



**GENERAL TERMS OF CONTRACT  
OF HUNGARIAN EXPORT-IMPORT BANK  
WITH RESPECT TO GUARANTEE**

Effective: 1 February 2021,  
for contracts concluded after its effective date

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## 1. CONTENT, NATURE AND PUBLICATION OF THE GTC

- 1.1. The Bank operates on the basis of operating licence no. 118/1998/F issued by the Hungarian Financial and Capital Markets Supervisory Authority on 9 February 1998 pursuant to resolution 63/1994 issued by the Hungarian Banking Supervisory Authority on 10 August 1994.
- 1.2. These GTC define the conditions applicable to the financial services of the Bank that are aimed at the assumption of Guarantees, including the conditions applicable to Collaterals related to the assumption of Guarantees by the Bank.
- 1.3. The GTC and the Business Regulations shall – even in the absence of a separate stipulation – constitute a part of the Contract and the Collateral Contract, and apply in all cases where the Contract or the Collateral Contract does not contain an express provision to the contrary. The provisions of the GTC and the Business Regulations shall also apply to the Collateral Contract even in such case where the Collateral Provider is not the Principal but a third party.
- 1.4. When establishing the contractual relationship, the Client acknowledges, by signing the Contract or the Collateral Contract, that he/she has read the content of the GTC before concluding the contract and accepts the terms set out in the GTC.
- 1.5. The GTC is public and may be viewed and consulted by anyone, at the Bank's premises used for serving clients (registered office), during business hours, and on the Bank's website ([www.exim.hu](http://www.exim.hu)). Upon separate request, the Bank shall provide the GTC to the Principal free of charge.

## 2. DEFINITION OF TERMS

For the purposes of these GTC and the Contract, the terms listed below shall have the following meanings:

**Tax:** includes all taxes, contributions, stamp duty, fees, customs charges, customs duty, public debts that may be collected in the same manner as taxes, or other similar obligations payable by the Client (including, inter alia, any fines or interest payable for non-fulfilment of any payment obligation);

**Tax Debt:** means any debt related to Tax;

**Underlying Legal Relationship:** the loan or commercial contract, the conditions of the offer or any other legal relationship between the Principal and the Beneficiary that serves as the basis of the Guarantee;

**ARE Act:** Act CV of 2015 on Debt Settlement Procedures for Private Individuals;

**GTC:** these General Terms of Contract;

**Bank:** Hungarian Export-Import Bank Private Limited Company (registered office: 1065 Budapest, Nagymező u. 46-48, company registration number: 01-10-042594, court of registration: Company Court of the Metropolitan Court of Budapest).

**Collateral Provider:** all persons (including the Principal) that provide collateral for the performance of the Principal's obligations arising from or related to a Contract;

**Collateral:** collateral(s) provided for the purpose of securing the performance of the Principal's obligations under the Contract;

**Collateral Contract(s):** contracts related to the Collateral;

**Btk.:** Act C of 2012 on the Criminal Code;

**Etv.:** Act XLII of 1994 on the Hungarian Export-Import Bank and the Hungarian Export Credit Insurance Company.

**EU Surety Notice:** EU Commission Notice on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees

**Parties:** shall be understood as the Bank and the Client collectively.

**Business Entity:** a term defined as such in Section 1 (5a) of the Etv.

**Guarantee(s):** payment obligation(s) assumed by the Bank in the Guarantee Declaration(s) to be issued based on the Contract;

**Guarantee Term:** the validity period starting at the effective date of the Guarantee Statement and ending on the Expiry Date thereof, during which the Bank is subject to a payment obligation as a result of the Demand presented based on the Guarantee Statement;

**Guarantee Line:** the maximum amount specified in the Guarantee Line Agreement held available to the Principal, up to which the Bank issues Guarantee(s) based on the Principal's applications in line with the provisions of the Guarantee Line Agreement;

**Guarantee Line Agreement:** a Contract in which the Principal appoints the Bank to set up and hold available a Guarantee Line, against which the Bank issues Guarantees of types specified in the Contract to the Beneficiary based on the request submitted by the Principal;

**Guarantee Statement:** the statement issued and duly signed or issued in SWIFT message by the Bank based on the Contract, in which the Bank assumes a payment obligation towards the Beneficiary in the event that the conditions set out in the statement are fulfilled;

**Guarantee Sum:** the amount specified in the Guarantee Statement, the extent of the guarantee assumed in a sum;

**Guarantee Assumption:** the financial service performed by the Bank as per Subparagraph g) of Paragraph (1) of Section 3 of the Hpt.;

**Loan Collateral Register:** the credit collateral registry maintained by the Hungarian National Chamber of Notaries, which contains mortgage rights established after 15 March 2014 and other entries;

**Hpt.:** Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises;

**Demand:** the document signed by the Beneficiary, with which the Beneficiary instructs the Bank to pay based on the Guarantee Statement;

**Beneficiary:** the person specified in the Guarantee Statement and entitled to draw down the Guarantee Sum, and who becomes entitled to receive the sum drawn down in the case of a drawdown;

**List of Terms and Conditions:** the latest, effective list of terms and conditions of the Bank;

**Government Decree:** Government Decree 435/2012. (XII. 29.) on guarantees assumed by Hungarian Export-Import Bank Pte Ltd alongside a full state payment guarantee and on the conditions and detailed regulations applicable to replacement and interest costs associated with foreign exchange and interest rate swap transactions;

**Guarantee of Budgetary Background:** the guarantee to be assumed by the Bank along the state's unconditional suretyship, to which the provisions of the Government Decree shall be applied.

**Act of Corruption:** a criminal offence defined in section 6.2 of these GTC.

**Expiry Date:** the last day specified in the Guarantee Statement on which the Demand can still be presented;

**Principal:** a foreign or domestic Business Entity, or a Sovereign or Sub-sovereign Entity on whose behalf the Bank issues Guarantee(s);

**MNB:** the National Bank of Hungary;

**Working Day:** any such day, other than Saturday, Sunday or a public holiday in Hungary or a bank holiday, on which the Bank is open for business. In respect of transactions in foreign currency, it means all the days when the Bank is open for conducting business and when, in the financial centres of the affected currency, financial settlement occurs in that currency, and when any payments that are to be executed in that currency may be settled, financially, in the generally used settlement systems and in accordance with the generally applied banking practice.

