

Appendix 3: Information on the K&H Széchenyi Recreation Card Service

1. Scope and effect

This document constitutes an integral and inseparable part of the contract concluded by and between the Employer and K&H Csoportszolgáltató Központ Korlátolt Felelősségű Társaság on the issuance of K&H Széchenyi Recreation Cards (hereinafter: the **Contract**). This document and any future versions shall remain in effect as long as the Contract.

2. Definitions

Institution: a company authorised to issue Széchenyi Recreation Cards according to Government Decree 55/2011 (IV.12.) (hereinafter: Government Decree). In the context of this document, the Institution shall be **K&H Csoportszolgáltató Központ Korlátolt Felelősségű Társaság** (seat: 1095 Budapest, Lechner Ödön fasor 9, corporate registration number: Cg. 01-09-671000, hereinafter: **K&H** or the **Institution**).

K&H Széchenyi Recreation Card (hereinafter: K&H SZÉP Card): an electronic voucher issued as a plastic card with unique personification; the form of support stipulated in 71. § (1) c) and (6) f) of Act CXVII of 1995 on the personal income tax (hereinafter: PIT Act).

K&H Bank: K&H Bank Zrt., commissioned by the Institution (seat: 1095 Budapest, Lechner Ödön fasor 9., corporate registration number: 01-10-041043); a company participating in the issuance and usage of K&H SZÉP Cards in the interest and to the benefit of the Institution.

Service Provider (K&H SZÉP Card merchant): a natural person, legal person or business organisation with no legal personality that has concluded a contract with the Institution on the acceptance of K&H SZÉP Cards, and accepts such cards as payment for its services.

Service: the service activities for which SZÉP Card may be accepted, as identified in the effective Government Decree and listed below, together with the assignment of such services to the sub-account to be debited:

- a) services charged to the **accommodation sub-account** stipulated in 71. § (1) c) ca) of the PIT Act
 - aa) accommodation services (within TEÁOR'08 55.10., 55.20., 55.30., 55.90.: boarding houses)
 - ab) domestic tour operators (within TEÁOR'08 79.12.: sale of domestic package tours)
- b) services charged to the **catering sub-account** stipulated in 71. § (1) c) cb) of the PIT Act
 - ba) restaurant and off-site catering (TEÁOR'08 56.10.)
 - bb) other catering (TEÁOR'08 56.29.)
 - bc) accommodation services (within TEÁOR'08 55.10., 55.20., 55.30., 55.90.: boarding houses)
- c) charged to the **leisure time sub-account** stipulated in 71. § (1) c) cc) of the PIT Act
 - ca) other human health care provision (within TEÁOR'08 86.90: services of physiotherapists, dental hygienists, diagnostic imaging centres, pre-natal care and other human health services not classified elsewhere)
 - cb) performing arts (TEÁOR'08 90.01.)
 - cc) museums (TEÁOR'08 91.02.)
 - cd) botanical and zoological gardens, natural protection areas (TEÁOR'08 91.04.)
 - ce) fun fairs and entertainment parks (TEÁOR'08 93.21.)
 - cf) other entertainment and leisure time activities n.e.c. (within TEÁOR'08 93.29: recreation park and beach services, ski hills and marina services, and rental of leisure and pleasure equipment by the operator of recreational facilities)
 - cg) services improving physical well-being (TEÁOR'08 96.04.)
 - ch) physical training (TEÁOR'08 93.13),
 - ci) other sports (within TEÁOR'08 93.19, horse riding and racing, sport fishing)
 - cj) domestic water transport of passengers (TEÁOR'08 50.30.)
 - ck) other reservation (within TEÁOR'08 79.90, tourist guides)
 - cl) operation of sports facilities (within TEÁOR'08 93.11: rental of sports facilities, sale of swimming pool tickets and passes)

cm) activities of sport clubs (TEÁOR'08 93.12.)
cn) sports and recreation education (TEÁOR'08 85.51.)
co) renting and leasing of recreational and sports equipment (TEÁOR'08 77.21.)
cp) accommodation services (within TEÁOR'08 55.10., 55.20., 55.30., 55.90.: boarding houses)

Employer: a natural person, legal person, business organisation with no legal personality, or other business who concludes a Contract with K&H and wishes to provide support to employees in the form of Széchenyi Recreation Cards pursuant to the Government Decree.

Employee: a natural person for whom the Employer requests a K&H SZÉP Card from K&H.

Close Relative / Co-habiting Partner: the Employee's close relative or Co-habiting Partner as defined in 685. §. b) of Act IV of 1959 on the Civil Code, for whom the Employer or the Main Card Holder requests a Co-card from K&H. The Employer shall declare his/her relationship with the holder of the Co-card to the Institution in the Co-card application form.

