

# LOCAL CONDITIONS

These Local Conditions for Accounts held and Services provided in Hungary, supplement and/or amend, and are to be read together with the Master Account and Service Terms or any other terms and conditions that may be in effect ("MAST"); Confidentiality and Data Privacy Conditions ("CDPC"); and, if applicable, Regulatory Disclosures, Declarations, and Representations ("RDDR"). If there is a conflict between the MAST, CDPC, Local Conditions, and the RDDR, the RDDR will prevail. These Local Conditions, the MAST, CDPC, and RDDR may be updated from time to time with general applicability to customers and upon prior written notice to Customer.

**1. Right to Modify Terms, Interest, Fees, and Other Amounts.** In accordance with Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises and Section 7.1 of the MAST, the Bank may unilaterally modify terms and conditions as well as interest, fees, other amounts that apply to the Accounts and Services under the following circumstances:

- a. Change in the legal or regulatory environment in Hungary including, but not limited to, any Government Requirement as defined in Section 8.4 of the MAST;
- b. Change in the market conditions or economic environment in Hungary, including, but not limited to (i) increase in Hungarian country risk; and (ii) changes to the fund-raising and refinancing costs of the Bank; or
- c. Change to the conditions of banking operations, including, but not limited to (i) increase in the operating costs of the Bank, arising for reasons beyond the control of the Bank and directly related to the provision of the Service concerned; (ii) introduction by the Bank of a new Service, modification, expansion or development of an existing Service, or the withdrawal, suspension or termination of a Service; and (iii) increase of the fees for, or costs of, Services provided at a price lower than the costs of the Service concerned for business policy or other reasons to operating cost level;

Provided that the Bank shall also be entitled to modify interest rates or exchange rates without separate notification and immediately if such changes are based on the Reference Interest Rate or the Reference Exchange Rate..

**2. Electronic Banking Services (Micro-enterprises).** As required by Section 14 (1)(m) of Act LXXXV of 2009 on the Pursuit of the Business of Payment Services ("Payment Services Act"), the Customer and the users acknowledge that they are obliged to safeguard the Credentials and to take all necessary actions to prevent any unauthorized persons from accessing them. The Customer and the user shall promptly notify the Bank if the Customer and/or the user finds or suspects that unauthorized third parties may have gained access to the Credentials. Before the notification the Customer shall bear the losses it suffered in connection with the unauthorized access to the Credentials up to a maximum of fifteen thousand forints and the Customer's losses exceeding this amount shall be borne by the Bank. All the losses the Customer suffered in connection with the unauthorized access to the Credentials after the Bank was notified by the Customer or the user shall be borne also by the Bank. The Customer further acknowledges that until the notification it shall bear all damages it suffered in connection with the unauthorized access to the Credentials if the unauthorized access occurred due to the fraud of the Customer or the user, or it is a result of the willful or grossly negligent breach of the obligations set out in this Declaration. The Customer agrees that the Bank may at any time suspend the provision of Services that require the use of the Credentials if the Customer fails to comply with its obligations set out in this Declaration.

**3. Termination.** In accordance with Section 10.1 of the MAST, the Bank may exercise its termination right with a sixty (60) day notice period unless there has been a material breach of these Terms by the Customer whereby termination may be exercised immediately. The Customer may exercise its right of termination with a thirty (30) day notice period.

**4. Payment Services provided under European Directive 2015/2366/EC ("PSD2") and Payment Services Act**

- 4.1 The Customer shall give the Bank prior written notice that it wishes to appoint or remove an account information service provider (an "AISP") or a payment initiation service provider (a "PISP") (as defined under PSD2 ) and/or a payment services provider referenced in Article 65 PSD2 that issues card-based payment instruments that can be used to initiate payment transaction from Account(s) held at the Bank (each a "TPP"). The Customer shall exercise reasonable care when selecting, appointing and making use of a TPP.
- 4.2 The Bank is not liable for any damage, liability and/or loss that the Customer suffers or incurs in connection with the appointment or use of a TPP. The Customer shall be liable to the Bank for any damage, liability and/or loss arising from or incurred by the Bank in connection with the appointment or use of any TPP by the Customer (except in the event such damage, liability and/or loss is directly caused by the Bank's fraud, gross-negligence or wilful misconduct).
- 4.3 If the Bank refunds an unauthorised, unexecuted, defective or late payment transaction, and reasonably determine that such payment transaction was unauthorised, unexecuted, defective or late as a result of the Customer's negligence, wilful default or fraud, the Customer acknowledges and agrees that the Bank may reverse any such refund credited to the Customer's Account together with related interest and deduct the Bank's reasonable costs.
- 4.4 The Bank may refuse access to TPPs for objectively justified and duly evidenced reasons relating to unauthorised or fraudulent access to the Account(s). In such cases, unless the Bank is prohibited by applicable law, the Bank will inform the Customer that TPP access to the Account(s) has been denied and the reasons therefor. The Customer agrees that the Bank may make reports of denied TPP access to regulatory and other authorities, which may contain data confidential to the Customer