**OECD:** Organisation for Economic Co-operation and Development;

**OECD Agreement:** the version of the OECD Agreement on Officially Supported Export Credits in force at the time of the conclusion of the Contract;

**Ptk.:** Act V of 2013 on the Civil Code of Hungary.

**Old Btk.:** Act IV of 1978 on the Criminal Code;

**Contract:** the individual contract(s) and Guarantee Line Agreement(s) concluded between the Bank and the Principal in the subject of the issue of the Guarantee;

**Sub-sovereign Entity:** domestic regional government, local authority, as well as territorial or town municipalities with their own budget and partial or full autonomy;

**Sovereign Entity:** an entity or central bank that is part of the central government of a country;

**SWIFT:** (Society for Worldwide Interbank Financial Telecommunication) a closed telecommunications network allowing the transmission of payment-related and other financial messages between financial institutions the world over;

**Performance Account:** the bank account of the Beneficiary specified in the Guarantee Statement, to the credit of which the Bank must fulfil its due payment obligation in the case of a duly submitted drawdown;

**URDG 758 ICC standard:** ICC Uniform Rules for Demand Guarantees – Revision 2010 – the publication of the International Commercial Chamber in the subject of „Uniform Rules for Demand Guarantees”;

**“Client”** a collective term meaning the Principal and the Collateral Provider(s);

**Business Regulations:** the latest, effective Business Regulations of the Bank.

### **3. AMENDMENTS**

3.1. The Bank is entitled to unilaterally amend the contractual terms and conditions, interest rates and fees related to the assumption of Guarantees if the conditions specified for this as specified in section 3 of these GTC are met. Unless otherwise provided by the Bank, amendment of the terms and conditions shall, starting from its effective date, apply also to Contracts that were concluded prior to such effective date.

#### **3.2. Unilateral amendments unfavourable to the Principal**

3.2.1. The Bank shall be entitled to review the conditions for Guarantee Assumption and other contractual terms and to unilaterally amend the GTC in a manner unfavourable to the Principal in the case of changes in laws, public regulatory instruments, central bank recommendations or other regulations or the enforcement of the law pertaining to or affecting the Bank’s activity or operating conditions.

3.2.2. The Bank shall notify the Principal of any amendment of the terms and conditions to the detriment of the Principal in writing at least 15 (fifteen) calendar days before the amendment enters into force, or by placing the amended GTC or list of terms and conditions on the Bank's premises open to clients and on its website. If the Bank complies with its reporting obligation both in writing and by publication, then the earlier date shall apply in terms of the date of reporting.

3.2.3. Unless the Principal raises an objection in writing to the conditions containing an amendment which is unfavourable for the Principal before they take effect, the new conditions shall be deemed to have been accepted by the Client. If the

Principal refuses to accept the planned amendment in writing, the Principal is entitled to terminate the Guarantee Line Agreement with fifteen (15) days' notice in writing. Such termination, however, shall not affect the validity or effect of Guarantees issued under the Guarantee Line Agreement. In such case, the Principal shall immediately settle all of their debts outstanding against the Bank arising from the Guarantee Line Agreement.

### **3.3. Unilateral amendments not unfavourable to the Principal**

- 3.3.1. The Bank may amend the fees, commissions, default interest, costs and other contractual terms and conditions related to Guarantee Assumption in a manner not unfavourable to the Principal for any reason.
- 3.3.2. The Bank shall notify the Principal of any amendment of the terms and conditions that does not represent a change unfavourable for the Principal in writing no later than on the Working Day before the amendment enters into effect, or by placing the amended GTC or list of terms and conditions on the Bank's premises open to clients and on its website. If the Bank complies with its reporting obligation both in writing and by publication, then the earlier date shall apply in terms of the date of reporting.

## **4. THE GUARANTEE**

- 4.1. The Bank assumes Guarantees for transactions specified in Paragraph (1) of Section 2 of the Etv. The Bank carries out such activity at its own risk or under the rules established by the Government Decree, with the one hundred percent (100%) unconditional suretyship of the Hungarian State.
- 4.2. Based on the Government Decree, the Bank assumes loan guarantees, commercial (tender, Advance Repayment, Performance or Good Performance, Warranty or Retention Guarantees) and payment Guarantees. The Guarantees provided pursuant to the requirements of the Government Decree must comply with:
  - a) the provisions of the OECD Agreement or
  - b) the provisions of the EU Surety Notice or
  - c) the conditions specified in the approval of the European Commission or
  - d) the provisions of Commission Regulation (EU) No 1407/2013 or
  - e) the provisions of Commission Regulation (EU) No 651/2014.
- 4.3. Unless otherwise provided by the Contract, the Guarantees issued by the Bank shall be governed by the laws of Hungary and any legal disputes arising from the Guarantees shall be submitted to the exclusive jurisdiction of Hungarian courts. In the case of Guarantees issued to Foreign Beneficiaries, Eximbank will strive to ensure that the Guarantees are subject to the URDG 758 ICC standards.
- 4.4. The Bank only issues Guarantees assumed for a fixed term. The Guarantee issued by the Bank shall be irrevocable even if this is not indicated separately in the text of the Guarantee Statement. The Bank's payment obligation shall remain in force until such time as the Guarantee in question expires or until the Bank receives an official notification from the Beneficiary that it has waived its payment obligation arising from the Guarantee. After the Expiry Date, the Guarantee will expire even without returning the original Guarantee Statement.