Service users: the Employee, the Close Relative, and the Co-habiting Partner.

Main Card Holder: the Employee to whom K&H has issued a K&H SZÉP Card.

Co-card Holder: the Main Card Holder's Close Relative to whom K&H has issued a Co-card. Co-card Holders must be over 14 years of age.

Card Holder(s): the Main Card Holder and the Co-card Holder collectively or individually.

Main Card: a K&H SZÉP Card issued by K&H to the Employee.

Co-card: a K&H SZÉP Card issued by K&H to the Co-card Holder with the Main Card Holder's consent and joint liability.

Replacement Card: a K&H SZÉP Card issued upon the Card Holder's request, in order to replace a lost, damaged, stopped etc. card already applied for and/or possessed by the Card Holder.

Card (Cards): the Main Card / Co-card / Replacement Card, individually or collectively.

Authorisation: the process of paying for a service, covering the verification of sufficient cover for the transaction to be made with a K&H SZÉP Card and the validity of the card, in line with the procedure detailed in Section 4.7 titled Card usage.

Using an electronic voucher: pursuant to 2. § (2) d) of the Government Decree, transferring the amount of the electronic voucher from the card-issuer Institution to the Service Provider (the vendor who accepts K&H SZÉP Cards), with the amount simultaneously charged to the Employee's personal electronic voucher registry, under the title of service usage.

Date of using an electronic voucher: the calendar day when the Card Holder or Co-card Holder uses his/her K&H SZÉP Card for payment to a Service Provider.

Electronic Voucher Registry: a unified registry of electronic vouchers provided by Employers to their Employees as fringe benefits. The registry is managed by K&H and records the vouchers provided by each Employer and to each Employee, in an individually identifiable manner.

Personal electronic voucher registry in the K&H SZÉP Card system: a registry kept by K&H that shows in an up-to-date manner the turnover and balance of electronic vouchers bought by the Employer for an Employee, broken down by transactions and turnover periods. The registry also shows the expiry dates of the vouchers.

K&H SZÉP Card system: the system in which K&H SZÉP Cards are applied for, issued and used; K&H grants electronic access to the system to Employers and Card Holders (with unique IDs and passwords) via the Internet portal www.szepekartya.kh.hu.

K&H SZÉP Card portal: the www.szepekartya.kh.hu website.

POS terminal: an electronic terminal used to accept K&H SZÉP Cards based on a contract between the Service Provider and K&H.

Support (voucher purchase): the support provided via Széchenyi Recreation Cards according to 71. § (1) c) of the PIT Act must be registered separately in the electronic voucher registry; only the support stipulated in 71. § (1) c) of the PIT Act can be transferred to the dedicated part of the electronic voucher registry. Within the dedicated part of the electronic voucher registry, the support transferred to the various sub-accounts stipulated in sub-sections ca)-cc) of 71. § (1) c) of the PIT Act cannot be transferred to any other sub-account; they can only be registered on the sub-account indicated in the Employer's transfer order, and can only be used for services corresponding to the sub-account [5. § a)-c)].

Accommodation sub-account: a sub-account to Széchenyi Recreation Cards pursuant to 71. § (1) c) ca) of the PIT Act, with unique identification, kept in a unified electronic system.

Catering sub-account: a sub-account to Széchenyi Recreation Cards pursuant to 71. § (1) c) cb) of the PIT Act, with unique identification, kept in a unified electronic system.

Leisure time sub-account: a sub-account to Széchenyi Recreation Cards pursuant to 71. § (1) c) cc) of the PIT Act, with unique identification, kept in a unified electronic system.

Balance: the value of electronic vouchers available on the above-mentioned accommodation, catering and leisure time sub-accounts for payment for services according to the Employee's personal electronic voucher registry. A Co-card has no independent balance and can be used for payment up to the voucher balance of the Main Card Holder. The Main Card Holder bears joint liability for the usage of the Co-Card.

Telephone center for authorisation: a telephone-based customer service operated by the Institution or its representative or subcontractor. Once the Service Provider and the Employee have been identified based on the identification data provided over the phone, the telephone center certifies that the value shown in the Employee's electronic voucher registry and communicated covers the price of the service communicated by the Service Provider, and that the corresponding debit can be recorded in the electronic voucher registry; hereinafter: **K&H SZÉP customer service**.

TEÁOR'08: unified statistical categorisation of economic activities issued by the Central Statistics Office; Hungarian-language version/equivalent of NACE Rev.2 established pursuant to Regulation (EC) 1893/2006/EC of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains.

