unless you prove that you are exempt, backup withholding will apply to such payments if (i) you fail to provide an accurate taxpayer identification number, (ii) in the case of interest payments, you fail to certify that you are not subject to backup withholding, or (iii) you are notified by the IRS that you have failed to report all interest and dividends required to be shown on your U.S. federal income tax returns.

If you are a Non-U.S. Holder, you generally are exempt from these backup withholding and information reporting requirements (assuming that the gain or income otherwise is exempt from U.S. federal income tax), but you may be required to comply with certification and identification procedures in order to prove your eligibility for exemption. The payment of proceeds of a sale or redemption of the Notes effected at the U.S. office of a broker generally will be subject to the information reporting and backup withholding rules, unless you establish an exemption. In addition, the information reporting rules will apply to payments of proceeds of a sale or redemption effected at a non-U.S. office of a broker that is a "U.S. Controlled Person," as defined below, unless the broker has documentary evidence that the holder or beneficial owner is not a U.S. Person (and has no actual knowledge or reason to know to the contrary) or the holder or beneficial owner otherwise establishes an exemption.

As used herein, the term "U.S. Controlled Person" means a broker that is, for U.S. federal income tax purposes:

- a U.S. Person;
- a "controlled foreign corporation";
- a non-U.S. person 50 per cent. or more of whose gross income is "effectively connected" with the conduct of a U.S. trade or business for a specified three-year period; or
- a non-U.S. partnership in which U.S. Persons hold more than 50 per cent. of the income or capital interests or which is engaged in the conduct of a U.S. trade or business.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a holder of a Note generally will be allowed as a credit or refund against such holder's U.S. federal income tax liability as long as such holder provides the required information to the IRS in a timely manner.

United Kingdom Taxation

The comments below are of a general nature based on current United Kingdom law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs) as at the date of this Offering Circular and are not intended to be exhaustive. They relate only to the United Kingdom withholding tax treatment of interest payable on the Notes, certain rules relating to the provision of information and the United Kingdom stamp duty and stamp duty reserve tax position on issue and transfer of a Note. They do not deal with any other United Kingdom tax implications of acquiring, holding or disposing of Notes, and relate only to the position of investors who are the absolute beneficial owners of the Notes. They assume that Hungary does not act through a permanent establishment in the United Kingdom in relation to the Notes. Any holders of Notes who are in doubt as to their own tax position should consult their professional advisers.

Interest on the Notes

On the basis that interest on the Notes is not expected to have a United Kingdom source, interest on the Notes will be payable without withholding or deduction for or on account of United Kingdom tax.

SUBSCRIPTION AND SALE

BNP Paribas, Citigroup Global Markets Europe AG, Goldman Sachs Bank Europe SE and J.P. Morgan AG (together the "**Joint Lead Managers**") have, in a subscription agreement dated 17 September 2021 (the "**Subscription Agreement**") and made between the Hungary and the Joint Lead Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe and pay for: (i) the USD 2031 Notes at their issue price of 98.629 per cent. of their principal amount; (ii) the USD 2051 Notes at their issue price of 95.873 per cent. of their principal amount; and (iii) the EUR 2028 Notes at their issue price of 98.611 per cent. of their principal amount, in each case less a combined management and underwriting fee. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

This Offering Circular does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the potential offering be made by a licensed broker or dealer and any underwriter or any affiliate of any underwriter is a licensed broker or dealer in that jurisdiction, any offering shall be deemed to be made by the underwriter or such affiliate on behalf of Hungary in such jurisdiction.

The Subscription Agreement provides that the obligations of the Joint Lead Managers to pay for and accept delivery of the Notes is subject to, among other conditions, the delivery of certain assurances by Hungary and the delivery of legal opinions by Hungary's and the Joint Lead Managers' counsel.

Hungary has agreed in the Subscription Agreement to indemnify the Joint Lead Managers against certain liabilities, including certain liabilities under the Securities Act.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the Notes are being offered, sold or delivered only: (a) outside the United States in offshore transactions in reliance on Regulation S and (b) in the United States only to QIBs in connection with resales by the Joint Lead Managers, in reliance on, and in compliance with, Rule 144A. In addition, until 40 days after the commencement of the offering, an offer or sale of any of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if the offer or sale is made otherwise than in accordance with Rule 144A.

United Kingdom

Each Joint Lead Manager has further represented, warranted and undertaken that each Joint Lead Manager represents, warrants and undertakes to Hungary that it:

- (a) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) (the "**FSMA**") received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hungary

This Offering Circular has not been and will not be submitted to the National Bank of Hungary acting as financial supervisory authority and the Notes will not be offered in Hungary in a public offer or a private placement as defined in the Act No. CXX of 2001 on the Capital Markets. Each Joint Lead Manager has confirmed its awareness of the above and has represented and warranted that it has not offered or sold and undertaken that it will not offer or sell the Notes in Hungary in a public offer or private placement and will not offer the Notes for sale to the general public in Hungary, nor distribute the Offering Circular or any other material relating to the Notes in Hungary.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

General

No action has been or will be taken in any jurisdiction by Hungary or the Joint Lead Managers that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Circular comes are required by Hungary and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

OFFICIAL STATEMENTS OR DOCUMENTS

The information set forth herein and in the documents incorporated by reference relating to Hungary has been reviewed by Mr. Mihály Varga in his official capacity as the Minister of Finance, being the Minister responsible for Public Finances, and is included herein on his authority.