- 4.5. The Guarantee shall be independent from the Underlying Legal Relationship serving as its basis and from the appointment to issue a Guarantee by default. The Bank shall not be affected or bound by these legal relationships in any manner. The Bank's payment obligation arising from the Guarantee shall only be subject to the legal relationship between the Bank and the Beneficiary.
- 4.6. If the Guarantee Statement is not issued in a SWIFT message, the Bank is entitled to hand over the single original of the Guarantee to either the Beneficiary or the Principal. If the original of the Guarantee is handed over to the Principal, the Principal shall ensure that it is delivered to the Beneficiary with the proviso that the Bank assumes no liability for failure to comply with this obligation.
- 4.7. The Bank will not conclude Contracts and will not issue a Guarantee based on an already concluded Contract in the case if the Principal has outstanding debts towards the state or Eximbank, resulting from the exercising of a previous state suretyship, state guarantee or counter-indemnity, at the time of concluding the Contract or upon the issue of the Guarantee.
- 4.8. **Counter-guarantee, counter-indemnity**
- 4.8.1. A counter-guarantee or counter-indemnity is a Guarantee issued by the Bank to another guarantor in order for such guarantor to issue the guarantee for the final Beneficiary. In the case of issuing a counter-guarantee, the Bank, at the Principal's request, requests the guarantor to issue the guarantee in counter-guarantee. In the case of issuing a counter-indemnity, the Bank issues a Guarantee at the Principal's request that serves as the collateral for another guarantee.
- 4.8.2. The counter-guarantee/counter-indemnity issued by the Bank is by default independent from the guarantee issued by the guarantor which it secures, and it is also independent from the underlying legal relationship, the appointment and any other related counter-guarantees/counter-indemnities. The Bank shall not be affected or bound by these legal relationships in any manner. The Bank's obligations arising from the counter-guarantee/counter-indemnity shall only be subject to the legal relationship between the Bank and the guarantor – for whose benefit the counter-guarantee is issued.
- 4.8.3. For the purposes of these GTC, unless otherwise provided, the Guarantee shall include the counter-guarantee/counter-indemnity and Beneficiary shall include the guarantor for whose benefit the counter-guarantee/counter-indemnity is issued.

## **5. GUARANTEE LINE AGREEMENT**

- 5.1. The Bank shall hold available to the Principal the Guarantee Line in the amount and for the period specified in the Guarantee Line Agreement. During such period, the Bank shall issue Guarantees at the Principal's request against the Guarantee Line pursuant to the terms set out in the Guarantee Line Agreement.

- 5.2. Except as set out in section 5.3, the Guarantee Line is non-revolving, that is, the aggregate amount of Guarantees issued against the Guarantee Line may not exceed the sum of the Guarantee Line.
- 5.3. If, pursuant to the provisions of the Guarantee Line Agreement, the Guarantee Line is revolving, the aggregate sum of the Guarantees to be issued against the Guarantee Line may not exceed the amount of the Guarantee Line on a single day.
- 5.4. In the case of a Guarantee Line Agreement, the Bank issues the Guarantee as follows (process of inclusion in the Guarantee Line):
- a) On or before the 10th (tenth) Working Day preceding the requested issue date of the Guarantee, the Principal shall submit to the Bank the duly signed application for Guarantee issue as per the relevant annex of the Guarantee Line Agreement, in a format and with a content acceptable to the Bank, together with its complete documentation.
  - b) The Bank examines the application and documentation submitted as per point a) as well as the fulfilment of the conditions set out in the Guarantee Line Agreement and these GTC and decides on inclusion in the Guarantee Line.
  - c) The Bank shall inform the Principal within 5 (five) Working Days from the receipt of the Application for Inclusion and the complete documentation thereof on the acceptance or rejection of the Guarantee into the Guarantee Line.
- 5.5. The Bank will not issue additional Guarantees against the Guarantee Line after the last inclusion in the Guarantee Line. On this day, the Guarantee Line will be automatically canceled at the Bank's close of business.
- 5.6. For the purposes of these GTC, unless otherwise provided, Contract shall be understood to include the Guarantee Line Agreement.

## **6. PRECONDITIONS FOR THE CONCLUSION OF THE CONTRACT**

- 6.1. For the conclusion of the Contract, the Principal shall fulfil at least the following conditions:
- a) Signing of the identification data sheet with the Principal's corporate signature, submission of the original copy to the Bank;
  - b) Signing of the declaration on the establishment of the legal status of the controlled foreign corporation (based on the effective act on corporate tax and dividend tax) with the Principal's corporate signature, and submission of the original copy to the Bank;
  - c) Signing of the beneficial owner's declaration with the Principal's corporate signature, submission of the original copy to the Bank;
  - d) Signing of the beneficial owner's Politically Exposed Person Declaration with the Principal's corporate signature, submission of the original copy to the Bank;
  - e) Of the anti-corruption declarations with the Principal's corporate signature, submission of the original copy to the Bank;
  - f) signing of the declaration on relationship with persons affected by sanctions with the Principal's corporate signature, submission of the original copy to the Bank;

- g) in the case of a domestic Principal, signing of the KYC (Know Your Client) questionnaire with the Principal's corporate signature, submission of the original copy to the Bank;
- h) in the case of a domestic Principal, certificate (joint tax certificate) issued by NAV, not older than 60 (sixty) days, proving that the Principal has no overdue tax or customs debt, or a certificate of the same fact obtained from other public records of NAV. Its listing on the webpage of public debt-free taxpayers of the National Tax and Customs Administration ([http://nav.gov.hu/magyar\\_oldal/nav/adatbazisok/kozattozasmentes/koztartozasmentes\\_adozoi\\_adatbazis.html](http://nav.gov.hu/magyar_oldal/nav/adatbazisok/kozattozasmentes/koztartozasmentes_adozoi_adatbazis.html)) is acceptable as proof of the above, although this must be documented in paper-based (printed) format or saved electronically.
- i) in the case of a domestic Principal, a certificate, not older than 60 (sixty) days, issued by the municipality responsible in the area where the Principal's registered office and all sites are located, proving that the Principal has no overdue tax debts;
- j) if the Principal is a business entity under the Etv., providing the Bank with the original version of the effective deed of foundation or a copy thereof, at the same time as the original is presented;
- k) providing the Bank with the original of the specimen signature or signature countersigned by an attorney of the persons authorized to make statements regarding the Contract or a copy thereof, at the same time as the original is presented;
- l) providing the Bank with the Principal's original and authenticated (i.e. issued by a company court or a notary public) certificate of incorporation (in the case of a foreign Principal, a duly certified public deed certifying the Principal's existence and representation), not older than 30 (thirty) days, or a copy thereof at the same time that the original is presented (in the case of a sole trader, an official certificate issued by the competent authority "on the certification of data handled in the records of sole traders");
- m) if so required by their deed of foundation, providing the Bank with the original version of the decision of the Principal's approval body, or a copy thereof, at the same time as the original is presented, which approves that the given Contract be signed by the Principal;
- n) The Principal has no outstanding debts towards the state or Eximbank, resulting from the exercise of a previous state suretyship, state guarantee or counter-indemnity, at the time of concluding the Contract.