3. Description and features of K&H Szép Cards

- 3.1. A K&H SZÉP Card is a personalised plastic card of ISO-compliant size, with K&H's logo and the name of the Card Holder or Co-card Holder on it. The front of the card shows the 16-digit card number, the validity (expiry date), as well as the name of the Card Holder or Co-card Holder who is entitled to use the card. The back of the card contains a magnetic stripe allowing the electronic identification of the Card Holder or Co-card Holder, the Card Holder's or Co-card Holder's signature, as well as K&H's name and contact details.
- 3.2. A K&H SZÉP Card is valid for five years; it expires at the end of the 24th hour of the last day of the month of issuance in the fifth year from the issue date.
- 3.3. Several Co-cards can be issued for each K&H SZÉP Card.
- 3.4. The Card Holder and the Co-card Holder must sign the card (on the back-side panel) once it is received. Any risk and damage arising from a lack of signature shall be borne by the Card Holder.
- 3.5. No unique PIN code belongs to a K&H SZÉP Card.
- 3.6. A K&H SZÉP Card is an electronic instrument that can only be used for payment for the services defined in the Government Decree; it cannot be used for any other cashless payment. The Service Provider (a merchant who accepts K&H SZÉP Cards) can not exchange the electronic vouchers on the card for cash or any cash-substituting instrument.
- 3.7. There are four ways to effect a transaction with a K&H SZÉP Card: (1) with an electronic card reader device (hereinafter: POS terminal), (2) with voice authorisation through the K&H SZÉP Card customer service, (3) via the web-based interface of the K&H SZÉP Card system or (4) via the internet site of the merchant.

- 3.8. A K&H SZÉP Card is not transferable; it cannot be pledged or placed as collateral or security deposit. K&H SZÉP Cards are owned by K&H; Card Holders are only authorised to use them for their intended purpose.
- 3.9. A Co-card Holder has the same card usage authorisations and obligations as the Main Card Holder. The Main Card Holder is also liable for the legally compliant usage of all Co-Cards that he/she has requested.

4. Using the K&H Szép Card service

An Employer must conclude a Contract with K&H before applying for K&H SZÉP Cards for its Employees, and purchasing vouchers for those Cards.

4.1. Contracting

The Employer shall conclude a Contract with K&H on the issuance of K&H SZÉP Cards and the registration of electronic vouchers.

The Employer shall mail two original, signed copies of the Contract and its Supplement, as well as the appendices, to the following P.O. box address: K&H Budapest 1851 (K&H SZÉP Kártya).

After checking the format and content of the Contract, K&H shall record the Employer's data in the K&H SZÉP Card system, and generates a unique log-in ID and a related password for the Employer. The Contract signed by K&H, together with the log-in ID and password, shall be sent to the mailing address specified by the Employer. The Employer can generate additional user IDs and assign passwords thereto with the help of its unique log-in ID. For the detailed description of the process in effect please consult www.szepekartya.hu.

Using the above-mentioned IDs and passwords, the Employer can order Cards and buy vouchers for its Employees and their Close Relatives in the K&H SZÉP Card system (via the K&H SZÉP portal).

The K&H SZÉP Card system is accessible via the Internet portal www.szepekartya.kh.hu.

The card order and voucher purchase are separate elementary transactions, but their sequential order is fixed. First a K&H SZÉP Card must be ordered for the Employee and/or a relative; and once successful, vouchers can be purchased onto the Employee's K&H SZÉP Card.

4.2. Card ordering and manufacturing

Only a Main Card may be requested for an Employee, and only a Co-card may be requested for a Close Relative and/or Co-habiting Partner. Only one Main Card may be requested for the Employee, but an unlimited number of Co-cards may be requested for the Employee's Close Relatives / Co-habiting Partner. However, each of these persons can hold no more than one Co-card. On the Co-card application form, the Employee shall declare to the Institution his/her relationship with the applicants (Co-habiting Partner or Close Relative)

A K&H SZÉP Card can be ordered as follows:

| | Main Card | Co-card | Replacement Card |
|---------------------------------------|-----------|--|---|
| 4.2.1 Through the Employer | yes | yes | yes |
| 4.2.2 In a K&H Bank branch | no | yes <ul style="list-style-type: none"> • in the presence of the Main and Co-card Holder; • by the Main Card Holder personally, with an application form pre-signed by the Co-card Holder; • by the Co-card Holder or a third person, with a one-time authorisation by | yes <ul style="list-style-type: none"> • by the Main Card Holder personally; • by the Co-card Holder or a third person, with a one-time authorisation by the Main Card Holder, and with a completed and signed application form |

| | | | |
|--|----|--|------------------------------------|
| | | the Main Card Holder, and with a completed and signed application form | |
| 4.2.3 Through the K&H SZÉP Card customer service (over the phone) | no | no | yes (by the Main Card Holder only) |

4.2.1 Card ordering via the Main Card Holder's Employer

A Main Card, a Co-card and a Replacement Card can also be applied for via the Employer. A Main Card can only be ordered via the Employer. In the Contract concluded with K&H, the Employer undertakes to administer the entire process of Main Card ordering. If a Co-card or Replacement Card is applied for via the Employer, then the Employer shall also be responsible for the comprehensive administration of card ordering.