# Regulatory Disclosures, Declarations and Representations (RDDR)

These Regulatory Disclosures, Declarations, and Representations (“RDDR”) for Accounts held and Services provided in Hungary, supplement and/or amend, and are to be read together with the Master Account and Service Terms or any other terms and conditions that may be in effect (“MAST”), Confidentiality and Data Privacy Conditions (“CDPC”) of the Bank, and Local Conditions, if any.

## 1. Notice on FATCA Compliance

Pursuant to Section 288/B of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises, the Bank is required to check the Customer’s tax residency status. The aim of the tax residency status check is to determine whether the Customer and –if applicable - the Customer’s Controlling Person (as defined in FATCA) is resident in the United States of America for tax purposes. The basis for the tax residency status check is Form W9 or W8, which must be completed by the account holder.

By the day of 30 June of the year following the tax year, Citibank is required to report to the Hungarian State Tax Authority (NAV) about the accounts maintained by U.S. persons defined as such under FATCA. The reporting obligation covers – among others – the provision of the following information:

- The name, address and U.S. taxpayer identification number (TIN) of the U.S. person;
- The data of the given account(s);
- The balance of the given account;
- The total gross amount of interest paid or credited;
- In specified cases, the gross amount of debits and credits.

The information reported by the Bank to NAV will be forwarded to the Internal Revenue Service (IRS) of the United States as part of the automatic exchange of information.

## 2. Information on the Central Credit Information System (“CCIS”)

CCIS is a closed-system database created under Act CXXII of 2011 on Central Credit Information System in order to enable a more differentiated credit rating of customers and to mitigate the credit risks of regulated institutional creditors (including the Bank), which are authorized to access the data in CCIS for the above purposes.

In the following cases the Bank is required to provide information about the Customer, if it is registered in Hungary in order to maintain and update the CCIS:

- a) The Customer’s payment obligation under a credit/loan agreement or under an indemnity agreement for a letter of guarantee/credit is overdue for more than 30 days;
- b) The Bank terminates or suspends the agreement with the Customer on accepting payment instructions through electronic banking systems or by the use of bank cards due to the Customer’s breach of the applicable contractual terms on such payment instruments.
- c) Unsettled debit transactions in excess of one million Hungarian Forints (HUF) are queued on the Customer’s account for more than 30 days.

The Bank is required to submit to the CCIS the following data about the Customer in each of the above cases: (i) company name, (ii) registered address, (iii) registration number and (iv) tax number.

The following additional information shall be submitted in respect of case a): the type and identification (number) of the underlying agreement; the date of execution and expiry or termination of the underlying agreement; the legal basis for the termination; the amount and currency of the debt, the amount of instalments and the payment method and the frequency of the instalments; the trigger date for the CCIS reporting obligation (as defined in clause a) above); the amount of the overdue and payable indebtedness on the trigger date; the maturity date and termination method of the overdue and payable indebtedness; and reference to an assignment of the indebtedness to another financial institution or to any litigation

The following additional information shall be submitted in respect of case b): the date of execution and termination or suspension of the agreement on electronic banking or bank card; and comments on any litigation.

The following additional information shall be submitted in respect of case c): the identification number of the payment account agreement; the amounts and currencies of the debits queued; the start and end date of debt queuing; and comments on any litigation.

## 3. Corporate Opt Out for Payment Services

Pursuant to and for the purposes of the second European Payment Services Directive 2015/2366/EC and the Payment Services Act each as amended from time to time (“Payment Services Laws”), to the extent the Bank is providing payment services to the Customer, the Customer agrees that those Payment Services Laws which may be disapplied where the payment service user is not a consumer or micro-enterprise are all so disapplied with respect to the Customer.