6.2. For the purposes of these GTC, any conduct committed either in the territory of Hungary or abroad that tallies with the legal definition of any one or more of the following shall be deemed an Act of Corruption:

- 1.) certain crimes against public justice and crimes against international justice as defined in the Old Btk. (chapter XV, sections VII and VIII), i.e.,
  - bribery,
  - misprision of bribery,
  - trading in influence,
  - indirect corruption,
  - persecution of whistleblowers,
  - bribery in international relations,
  - trading in influence and buying influence in international relations,

- failure to report bribery in international relations,
- 2.) certain corruption offences defined in the Btk. (chapter XXVII), i.e.,
- bribery,
  - passive corruption,
  - active corruption of public officials,
  - passive corruption of official bribery,
  - active corruption in court or regulatory proceedings,
  - passive corruption in court or regulatory proceedings,
  - failure to report a corruption offence,
  - indirect corruption,
  - trading in influence,

and, in the case of conduct governed by the jurisdiction of another country, this is understood to include the active corruption of a foreign and/or domestic official, the passive corruption of a foreign and/or domestic official, and – if it is classed as a criminal offence under the applicable governing law – any active or passive economic bribery.

## **7. CONDITIONS FOR THE ISSUE OF THE GUARANTEE**

- 7.1. The Bank shall issue the Guarantee under the Contract to the Beneficiary designated by the Principal, if at least the following conditions have been fulfilled:
- a) the declarations made by the Principal are true;
  - b) there has been no breach of contract or any such circumstance that would give the Bank grounds for refusing to issue the Guarantee and, in the case of a Guarantee Line Agreement, for exercising its right to termination;
  - c) the Client's assets are not burdened by any such right or obligation about which the Client failed to inform the Bank
  - d) there are no grounds for exclusion, as set out in the Bank's Business Regulations, in respect of the Principal or the underlying transaction;
  - e) the text and the conditions of the guarantee requested to be issued are acceptable to the Bank.
  - f) the Guarantee Assumption Fee or the first half year's instalment thereof has been paid;
  - g) The Principal has no outstanding debts towards the state or Eximbank, resulting from the exercise of a previous state suretyship, state guarantee or counter-indemnity, at the time of issuing the Guarantee.
- 7.2. The Guarantee is issued in accordance with the provisions of the Contract.

## **8. AMENDMENT OF THE GUARANTEE, PRESENTATION OF DEMAND, PAYMENT AND THE PRINCIPAL'S REIMBURSEMENT OBLIGATION**

### **8.1. Amendments**

The contents of the Guarantee Statement may not be amended without the Beneficiary's consent once the Guarantee has been issued.

## 8.2. **Extend or pay**

In the Contract, the Principal hereby authorises the Bank to extend the Guarantee issued by it, based on the Bank's unilateral decision, in cases where the Beneficiary exercises its right to report a claim but disclaims any payment in the event that the Guarantee's expiration date is extended, and the Principal has issued no instruction to the contrary. In this case, the Principal shall be obliged to pay the Guarantee Assumption Fee for the extension of the Guarantee, and to maintain and, if necessary, supplement the Collaterals provided as coverage for the guarantee.

## 8.3. **Presenting a Demand, assessment of the Demand by the Bank and payment**

- 8.3.1. The Beneficiary shall present the Demand in a format complying with the provisions of the Guarantee Statement, as a duly signed letter or via SWIFT to the Bank at latest on the Expiry Date. In the case of Guarantees subject to the URDG 758 ICC standards and issued under Hungarian law, if the Expiry Date is not a Working Day, the Beneficiary is entitled to present a Demand to the Bank at latest on the first Working Day following the Expiry Date in compliance with the provisions hereof. The presentation must be complete unless indicating future completion. In such cases, the presentation shall be completed at latest on the Expiry Date (if such date is not a Working Day, on the first Working Day following the Expiry Date).
- 8.3.2. The Bank will assess the Demand presented within 5 (five) Working Days from receipt and will decide whether the Demand is complying. During the assessment, the Bank only examines the fulfilment of the conditions set out in the Guarantee Statement, and shall not be entitled or obliged to investigate or object to the legitimacy of the claims for payment submitted to it based on the guarantee issued by the same and it shall not be entitled or obliged to investigate the Underlying Legal Relationship. Unless otherwise specified in the Contract, the Bank is not obliged to investigate whether the Demand qualifies as undoubtedly abusive or malicious pursuant to Section 6:436 of the Ptk. The Bank shall not be held liable by the Client in whatever manner for any payments made by the Bank to the Beneficiary.
- 8.3.3. The Bank may not enforce the objections that the Client is entitled to enforce against the Beneficiary, but may enforce all objections that the Bank is entitled to against the Beneficiary in its own person.
- 8.3.4. If, during its assessment, the Bank establishes that the Demand is not complying, the Bank may reject the Demand. In this case, the Bank will inform the Beneficiary within 5 (five) Working Days from receipt of the Demand that it refused payment by also specifying the reason thereof.
- 8.3.5. The Bank will perform a payment to the Beneficiary based on the complying Demand presented in compliance with the Guarantee Statement, with the terms and within the deadline specified in the Guarantee Statement, via bank transfer to the Performance Account.

- 8.3.6. The sum available to the Beneficiary will be automatically decreased by the amount of payments performed based on the Guarantee by the Bank.
- 8.3.7. If the Bank issues the Guarantee pursuant to the Principal's order and in compliance with the Contract, the Principal may not bring any claims for damages or demands on any legal grounds regarding the Guarantee Statement or any payment performed by the Bank based on the same against the Bank, and the Principal may not enforce objections or any claims for setoff or reimbursement against its payment obligations arising from the Contract.

**8.4. The Bank's obligations of notification**

The Bank shall inform the Principal within 5 (five) Working Days that:

- a) it has received the Demand presented by the Beneficiary and
- b) it has found the Demand to be complying and will perform a payment based on the same to the Beneficiary or that it has rejected the Demand and denied payment to the Beneficiary based on the Guarantee, by specifying the reason for such rejection.

**8.5. The Principal's obligation of reimbursement**

- 8.5.1. If the Bank performs a payment pursuant to the Guarantee, the Principal shall reimburse the Bank for the amount paid by the Bank to the Beneficiary based on the Demand. Unless otherwise agreed, this obligation of the Principal shall be fulfilled in parallel with the payment performed by the Bank, of which the Bank will send a notice to pay to the Principal.
- 8.5.2. In addition to its obligation of reimbursement set out in section 8.5.1, the Principal shall, at the Bank's notice to pay (request) and within the deadline set in such notice, pay the Bank the amount:
  - a) ---which, in connection with the Guarantee, the Bank is obliged to pay the Beneficiary or other third party under the title of compensation for damages or other claims; and/or
  - b) --which has incurred in connection with the Demand or termination of the Guarantee, the refusal to execute payment, reclaiming of a payment already made, or objecting to the claims mentioned above (including the fees of any consultancy and legal services used for this purpose).