The Employer and the Employee bear joint responsibility for the correctness of the data reported for card application, and shall be jointly liable for any damage arising from non-compliance with the following rules.

The Employer may **exclusively** provide the Card Holders' data required to manufacture the Cards to the Company **via electronic data transfer**, but the completed and signed declaration corresponding to the type of the card requested (Appendix 2.e: Main Card Holder's declaration; Appendix 2.f: Co-card Holder's declaration) shall be mailed (on paper) to the Company.

In respect of card application the Employer agrees that the Company can take the actions necessary for card manufacturing.

Card ordering and manufacturing steps:

1. The **Employee fills in** the Main Card Holder's Declaration form constituting Appendix 2.e of the Contract (or, when ordering a Co-card, the Co-card Holder's Declaration in Appendix 2.f).
2. The **Employee hands over** the completed and signed Main Card Holder's Declaration (or, when ordering a Co-card, the Co-card Holder's Declaration) to the Employer.
3. **The Employer enters** the Employee's details required for card ordering **electronically** in the card order file in the K&H SZÉP Card system. The Employer can download the currently effective card order sample files for the K&H SZÉP Main Cards/Co-cards/Replacement Cards from the www.szepkartya.kh.hu K&H SZÉP Card portal in xls or csv format.
4. **The Employer receives the fee of the requested card(s) from the Employee** (if a fee is payable).
5. The **Employer sends card orders to the K&H SZÉP Card system electronically**. (More than one card orders may be sent in one file concurrently.)
6. The **Employer transfers the card fee** corresponding to the type of the Card (Main Card or Co-card / Replacement Card) **to the K&H current account specified by K&H in the Contract**. For accurate identification, the Employer's SZÉP ID (provided by K&H in the Contract) must be indicated in the remark field.
7. **If the card order file is correct, and the amount payable for card ordering has fully been credited on the specified account**, and the Main Card Holder's Declaration (or when ordering a Co-card, the Co-card Holder's Declaration) signed by the Employee has been duly received, **the card application will be accepted within two business days**.
8. **K&H will manufacture the Card within 15 days** from accepting the application. The inactive cards personalised with the Card Holders' data are sent in the manner specified by the Employer, each in a sealed envelope. Co-cards and replacement cards will always be delivered to the mailing (card delivery) address specified on the application form.
9. **K&H issues an invoice for the card fees** to the Main Card Holder, and sends it to the mailing address specified by the Main Card Holder.

K&H will consider a card order acceptable only if both of the following two conditions are fulfilled: it has received an error-free card order file transmitted and approved by the Employer via the website in CSV OR or another format, and if the fees payable for the cards stated therein have been credited to

the relevant current account. According to the Government Decree, K&H shall charge no card fee for the issuance of Main Cards. If Main Cards, Co-cards and/or Replacement Cards are requested in the same card order file, K&H shall only start processing the error-free application once the total amount of the maximum fees of the requested Cards (as defined in the Government Decree) – or any lower fees stipulated by K&H – has credited to the K&H current account stipulated in the Contract. The maximum fee payable for a Co-card and a Replacement Card are defined in the Government Decree. If K&H waives the Co-card and/or Replacement Card application fee due to a campaign or business policy considerations, then card manufacturing starts once the error-free card order file has been received.

If the items in the card order file differ from the related fees received, or if these items do not match, or if the fees are not credited within 5 business days, then K&H contacts the Employer to discuss the issues and their settlement. If these negotiations fail to be successful, K&H will not accept the card order and repay the relevant fees to the Employer.

4.2.2 Card ordering in a K&H Bank branch

An Employee with an already manufactured Main Card may visit a K&H Bank branch to order a Co-card for a close relative or Co-habiting Partner, or a Replacement Card to replace his/her own Main Card or the Co-card of a close relative or Co-habiting Partner. A replacement card may only be applied for if the original card to be replaced has been stopped.

If it is the Employee who applies for a Co-card and/or Replacement Card, the Employee shall be responsible for the correctness of card application data.