The financial and statistical information for which the NBH has been cited as the source was provided by the NBH. The financial and statistical information for which the Ministry of Finance is cited as the source was provided by the Ministry of Finance of Hungary. The financial and statistical information for which the Government Debt Management Agency Private Company Limited by Shares is cited as the source was provided by the Government Debt Management Agency Private Company Limited by Shares.

TRANSFER RESTRICTIONS

Due to the following significant transfer restrictions applicable to the Notes, investors are advised to consult legal counsel prior to making any reoffer, resale, pledge, transfer or disposal of the Notes.

The Notes have not been registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the Notes are being offered and sold (1) in the United States only to persons reasonably believed to be QIBs in reliance on, and in compliance with, Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and (2) outside the United States in offshore transactions in reliance on Regulation S.

Rule 144A Notes

Each purchaser of Rule 144A Notes, by accepting delivery of this Offering Circular and the Rule 144A Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) the purchaser (a) is a QIB, (b) is acquiring the 144A Notes for its own account or for the account of one or more QIBs and (c) is aware, and each beneficial owner of such Notes has been advised, that the sale of the Notes to it is being made in reliance on Rule 144A;
- (ii) the Rule 144A Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (d) to the Issuer or an affiliate thereof, or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States and it will, and each subsequent holder of the Rule 144A Notes is required to, notify any purchaser of the Rule 144A Notes from it of the resale restrictions on the Rule 144A Notes;
- (iii) the purchaser understands that the Rule 144A Notes (to the extent they are in certificated form) will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "QIB") THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER ("RULE 144"), IF AVAILABLE, (D) TO THE ISSUER OR AN AFFILIATE THEREOF, OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR REALES OF THE NOTES.

- (iv) it understands that the Issuer, the Joint Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and

agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Rule 144A Notes is no longer accurate, it shall promptly notify the Issuer and the Joint Lead Managers; and

- (v) if it is acquiring any Notes for the account of one or more QIBs, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of Regulation S Notes, by accepting delivery of this Offering Circular and the Regulation S Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) it is, or at the time the Regulation S Notes are purchased will be, the beneficial owner of such Notes and it is located outside the United States (within the meaning of Regulation S); and it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;
- (ii) the Regulation S Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and that it will not offer, sell, pledge or otherwise transfer Regulation S Notes except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account, or for the account of one or more QIBs or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States; and
- (iii) it understands that the Issuer, the Joint Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Regulation S Notes is no longer accurate, it shall promptly notify the Issuer and the Joint Lead Managers.

CLEARING AND SETTLEMENT ARRANGEMENTS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. Neither the Issuer nor the Joint Lead Managers takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer and any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Clearing Systems

Euroclear and Clearstream, Luxembourg

As a bank, Clearstream is subject to regulation by the Luxembourg Commission for Supervision of the Financial Sector, also known as the *Commission de Surveillance du Secteur Financier*, and the Luxembourg Central Bank.

The Euroclear System is owned by Euroclear Clearance System Public Limited Company and operated through a licence agreement by Euroclear Bank SA/NV, a bank incorporated under the laws of Belgium. Euroclear is regulated and examined by the Belgian Banking and Finance Commission and the National Bank of Belgium. Securities clearance accounts and cash accounts with Euroclear are governed by the terms and conditions governing the use of Euroclear, the related operating procedures of the Euroclear system and applicable Belgian law (collectively, the "**Euroclear Terms and Conditions**"). The Euroclear Terms and Conditions govern transactions of securities and cash within Euroclear, withdrawal of securities and cash from the system, and receipts of payments with respect to securities in the system. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Euroclear Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Distributions of principal and interest (if any) with respect to book-entry interests in the Notes held through Euroclear and Clearstream will be credited, to the extent received by the Fiscal Agent, to cash accounts of Euroclear and Clearstream participants in accordance with the relevant system's rules and procedures.

DTC

DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" within the meaning of the Banking Law of the State of New York, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the State of New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the U.S. Exchange Act. DTC was created to hold securities for its participants ("**DTC Participants**") and to facilitate the clearance and settlement of securities transactions between DTC Participants through electronic book entries, thereby eliminating the need for the physical movement of certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organisations. Indirect access to the DTC system also is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("**Indirect DTC Participants**"). DTC is owned by a number of its participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Investors who are not DTC Participants may beneficially own securities held by or on behalf of DTC only through DTC Participants.

Holders of book-entry interests in the Notes holding through DTC will receive, to the extent received by the Fiscal Agent, all distributions of principal and interest (if any) with respect to book-entry interests in the Notes from the Fiscal Agent through DTC. Distributions in the United States will be subject to the relevant United States tax laws and regulations.