**9. FEES, COSTS, TAXES, DEFAULT INTEREST**

**9.1. Guarantee assumption fee**

9.1.1. The Principal shall pay the Bank a pro-rata Guarantee Assumption Fee for the assumption of the guarantee. The amount of the Guarantee Assumption Fee is included in the Contract.

9.1.2. The amount of the Guarantee Assumption Fee is to be determined as follows:

$$\frac{\text{amount of guarantee} \times \text{annual \% of the guarantee fee} \times \text{term (in months)}}{1,200}$$

In the above formula, *the amount of the guarantee* is the amount of the Bank's warranty obligation existing at the time of the fee payment, regardless of the effective date of the indemnification obligation. The obligation to pay the Guarantee Assumption Fee shall not be affected if the commitment ceases after the beginning of any given six-month period.

With respect to the *term*, each commenced month shall be regarded as a whole month.

- 9.1.3. In the case of Guarantees with a term shorter than a year, the Guarantee Assumption Fee is due in a lump sum prior to the issue of the Guarantee, pursuant to the instructions specified in the Bank's fee invoice. In the case of Guarantees with a term longer than a year, the Principal shall pay to the Bank the pro-rata part of the Guarantee Assumption Fee for the assumption of the Guarantee for the first 6 (six) months preceding the issue of the Guarantee and then in every 6 (six) months pursuant to the instructions specified by the Bank in the fee invoice. If the Guarantee is cancelled prior to the Expiry Date, at the Principal's request, and based on an individual decision, the Bank may repay the pro-rata part of the half-yearly Guarantee Assumption Fee for the period after the cancellation of the Guarantee already paid by the Principal.
- 9.1.4. If payment is made in a currency other than the currency of the Contract, the Principal authorises the Bank to execute the conversion, in the course of which the exchange rate quoted by the Hungarian Central Bank on the day of conversion shall be applied.
- 9.1.5. If the Guarantee's expiry needs to be extended in the form of an "Extend or pay" notice pursuant to the provisions of section 8.2 of these GTC, an additional 1% (one percent) guarantee fee may be charged due to the increase in the Bank's risk assumption.

## **9.2. One-off fee**

The amount of the One-off Fee is specified in the List of Terms and Conditions. A fee charged as a consideration for the one-off operating costs of the Bank incurred in connection with its risk assumption. Payment of the One-off Fee is due in the currency of the Guarantee, prior to the issue of the Guarantee or the opening of the Guarantee Line, as per the Bank's related notice.

## **9.3. Monitoring fee**

The amount of the Monitoring fee is specified in the List of Terms and Conditions. An annual fee payable during the monitoring period, which is the fee for monitoring the performance of the contractual conditions and the Principal's solvency.

## **9.4. Amendment fee**

The amount of the Amendment Fee is specified in the List of Terms and Conditions. In the case of increasing the amount of the Guarantee, extending its term and/or any other amendment thereof, an Amendment Fee shall be paid per each Amendment prior to the signing of the amendment. Otherwise the Guarantee Sum is payable, and, in the case of

increasing the term, the pro-rata fee as set out in section 9.1 shall be paid in the manners specified therein.

#### **9.5. Default interest**

The Principal shall pay default interest on any overdue debt, starting from the date following the due date until the day of actual payment. The default interest is to be calculated by applying the default interest rate expressed as a percentage of the amount of the outstanding debt, the rate of which is included in the List of Terms and Conditions.

#### **9.6. Costs**

9.6.1. The Principal shall pay the fees charged by the banks cooperating in the issue of the Guarantee (including the fee, commission and other costs determined by the guarantor appointed in the counter-guarantee by the Bank) as well as any other costs incurred in relation to the execution and enforcement of the Contract. The Principal is obliged to pay the Bank all fees, costs and expenses, including, but not limited to, legal and notary fees, as well as any fees, costs and duties payable in enforcement proceedings, any experts' fees (including valuation fees), any court and land registry costs, and all duties and procedural fees incurred on the part of the Bank in connection with the enforcement and execution of any claim due to the Bank under any Contract.

9.6.2. In the absence of provisions in the Collateral Contract to the contrary, all costs incurred in connection with the provision, valuation, maintenance, handling, insurance, verification and enforcement of the Collaterals as well as their review by an expert designated by the Bank shall be borne by the Principal.

9.6.3. Principal shall, within 3 (three) Working Days from the date of receipt of the Bank's written demand, pay the Bank any – newly arising or increased – costs incurred due to compliance with a legal provision enforced or amended after the execution of the Contract (including any amendments in the interpretation or application of such legal provision and the related administrative procedure) in relation to the Contract.

#### **9.7. VAT**

All considerations payable by the Principal under the Contract are to be understood as exclusive of VAT. If any of the services provided by the Bank is subject to VAT, the Principal shall pay such consideration increased with the amount of the VAT.

### **10. COLLECTION ORDER BASED ON A LETTER OF AUTHORISATION**

10.1.1. If so required by the Contract or the Collateral Contract, the Client is obliged to provide the Bank with an authorisation to submit a prompt collection order with respect to its current accounts, on the basis of which the Bank becomes entitled to collect any monetary claims outstanding from the Client under the Contract and the Collateral Contract, by way of a prompt collection order submitted on the basis of the letter of authorisation.



- 10.1.2. Clients who are obliged to provide a letter of authorisation pursuant to the Contract or the Collateral Contract are obliged
- a) to inform the Bank about all of their payment accounts,
  - b) to notify the Bank, within 3 (three) Working Days, about the opening of any new payment account or about a change to the number of their payment account, and
  - c) refrain from behaving in a manner that would prevent the Bank, in whatever manner, from exercising its rights of collection based on a letter of authorisation, or that would cause the payment account(s) to be terminated or to become unfunded.