Steps of ordering and manufacturing cards applied for in a K&H branch:

1. The Employee fills in the relevant card application form (Appendix 2.b or 2.c to the Contract: Co-card or Replacement Card Application Form – for K&H Széchenyi Recreation Cards) with the card applicant's data.
2. When ordering a Co-card, Employee makes the Co-card Holder sign the application form.
3. The signed application form is submitted to a K&H Bank branch by the Employee, or, with a one-time authorisation signed with two witnesses, by the Co-Card Holder or a third person.
4. The bank advisor identifies the person submitting the card application, and checks the application form for completeness.
5. If fee is payable for the card(s), the Employee pays such fee(s).
6. If the application form is fully completed and the relevant fee has been paid, K&H will record the card application in the K&H SZÉP Card system (i.e. the application is accepted).
7. K&H will manufacture the Cards within 15 days from accepting the application (step 6). The inactive cards personalised with the Card Holders' data are sent in the manner specified by the Card Holder, each in a sealed envelope. Co-cards and replacement cards will always be delivered to the mailing (card delivery) address specified on the application form.
8. K&H issues an invoice for the card fees to the Main Card Holder, and sends it to the mailing address specified by the Main Card Holder.

4.2.3 Ordering a replacement card at the K&H SZÉP Card Customer service

Only a Main Card Holder can use the (phone-based) K&H SZÉP Card Customer service to apply for a Replacement Card for his/her own Main Card, or for the Co-card of a Close Relative or Co-habiting Partner. A Replacement Card may only be applied for if the original Card to be replaced has been stopped.

In this case, it is the Employee who is responsible for the correctness of card application data.

Steps of ordering and manufacturing a replacement card through the K&H SZÉP Card Customer service:

1. The Employee calls the K&H SZÉP Card Customer service on +36 (1/20/30/70) 335 3355.
2. After identification, the operator identifies the card to be replaced.
3. If the lost/stolen/damaged card to be replaced has not been stopped, the operator places a stop on it.
4. The operator records the replacement card application data and informs the Employee of the card fee to be paid.
5. The Employee pays the card fee payable.

6. Based on the replacement card data recorded and once the relevant card fees have been paid, K&H records the replacement card application data in the K&H SZÉP Card system (i.e. the application is accepted).
7. K&H will manufacture the Cards within 15 days from accepting the application (step 6). The inactive cards personalised with the Card Holders' data are sent in the manner specified by the Card Holder, each in a sealed envelope. Co-cards and replacement cards will always be delivered to the mailing (card delivery) address specified by the Card Holder.
8. K&H issues an invoice for the card fees to the Main Card Holder, and sends it to the mailing address specified by the Main Card Holder.

4.3. Voucher purchase

The Employer can download the currently effective sample file for voucher purchase from the K&H SZÉP Card portal, then upload the duly completed file to the K&H SZÉP Card system. The Employer shall bear responsibility for the correctness and accuracy of the uploaded data. Employees' data required for voucher purchase shall be handed over to K&H electronically only (by uploading them to the K&H SZÉP Card system).

The Employer shall transfer the total amount of the voucher purchases in the voucher order file to the current account specified in the Contract. For accurate identification, the Employer's SZÉP ID (provided by K&H in the Contract), the transfer ID (generated by the Employer upon voucher purchase), and the term "voucher purchase" must be specified in the remark field.

K&H will record the items in the voucher purchase file into the electronic voucher registry of the K&H SZÉP Card system only once the total amount of the relevant vouchers has been fully received. The voucher purchase transaction is recorded on the business day following receipt of the amount at the earliest, but not later than in two business days. If the voucher purchase amount is received earlier than the corresponding voucher purchase file, then the start date of voucher purchase recording will be determined by the date of receiving the error-free voucher purchase file. If the Employer transfers the value of multiple voucher files in one lump sum, then recording will start once the last file has been received.

Based on the accepted voucher purchase request, K&H credits the items to the Card Holders' personal electronic voucher registries. Once they are credited, the vouchers can be immediately used by Card Holders. K&H informs the Main Card Holder of the crediting of the vouchers to the personal voucher account in writing, primarily by e-mail, or, if no e-mail address is available, by sending a letter to the mailing address specified by the Main Card Holder.

K&H will consider a voucher purchase request acceptable only if it has received the voucher purchase file and if all the amounts contained therein have been credited to the relevant current account of K&H. There is no upper limit for the number of voucher purchases contained in one voucher purchase file. As a lower limit, at least one voucher purchase must be contained in each file. The electronic voucher purchase file must stipulate the sub-account(s) to which the support amount(s) should be credited.

K&H will not perform the partial recording of the items in a voucher purchase file.

If the total amount of the items contained in the voucher purchase file and the respective amount transferred by the Employer do not match, or if the voucher purchase file and the received transfer cannot be matched, then K&H will contact the Employer and discuss the differences and their settlement within five business days. If these negotiations fail to be successful, K&H shall not accept the voucher purchase request and will repay to the Employer the amount received.

If the amount transferred by the Employer is higher than the amount specified in the voucher file, then K&H will not record it in the system as long as the company instructs it about the residual amount.