VALIDITY OF THE NOTES

The validity of the Notes will be passed upon on behalf of Hungary by Dr. Zsolt Szita Law Office, Hungarian counsel to Hungary and by Arnold & Porter Kaye Scholer (UK) LLP, U.K. counsel to Hungary. The validity of the Notes will be passed upon on behalf of the Joint Lead Managers by Lakatos, Köves and Partners Law Firm, Hungarian counsel to Hungary and by Clifford Chance LLP, U.K. counsel to the Joint Lead Managers.

GENERAL INFORMATION

1. **Authorisation**

The creation and issue of the Notes has been authorised by the Minister of Finance of Hungary in accordance with Act XC of 2020 on the central budget of Hungary for the year 2021, paragraph 2 of Section 5 of Act CXCV of 2011 on Public Finances and point a) of paragraph 1 of Section 13 of Act CXCV of 2011 on Economic Stability of Hungary (the "**Authorisation**").

2. **Litigation**

There are no litigation or arbitration proceedings against or affecting Hungary or any of its assets, nor is Hungary aware of any pending or threatened proceedings, which are or might be material in the context of the issue of the Notes.

3. **Material Change**

Save as disclosed in this Offering Circular, or in the documents incorporated by reference herein, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) or general affairs of Hungary since 31 December 2020 that is material in the context of the issue of the Notes.

4. **Documents available for inspection**

For so long as any of the Notes are outstanding, copies of the following documents may be inspected (and in the case of (a), are obtainable) during normal business hours at the Specified Office of each Paying Agent:

- (a) this Offering Circular;
- (b) the Fiscal Agency Agreement;
- (c) the Deed of Covenant; and
- (d) the Authorisation.

5. **Notes**

The Notes and any coupons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Note or coupon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note or coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

6. **Enforceability of Judgments**

Under Act XXVIII of 2017 on International Private Law, the parties may freely agree on a choice of a non-Hungarian jurisdiction and of foreign law in commercial matters provided that there is a foreign element in their legal relationship. The agreed courts have exclusive jurisdiction, unless otherwise provided by the parties.

Under Hungarian law, a judgment of a court established in a country other than Hungary may be enforced in the Hungarian courts, if: (i) the jurisdiction of the foreign court is legitimate under the rules of jurisdiction of Hungarian law; (ii) the decision is final under the foreign law under which it was made; (iii) there is reciprocity between Hungary and the state of the foreign court; and that (a) such judgment does not contravene the basic principles of public policy in Hungary; (b) the losing party or its representative had proper or timely notice of the proceedings; (c) the proceedings in which the judgment was made did not seriously breach general principles of Hungarian procedural rules; (d) litigation between the same parties involving the same dispute was not

commenced in Hungary prior to the initiation of the foreign litigation; and (e) Hungarian courts have not already determined the matter (*res judicata*). However, Hungarian courts must recognise and enforce judgments of a foreign court chosen by the parties in a commercial matter (in Hungarian: *vagyonyjogi határozat*) even if there is no reciprocity between Hungary and the state of the foreign court, provided that the choice of forum by the parties is valid under Hungarian law.

The United Kingdom left the European Union on 31 December 2020. Currently there is no agreement governing the relationship between the United Kingdom and the EU with respect to the enforcement of foreign judgments. Accordingly, from 1 January 2021, the United Kingdom is considered as a third country for the purposes of Hungarian law and the enforcement regime outlined above, set forth in Act XXVIII of 2017 on International Private Law, applies.

It should also be noted that Hungary is a party to the New York Convention on the Recognition and the Enforcement of Arbitration Awards, dated 10 June 1958, and therefore the recognition and enforcement of the arbitration awards obtained by a Noteholder in a country being a party to such treaty is possible in Hungary on the basis of and subject to the conditions set out in that treaty. No award will be recognised and enforced however, if the provisions therein are contrary to Hungarian public policy.

7. **ISIN, Common Code and CUSIP**

The Notes have been accepted for clearance through DTC, Euroclear and Clearstream, Luxembourg, as applicable.

USD 2031 Notes

The ISIN of the Unrestricted Global Certificate is XS2388586401 and the Common Code for the Unrestricted Global Certificate is 238858640.

The ISIN of the Restricted Global Certificate is US445545AM86, the Common Code for the Restricted Global Certificate is 238225361 and the CUSIP for the Restricted Global Certificate is 445545 AM8.

USD 2051 Notes

The ISIN of the Unrestricted Global Certificate is XS2388586583 and the Common Code for the Unrestricted Global Certificate is 238858658.

The ISIN of the Restricted Global Certificate is US445545AN69, the Common Code of the Restricted Global Certificate is 238225213 and the CUSIP for the Restricted Global Certificate is 445545 AN6.

EUR 2028 Notes

The ISIN of the Unrestricted Global Certificate is XS2386583145 and the Common Code for the Unrestricted Global Certificate is 238658314.

The ISIN of the Restricted Global Certificate is XS2386578814 and the Common Code for the Restricted Global Certificate is 238657881.

The CFI and FISN Codes in respect of the Notes shall be as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN Code.

8. **The Legal Entity Identifier**

The Legal Entity Identifier (LEI) Code of the Issuer is 5299003F3UFGCCMAP43.

THE ISSUER

**HUNGARY as represented by the Government Debt
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