## **11. COLLATERALS**

### **11.1. General obligations**

11.1.1. The Bank, in order to ensure the payment of its claims arising from the Contract, is entitled to request, as an accessory obligation, especially the following Collaterals:

- a) suretyship,
- b) lien (pledge) or mortgage right,
- c) collateral deposit,
- d) guarantee,
- e) credit insurance,
- f) assignment of sales revenue for security purposes,
- g) purchase right (call option) for security purposes,
- h) netting within the balance sheet,
- i) letter of credit,
- j) bill of exchange.

11.1.2. The Bank may request several Collaterals at the same time, each of which – in the absence of a contractual provision to the contrary – shall serve as collateral for the entire amount of the Bank's claim. Until the Collateral is provided or the provided Collateral is supplemented at the Bank's request, the Bank is entitled to refuse to issue the Guarantee. The Bank shall not be liable for any losses sustained by the Principal or other persons as a result of this.

11.1.3. When stipulating the Collateral, the Bank is entitled to determine – in the manner stated in its internal regulations – the value at which it will recognise the various Collaterals.

11.1.4. The Client shall, as security for the fulfilment of the Principal's obligation of reimbursement, obligation to pay fees, commissions and all other payment obligations imposed on it under the Contract, provide the Bank with the Collaterals specified in the Contract.

11.1.5. The Client shall take all necessary measures to ensure that the Collaterals stipulated in the Contract are established, maintained and enforceable, their value is preserved, and that they are provided to the Bank within the specified deadlines. If the Client fails to comply with this obligation and thereby prejudices the existence, value and enforceability of the Collaterals, the Bank, or its designated

representative, shall be entitled to act directly on the Client's behalf and at its expense or to initiate the necessary authority or court proceedings.

- 11.1.6. The Client shall use, handle, operate, and appropriately safeguard and maintain the assets constituting the objects of the Collateral in a condition suitable for their appropriate use, and it shall fulfill all its obligations stipulated by law in this respect.
- 11.1.7. Where the Contract and/or the Collateral Contract prohibit alienation and encumbrance, the Client shall maintain its title to the assets serving as the objects of the Collateral; it shall only be entitled to alienate or encumber them subject to the Bank's prior written approval.
- 11.1.8. The Client shall be obliged to maintain the assets in the required value, to ensure that they are enforceable, and it shall enforce the claims, when they become due for payment, ensuring that the payments are executed in compliance with the provisions of the related Collateral Contract.
- 11.1.9. The Client shall insure the movable and real estate assets serving as the objects of the Collateral for all risks and for their full value, at an insurance company and under conditions acceptable to the Bank, and shall maintain the insurance until all its obligations under the Contract have been met in full. Unless otherwise provided by the Contract or the Collateral Contract, in respect of the insurance contract the Client shall, at the Bank's discretion, either establish in favour of the Bank a mortgage right on the claim outstanding from the insurance company, or assign the claim to the Bank, and it shall indicate the Bank as the beneficiary in the insurance policy, and shall inform the Bank about this by presenting the appropriate documents. The Client shall, within eight days after the payment of each due premium – starting from the conclusion of the insurance contract and throughout the term of the Contract – prove to the Bank with a document that it has paid the insurance premium in an appropriate manner. The Bank may entrust the determination of the insurance conditions and the task of verifying the existence of the insurance and the payment of premiums to an expert company designated by it.
- 11.1.10. The Client may not amend or terminate the insurance contract without the prior written consent of the Bank. The Bank is entitled to use the insurance money (indemnity) transferred by the insurer to reduce the Principal's debt before the due date (maturity) of its claim, if the Client does not replace or repair the lost, destroyed or damaged asset. The portion of the indemnity in excess of the Bank's claims shall be due to the Client.
- 11.1.11. The Client acknowledges that the obligation to provide additional security, which is acceptable to the Bank, arises if
  - a) the Collateral provided at the time of contract conclusion is destroyed, lost or damaged,
  - b) the Bank is of the opinion that a significant loss in the value of the Collateral relative to the debt outstanding has occurred, based also on any change in the exchange rate,
  - c) the value of the cash, securities and/or other financial instrument serving as Collateral falls,

- d) the Bank is of the opinion that there has been a significant deterioration in the Client's management or financial position,
- e) the Contract or Collateral Contract requires it,
- f) the Collateral Provider subject to the ARE Act participates in the debt settlement proceedings as a debtor, co-debtor or other obligor, and further, if it makes a declaration in accordance with Section 10 (1) (d) of the ARE Act as another obligor during the proceeding.

11.1.12. The Client shall immediately inform the Bank about any such circumstances as have a negative impact on the value or enforceability of the Collaterals, as well as about any changes that have occurred in the Collaterals. The Client shall replace any assets that have been specified by type and quantity but that have in the meantime been used up or sold, in accordance with the provisions of the Contract and/or the Collateral Contract. The Bank, or an expert commissioned by it, is also entitled to conduct an on-site check to determine whether the Collateral provides adequate coverage for its claims.

11.1.13. If the Principal does not perform at the due date, the Bank shall be entitled to exercise its right to foreclosure in respect of any Collateral.

## **11.2. Enforcement of Collaterals**

11.2.1. The Bank may, after its right to foreclosure has become exercisable, in order to enforce its due claim against the Principal, exercise the rights defined in the Contract or in the individual Collateral Contracts and in the statutory provisions related to the collaterals concerned.

11.2.2. If the exercising of a right or the enforcing of a claim in connection with a Collateral falls due during the term of the Collateral Contract, the Bank shall be entitled to enforce the claim, and thus in particular to redeem any bonds or shares, their interest or dividend coupons and/or mortgage notes, and to enforce any receivables that have been pledged in its favour.

11.2.3. If a claim is secured by more than one Collateral, all the Collaterals shall serve as security for the full claim, and the Bank may, within the avenues provided it under the law, decide at its own discretion whether or not to enforce its right to satisfaction from the Collaterals, which of these rights to enforce, and in what order to enforce them.

11.2.4. Pledges shall be enforced, at the Bank's discretion, through judicial foreclosure or outside of judicial foreclosure (sale of the pledge object by the Bank, acquisition of ownership of the pledge object by the Bank, or enforcement of the pledged right or claim). Enforcement of pledges outside of judicial foreclosure is regulated by the provisions of the Ptk. The Bank, as pledgee, may switch from one chosen method of enforcing the right of satisfaction to another.

11.2.5. In the case of a collateral deposit, the Bank may satisfy its claim directly from the Collateral.

11.2.6. The Bank shall always settle accounts with the Client in a comprehensive manner with regard to the costs and revenues related to the Collaterals.