4.4. Methods of Main Card delivery

The Employer may choose one of the following card delivery methods in Appendix 1 to the Contract.

- **Mailing to the Main Card Holder's mailing address:** if the Employer opts for this delivery method, the inactive cards will be mailed to the address specified on the application form (in the compulsory field "Mailing address (where the card will be sent)").
- **Delivery to the Employer's address (Important: no P.O. box can be given!):** if the Employer opts for this delivery method, the Employer can specify its own site(s)/premises. K&H shall deliver the Main Cards to the Employer, and the Employer shall deliver the cards to the Main Card Holders.

- **Delivery in a K&H branch:** if the Employer specifies delivery in a K&H branch, it is the Main Card Holders who are responsible for taking over their cards. Once the Main Cards arrive in the branch, the bank advisor will inform the Employer's contact person over the phone about receiving the Main Cards. The Main Card Holder may give a one-time authorisation with two witnesses to a third person for receiving the Main Cards in the branch.

4.5. Card activation

Cards are delivered to Card Holders in an inactive status; they must be activated by Card Holders before the first use. Main Card Holders are authorised to activate Co-cards as well. There are two alternatives for activating a Card:

Internet activation: K&H provides access to the K&H SZÉP Card system for the Main Card Holder through the K&H SZÉP Card portal (www.szepkartya.kh.hu). The log-in ID and password required for the use of the K&H SZÉP Card system will be included in the card receipt description.

Upon the first log-in, the K&H SZÉP Card system automatically asks the user to change the password. The Card can be activated only once the Main Card Holder has changed the password.

Telephone activation: K&H offers card activation through the K&H SZÉP Card Customer service with the help of an operator, on the phone number +06 (1/20/30/70) 335 3355. The Card can be used immediately after activation.

4.6. Card Holder identification upon card usage

It is the sole responsibility and obligation of the Service Provider to identify the Main Card Holder and the Co-card Holder when they use the service.

The Service Provider checks the personal details in the personal identification document(s) provided by the Main Card Holder / Co-card Holder and ascertains that the person intending to use the Card is the same as the individual in the identification documents, and then accepts the Card as specified in the contract concluded between them and K&H.

When a Service is paid for, authorisation by K&H is limited to checking the Card identification data and the Service Provider's data received by K&H.

Authorisation in K&H's system over the internet, a POS terminal or phone does not exempt the Service Provider from its obligation to identify the client. All responsibility in relation thereto shall be borne by the Service Provider.

4.7. Card usage

A K&H SZÉP Card may only be used in person by the Card Holder specified on it, and only for paying for the Services specified in the currently effective Government Decree.

The price of the Service can be paid with the Main Card Holder's or the Co-card Holder's K&H SZÉP Card, charged against the Employee's electronic vouchers.

The current balance of the Card Holder's personal electronic voucher registry can only be used electronically; no cash can be withdrawn from the electronic voucher balance. The Employee's electronic voucher balance is accessible with his/her K&H SZÉP Card only. Any unused (remaining) balance shall no longer be accessible by the Card Holder after the expiry date of the vouchers. Usage of the K&H SZÉP Card and payment for Services are free of charge or costs for the Employee.

The Co-card Holder has the same card usage rights and obligations as the Main Card Holder, although the Main Card Holder is also liable for the legally compliant usage of the Co-cards requested by him/her.

K&H SZÉP Cards can only be used to pay for Services rendered by Service Providers who have concluded a relevant contract with K&H. The Service Provider is obliged to provide information thereon.

Payment for Services may be made 24 hours a day through a POS terminal, the internet or the K&H SZÉP Card Customer service.

K&H SZÉP Cards shall be used by the Card Holder as follows:

4.7.1. Via a POS terminal

In a card transaction, the Card Holder checks the amount and approves the transaction by pressing the relevant button. The Card Holder signs the POS slip, which is checked by the Service Provider. If the signatures match, the Service Provider returns the second copy of the POS slip and the Card to the Card Holder. If the signatures do not match or the Card Holder refuses to sign the slip, the POS service provider must refuse the acceptance of the Card as electronic voucher, and must immediately start a correction transaction. A K&H SZÉP Card can also be used at electronic card terminals operated by companies other than K&H, provided that the vendor accepts SZÉP Cards.

4.7.2. Via the Internet

The Service Provider logs in to the K&H SZÉP Card system, and initiates payment on the transaction screen. The Card Holder enters the K&H SZÉP Card's number and his/her password on the transaction screen. Following the approval of the transaction, confirmation is displayed on the screen, a printed copy of which is handed over by the Service Provider upon the Card Holder's request. See Section 4.9 Password usage criteria for the rules of logging in by the Service Provider.