11.2.7. The Bank is entitled to set off its debts to the Principal against its claims from the Principal.

## **12 REPRESENTATIONS**

### **12.1 The Client's warranty**

In order for the Bank to issue a Guarantee for the Beneficiary specified by the Client, the Client makes the representations listed in this section 12 and acknowledges that the Bank is entering into the Contract and the Collateral Contracts on the assumption that the following representations are correct and true.

In the case of a Guarantee Line Agreement, when submitting an application request for inclusion in the Guarantee Line, it shall be assumed that the Client has repeated the following representations and has declared that these representations are true at the time of presenting the Demand as well and will remain true until the Bank has or may have claims outstanding against the Principal based on the Guarantee Line Agreement.

### **12.2 Legal status**

The Client – with the exception of natural persons and Sovereign and Sub-sovereign Clients – is a Business Entity validly established and registered in accordance with its personal law, which has the legal capacity to carry on its business activity and all the requisite official permits for doing so.

### **12.3 Rights and authorisations**

The Client has all the rights and authorisations necessary for signing the Contract and the Collateral Contract(s) and for performing its obligations and exercising its rights arising therefrom.

### **12.4 Binding obligations, compliance with the law**

The Client's obligations assumed under the Contract and the Collateral Contract(s) are lawful, valid, binding, enforceable and executable. The signing of the Contract and the Collateral Contracts by the Client and the exercise of the rights and fulfilment of the obligations contained therein does not run counter to the law, the Client's deed of foundation, a court judgment or official decision or any agreement that is binding upon it.

### **12.5 Financial solvency**

The Client is not insolvent and no bankruptcy, dissolution, liquidation, compulsory strike-off or winding up proceedings are in progress or have been instituted against it, or are otherwise threatening. Furthermore, the Collateral Provider subject to the ARE Act does not participate in any debt settlement proceedings under the ARE Act as a debtor, co-debtor or other obligor, and does not make any declaration in accordance with Section 10 (1) (d) of the ARE Act.

### **12.6 No event of default in the case of a Guarantee Line Agreement**

In the case of a Guarantee Line Agreement, none of the events of default defined in section 14 of these GTC or in the Guarantee Line Agreement are present or threatening or will result from the conclusion of the Guarantee Line Agreement or the Collateral Contract(s) or the performance of the provisions set out therein.

#### **12.7. Information**

Unless otherwise stated in a written declaration submitted to the Bank:

- (a) the financial report submitted to the Bank and all other information provided in relation to the Contract and the related Collateral Contracts are true, complete and accurate;
- (b) since the handover of the information specified in point a), no significant adverse changes have occurred in the Client's business operation, assets or financial situation;
- (c) since the handover of the information related to the Collaterals, no such changes have occurred to the value, marketability or legal status of the Collateral as would have a detrimental impact on the Bank's rights related to the collateral or on the enforceability of such rights.

#### **12.8. No proceedings**

The Client has not committed any violation of the law, and no such court or arbitration or other similar litigious or non-litigious official or other proceedings or investigations are in progress or have been initiated against it or are threatening as would have a detrimental impact on the Bank's ability to fulfil its payment and other obligations set out in the Contract, in the Collateral Contract or in these GTC.

#### **12.9. Taxation**

- (a) The Client has no overdue Tax Debt.
- (b) In relation to Tax Debt, no claims enforcement proceedings have been, or may reasonably be expected to be, instituted against the Client.

#### **12.10. Encumbrance and financial commitments**

- (a) Apart from the Collaterals established in favour of the Bank and the encumbrances approved by the Bank, there is no security interest or other encumbrance on the Principal's assets.
- (b) Apart from the obligations acknowledged by the Bank or that are expressly approved in the Contract, the Principal has no debts to the Bank or other financial institutions, and furthermore, it has no obligations arising from other transactions deemed financial commitments, except for advance payments or deferred payments applied for periods not exceeding 90 (ninety) calendar days with regard to the supply of goods or services within the scope of the ordinary course of business.

#### **12.11. No breach of contract**

12.11.1. No breach of contract exists or is otherwise threatening, and neither the conclusion of the Contract, the Collateral Contract(s) nor the issue of the guarantee will result in a breach of contract.

12.11.2. The Principal is not in breach of contract in respect of any such contract concluded by it where the resulting claims of such would endanger the payment obligation of the Principal.

### **13. COMMITMENTS**

The Client – in addition to accepting the obligations stipulated in the Contract, the Collateral Contracts and the Business Regulations – undertakes a commitment to comply with the following requirements.

#### **13.1. Compliance with the Contract, Collateral Contract and the law**

- (a) The Client shall fully comply with all substantial statutory provisions applicable to it and with its contractual obligations.
- (b) The Client shall, within the stipulated deadline, repay all its public debts and fulfil all other payment obligations.
- (c) The Principal shall, without delay, acquire all the permits, approvals and consents and make all the reports necessary for the performance of its activity and for the fulfilment of its obligations; it shall continually comply with the conditions prescribed in them, and shall ensure they remain valid until all its payment obligations towards the Bank have ceased.

#### **13.2. Regular business activity**

- (a) The Principal shall perform its business activity without any substantial change.
- (b) The Principal shall use and utilise its assets in compliance with the regular business activity.
- (c) The Principal shall enter into business agreements only on market terms and on an arm's length basis.

#### **13.3. Property insurance**

The Principal shall, to the extent and in the manner customary at companies performing similar business activities, in order to cover any risks related to its business operation, its assets and, in the case of financing of a foreign trade contract, to the goods to be delivered, maintain a property insurance contract with a reputable insurance company accepted by the Bank; it shall pay the insurance premiums when due, and it shall provide the Bank with evidence of such payment within 8 (eight) calendar days following each due date.

#### **13.4. Indemnification, penalty**

13.4.1. The Client shall – in addition to any other consequences defined in the Contract, the Collateral Contract, the GTC and the legal provisions – bear full liability for any damages caused to the Bank resulting from the breach of its obligations.

13.4.2. In the event that the Client fails to fulfil any of its obligations to provide information as stipulated in these GTC, the Contract or the Collateral Contract, and it also fails to remedy such default within 15 (fifteen) days from the receipt of the Bank's related notice, the Bank may charge a penalty for late performance in the amount of HUF 100,000 (a hundred thousand forints) from the expiry of the

deadline until the day of fulfilment of the obligation to provide information (assuming 30-day months). Payment of the penalty for late performance does not exempt the Client from fulfilling its reporting obligation. In addition to the penalty, the Bank may enforce damages in excess of the penalty.

- 13.4.3. If the Principal breaches its obligation of reporting or co-operation during the process of assessing the application related to the assumption of the Guarantee or of the drafting or signing of the Contract, as a result of which the Contract is not signed and the Guarantee thereunder is not issued, it shall be fully liable for any damage caused to the Bank as a consequence of the failure of the transaction resulting from the breach of its obligations.

## **14. TERMINATION OF THE GUARANTEE LINE AGREEMENT**

- 14.1. The Bank shall be entitled to terminate the Contract in the event of the occurrence of the events of default specified in this section, the Business Regulations or the Contract:
- a) any of the cases specified in Paragraph (4) of Section 6:382 of the Ptk. and/or Section 6:387 of the Ptk. occurs;
  - b) the representations set out in the GTC are not true;
  - c) the Client breaches any of its obligations assumed in the Contract and in the GTC;
  - d) the Principal commits a material breach of a contract concluded with the Bank or any other financial institution (cross default);
  - e) the Client fails to fulfil the obligation to provide additional security at the request of the Bank;
  - f) a material adverse change has occurred in the Principal's circumstances, and the Principal fails to provide adequate Collateral despite being requested to do so;
  - g) the Client misled the Bank by stating untrue facts, concealing data or in any other way, if this had an impact on the conclusion or the content of the Contract;
  - h) the Principal impedes an investigation relating to its insolvency, to the collateral coverage or security of the Loan, or to the implementation of the purpose of the Loan – in spite of a warning – including such case in which it breaches a data-provision obligation undertaken in the Contract or stipulated by law;
  - i) the Principal fails, despite the Bank's written notice, to fulfil any one or more of its payment obligations that have become due under the Contract by the deadline specified in the notice;
  - j) in relation to the conclusion of the Contract, a well-founded suspicion has arisen that an Act of Corruption has been committed in connection with the transaction serving as the basis for assuming the Guarantee, if this results in a criminal procedure. The Client hereby waives its right to enforce any claims against the Bank in such case where the Bank terminates the Contract with reference to causes defined in this section.
  - k) bankruptcy, liquidation, legality supervisory proceedings, special legality supervisory proceedings, compulsory strike-off, liquidation or enforcement proceedings have been initiated against the Client;
  - l) the Collateral Provider subject to the ARE Act participates in the debt settlement proceedings as a debtor, co-debtor or other obligor, and further, if

it makes a declaration in accordance with Section 10 (1) (d) of the ARE Act as another obligor during the proceeding.

m) the Client fails to fulfil its obligation to preserve, insure, pay premiums on, top up or disclose material circumstances related to the stipulated Collateral.

14.2. If the Bank terminates the Guarantee Line Agreement, and the Bank may still have payment obligation as a result from enforcing Guarantees issued under the Guarantee Line Agreement, the Bank shall be entitled to request additional collateral securing the payment obligations arising from the Guarantees in full.

## **15 OTHER TERMS**

### **15.1. Definitive evidence**

15.1.1. The Bank's business books shall be the primary basis for determining the Principal's outstanding debts under the Contract.

15.1.2. The Bank may, in order to provide evidence of its claims outstanding from the Principal under the Contract, request the preparation of a certificate of the facts comprised in a notarised deed, based on the Principal's accounts managed at any financial institution and on the Bank's related documentary records, which the Bank may also use in any possible claims enforcement proceedings.

### **15.2. Payments**

15.2.1. The Principal is obliged to pay its debts outstanding under the Contract (amount drawn down based on the guarantee, default interest, guarantee fee, passed on commission, other debt) when they become due. If the due date of any amount payable under this Contract is not a Working Day, then the due date shall be the next Working Day.

15.2.2. The Principal shall fulfil its payment obligation by transfer to the Bank's account.

15.2.3. The Principal's payment obligation shall be considered fulfilled on the value date of crediting on the Bank's account, or, if the Bank is notified about the crediting after the value date, on the banking day following the date of such notification, or, in the case of conversion, on the 2nd (second) value date following the date of notification regarding the crediting. If crediting is executed on the Bank's account with a retrospective value date, then the payment obligation shall be deemed fulfilled on the date of notification regarding the crediting.

### **15.3. Transfer of contract**

15.3.1. The Contract shall be binding upon the Parties and their legal successors.

15.3.2. The Client may not assign or transfer its rights or obligations under the Contract or the Collateral Contract, the claims arising from these contracts or its contractual position without the Bank's prior written consent.

15.3.3. The Bank may – without the Client's authorisation – assign or transfer its claims and rights arising from the Contract or the Collateral Contract to a third party, or



it may encumber them as security, or, for the same purpose, transfer any information and documents (including bank secrets and trade secrets) related to such claim or right to a third party, which transfer of information the Client expressly consents to by signing the Contract or the Collateral Contract. By signing the Contract, the Client expressly and irrevocably consents to the Bank's assigning its debt and contractual position based on the Contracts to a third party. By signing the Contract or the Collateral Contract, the Client expressly consents to the maintenance of the Collaterals provided by it in the event of assignment of the contract by the Bank.

15.3.4. The Beneficiary is not entitled to transfer or assign the guarantee or the right to enforce the guarantee.

#### **15.4. Governing law, severability, legal disputes**

15.4.1. This Contract shall be governed by Hungarian law. With respect to matters not regulated in the Contract, these GTC, the Bank's Business Regulations, the Ptk. and the relevant provisions of law shall apply.

15.4.2. The invalidity of any of the items of this Contract or the Collateral Contract shall only affect the specific provision, and shall not entail the invalidity of the entire Contract.

15.4.3. The Parties will attempt to settle their disputes in an amicable manner. If this is unsuccessful, Parties may – in accordance with the rules on civil litigious procedure – turn to the court with authority and jurisdiction in the matter.

#### **15.5. Entire Agreement**

The Contract / Collateral Contract contains all terms and conditions of the agreement made between the Bank and the Client in the subject-matter of the Contract / Collateral Contract and all prior agreements that are not integrated into the Contract / Collateral Contract shall expire. Any practices or customs previously applied or established between the Parties, or practices or customs familiar to or applied by the subjects of similar contracts do not form a part of this Contract / Collateral Contract.