4.7.3. Over the phone

The Service Provider initiates the transaction at the K&H SZÉP Card Customer service by calling (06 1/20/30/70) 335 3355 and selecting menu item 7. Following the successful identification of the Service Provider, the K&H SZÉP Card Customer service operator records the details of the transaction. Then the Customer service calls the Card Holder (using the telephone number recorded in the K&H SZÉP Card system or, if it is unavailable, then the Service Provider's telephone number). Following the successful identification of the Card Holder, the operator asks for the card number, reads out the data of the registered transaction, and asks the Card Holder to verbally approve the transaction. The K&H SZÉP Card Customer service records and stores the above conversation; this voice recording can be used as evidence in disputes.

4.7.4. Via the website of a Merchant

The Card holder may also initiate the settlement of the fee for the service through the website of the Merchant. This website will redirect the Card Holder to the transaction interface of K&H SZÉP Card system, which automatically copies the data of the transaction selected or provided on the website of the Merchant. In the next step, the Card Holder shall enter the number, expiry date and unique Card Validation Number (CVV), then approves the transaction by typing in his own password. The approved transactions are then confirmed.

4.7.5. Settlement of a special type of transaction: reservation with advance payment and the related invoice for accommodation

After consulting the Merchant providing the accommodation, the Card Holder gives the Card number to the Merchant. Using the Card number, the Merchant performs the "reservation with advance payment" transaction, and in the course of the process records all material information related to the reservation (e.g., the last day of reservation, the amount of the advance payment, etc.) The Merchant providing the accommodation will use the data and the amounts provided for the "reservation with advance payment" transaction during the settlement of the final accommodation fee by K&H SZÉP Card, and in the course of the process the Card Holder shall cooperate with the Merchant as specified in Section 4.7.2. Card transaction via the internet to facilitate the successful completion of the transaction.

If a K&H SZÉP Card is lost, damaged or used in an unauthorised manner, the Card Holder or Co-card Holder is obliged to stop (cancel) it by calling the K&H SZÉP Card Customer service on (06 1/20/30/70) 335 3355. The Card Holder shall be responsible for all consequences of any unauthorised card usage until the card is cancelled. Card cancellation is free of charge. A cancelled card cannot be re-activated under any circumstances. A Replacement Card can be requested through the Employer, a K&H Bank branch or the K&H SZÉP Card Customer service to replace the stopped card. A fee is payable for a Replacement Card.

The electronic vouchers provided in a particular calendar year can be used until 31 December of the following calendar year. Any unused electronic voucher is deemed automatically expired and, pursuant to the provisions of the effective Government Decree, K&H cannot refund the amount either to the Employer or to the Employee, and will not transfer any of that amount to the Service Provider.

4.8. Payment for a Service

Upon payment at a Service Provider, an authorisation procedure is carried out to check whether there are sufficient funds to pay for the service with the K&H SZÉP Card.

Following the authorisation, K&H immediately charges the amount specified by the Service Provider to the Employee's personal electronic voucher registry.

4.9. Password usage criteria

The K&H SZÉP Card system can only be used with a password. The initial password provided for the first log-in must be changed. The new password must

- be at least 8 characters long
- include a lower-case letter, an upper-case letter and a numerical character.

If the Card Holder enters an erroneous password seven times in succession within a period of 24 hours, the K&H SZÉP Card system will temporarily ban the Card Holder from the system for 24 hours.

4.10. Voucher balance and transaction query

The voucher balance of a Main Card and the transactions executed with the Card can be checked by the Card Holder any time via the K&H SZÉP Card portal. Regarding the log-in to the K&H SZÉP Card system by the Main Card Holder, see Section 4.9 "Password usage criteria".

4.11. Other transactions of the Employer

The Employer's interface of the K&H SZÉP Card system allows for the following other types of data transmission (orders) as well:

- **request for card application corrections** (request for rejecting erroneously completed card application files)
- **request for voucher purchase corrections** (request for correction in voucher uploads due to an error made on the part of the Employer; the request must be submitted via the Employer's interface, otherwise it cannot be accepted.)
- **report on a change in the data of the Employer** (data of the contact details, mailing address, etc.)
- **other requests by the Employer** (the Employer may upload its own document and also make a 200-character long comment in the message field).

The various operations require different document types which are directly accessible on the Employer's interface of the K&H SZÉP Card system as well as on www.szepkartya.kh.hu. After completing the document associated with the operation, the user needs to save the form in its own computer. The saved document then may be selected by using the "Browsing" button on the Employer's interface in the K&H SZÉP Card system, then the documents for card application/voucher purchase/other transactions may be transmitted to K&H Bank via a safe, closed communication channel using the "Upload" button. The documents are received and processed by the K&H SZÉP Card customer service.

4.12. Customer service and complaint handling

K&H offers a 24-hour telephone customer service (K&H SZÉP Card Customer service) in relation to the Cards. The K&H SZÉP Card Customer service is accessible by calling (06 1/20/30/70) 335 3355, and choosing menu item 7.

The K&H SZÉP Card Customer service is available to Employers, Card Holders and Service Providers alike. The caller must be identified in order to use the Customer service. The questions asked for identification always refer to the set of data available to the caller.

General services offered 24 hours a day by the K&H SZÉP Card Customer service:

- general information
- reconciliation of client data
- reconciliation of transactions
- card activation
- card cancellation
- authorisation over the phone
- complaint handling
- participation in a reservation with advance payment or payment for accommodation with advance payment.

In addition to the (06 1/20/30/70) 335 3355 phone numbers, the K&H SZÉP Card Customer service is accessible on the following e-mail addresses:

- for Service Providers: szolgaltato.szepkartya@kh.hu
- for Employers: munkaltato.szepkartya@kh.hu
- for Employees (Card Holders): munkavallalo.szepkartya@kh.hu

Inquiries sent to the above e-mail addresses shall be answered on business days, within 6 hours from receipt. Certain telephone services requiring identification are not available in case of e-mailed inquiries.

Complaints related to K&H SZÉP Cards are accepted primarily on the telephone number of the K&H SZÉP Card Customer service, through the above-mentioned e-mail addresses, and via regular mail (K&H Budapest 1851, K&H SZÉP Kártya). Complaints are always accepted from the representatives of the parties concerned.

K&H Bank participates in resolving complaints about SZÉP Cards, but it is the Service Provider who is primarily responsible for resolving complaints.

4.12. General provisions regarding the usage of K&H SZÉP Cards and the K&H SZÉP Card system

K&H reserves the right to unilaterally amend the terms and conditions of the K&H SZÉP Card service and modify the operation of the K&H SZÉP Card system in case the applicable Government Decree or other legal regulations are amended.

K&H reserves the right to upgrade its SZÉP Card system at any time and introduce changes as part thereof. The Employer shall be informed of the changes. The Employer agrees to inform their Employees of the changes affecting them.

The Employer and the Employee may conclude – between themselves – a specific agreement on the payment of card fees, but it is always the Employer who shall be liable for the payment / transfer of the card fees to K&H (except if a Co-card is applied for by the Main Card Holder or a one-time representative in a K&H branch).

4.13. Data handling

Provisions concerning the handling of personal and other data provided or amended by the Card Holder when applying for a K&H SZÉP Card (Main Card, Co-card or Replacement Card) and reporting changes in that data, or in any other manner in relation to the K&H SZÉP Card system:

- (i) data is handled with the Card Holder's consent, including the entitlement of the Employer to transfer personal data handled by it to the Institution; within eight days of any change in his/her personal details, the Card Holder shall notify the Employer or the Company in writing;
- (ii) the objective of data handling is to ensure the issue and usage of K&H SZÉP Cards, and compliance with the statutory obligations relevant to K&H SZÉP Cards;
- (iii) the legal grounds for data handling are constituted by the Card Holder's declaration of consent;

- (iv) data shall be handled by the Institution (K&H Csoportszolgáltató Központ Korlátolt Felelősségű Társaság) and K&H Bank Zrt; data processing shall be performed by KBC Global Services Hungary (registered seat: 1095 Budapest, Lechner Ödön fasor 9., company registration number: 01-17-000513), and Oberthur Technologies Kft (registered seat: 2045 Törökbálint, Tó-Park Topographical number: 3301/21, company registration number: 13-09-102194);
- (v) data shall be handled until its purpose exists, or until the end of the statutory data storage period;
- (vi) unless the law stipulates otherwise, data handlers may continue to handle the data without any further consent, and also after the withdrawal of the Card Holder's consent, for the following purposes:
 - a) in order to meet the data handler's statutory obligations; and
 - b) in order to enforce the rightful interests of the data handler or a third party, provided that such interest enforcement is proportionate to the limitation of the right for personal data protection;
- (vii) data may be accessed not only by data handlers and processors but also by entities authorised by law, and also by entities involved in the operation of the K&H SZÉP Card system (as defined by Government Decree 55/2011 (IV.12.) on the issuance and usage of Széchenyi Recreation Cards) in order to meet their contractual obligations;
- (viii) Card Holders may request information from the data handler about the handling of their personal data, may request the correction, deletion or blockage of their personal data, and may object to the handling of their personal data;
- (ix) in case the Card Holder's rights concerning personal data handling are infringed, the Card Holder may file a complaint with the National Authority for Data Protection and Freedom of Information and may seek legal remedy before a court (provided the relevant statutory conditions to such actions are met).