



## **General Lending Conditions of Corporate Banking of Citibank Europe plc Hungarian Branch Office**

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### 1. SCOPE OF THE GENERAL LENDING CONDITIONS

- 1.1 The General Lending Conditions for Large Corporates (hereinafter: "General Lending Conditions") shall govern the terms and conditions of all types of credit arrangement and related legal arrangements (including, but not limited to loan and credit facilities and opening/issuing letters of credit and guarantees) between Citibank Europe plc (registered office: 1 North Wall Quay, Dublin 1, registration court and court number: Companies Registration Office, no. 132781) acting through Citibank Europe plc Hungarian Branch Office (hereinafter: "Bank") and its large corporate customers (hereinafter: "Borrower" or "Borrowers"). Borrower shall mean those legal entities, corporate entities without legal personality or other organisations to which the Bank provides financial, investment or ancillary financial services.
- 1.2 The terms and conditions of the General Lending Condition are binding on the Bank and the Borrowers without special reference thereto; however, by mutual agreement, the provisions of individual Facility Agreements or specific transactions may deviate from those provisions of the General Lending Conditions that regulate the same matters, in which cases the provisions of individual Facility Agreement or specific transactions shall prevail over the provisions of the General Lending Conditions.
- 1.3 In addition to the provisions of Section 1.2, the legal relationship between the Borrower and the Bank shall be governed by i) the Bank's General Business Conditions of Corporate Services or ii) the Global Payment and Service Terms and the related Terms together (hereinafter i) or ii): General Business Conditions), the List of Conditions for Corporate Payment Accounts, as well as the provisions of the legislation of Hungary and - due to the legal status of the Bank - the Republic of Ireland (as applicable), as well as international banking customs. The provisions of the General Business Conditions and the General Lending Conditions and List of Conditions shall form an integral part of all Agreements and shall apply to all aspects of the business relationship, unless otherwise provided in the individual Agreements. In the event of a conflict between the provisions of the General Lending Conditions, the List of Conditions and the Agreement, the provisions of the Agreement and then the provisions of the List of Conditions and the General Lending Conditions shall prevail, in that order.
- 1.4 The place of performance of contractual obligations arising in the course of business relations between the Bank and the Borrower is the registered office of the Bank.
- 1.5 Unless otherwise provided in the Agreement, Hungarian jurisdiction shall prevail in connection with the Agreements.
- 1.6 The General Lending Conditions have been or may be drafted in Hungarian and English languages. Both language versions are equally authentic. In the case of a legal dispute or divergence in interpretation, the Hungarian version shall prevail. The above rule shall also apply if a given Agreement has been signed between the Bank and the Borrower in both Hungarian and English.

### 2. ACCEPTANCE AND AMENDMENT OF THE GENERAL LENDING CONDITIONS

- 2.1 The Borrower's acceptance of the General Lending Conditions shall be a condition precedent for the Bank providing financing to the Borrower. The Bank provides a copy of the General Lending Conditions to each of its Borrowers for acceptance, otherwise the General Lending Conditions are available at its premises during regular business hours and at the Bank's home page ([www.citibank.hu](http://www.citibank.hu)). Pursuant to the terms hereof the Bank will enter into one or more of the following agreements:
  - i) an Overdraft Facility Agreement;
  - ii) a Loan Agreement;
  - iii) a Revolving Credit Facility Agreement,

- iv) any other lending arrangement with the Borrower,
  - v) or agreement on bank guarantee or guarantee, letter of credit, such agreements evidencing the Borrower's acceptance of the terms and conditions of these General Lending Conditions.
- 2.2 The Bank expressly reserves the right to unilaterally amend in a manner unfavorable for the Borrower (i) the interest rate, (ii) any fees, (iii) costs, (iv) other terms and conditions in the General Lending Conditions, the List of Conditions and any Agreement, in the case of the existence of the reasons specified in point 2.2.1. The Bank may exercise the right of unilateral amendment if a change of the causal factors affecting the given contract term makes it justified and possible.
  - 2.2.1 The following factors are those where, in the event of a change therein, the Bank shall be entitled to exercise its right to unilaterally amend the General Lending Conditions, the List of Conditions and the Agreement:
    - a) a change in the legal or regulatory environment
      - i) any law, administrative rule, court decision, central bank, supervisory or any other official provision or change in the interpretation and application of these rules, as well as any legal source that is mandatory in Hungary as a result of European Union legislation or is expected to be implemented in Hungarian law or any change regarding such legal source (hereinafter referred to as the "Rules"), which rules oblige or authorize the Bank to exercise its right of unilateral amendment,
      - ii) a change in the Bank's tax payment obligation,
      - iii) an adverse change in minimum reserve requirements,
      - iv) change and/or termination of state (or other) subsidies related to individual Services.
    - b) a change in the money market conditions or in the macroeconomic environment
      - i) the increase of the country risk reflecting the political and economic situation of Hungary,
      - ii) changes to the fund-raising and refinancing costs of the Bank; in the case of Services provided through the use of refinancing, modification in the terms of refinancing effected by the refinancier or any change in the risk assessment of the refinancier or a significant change to its operation;
      - iii) changes in money market funding opportunities,
      - (iv) a change in the central bank base rate, or in the central bank repurchase and deposit rates,
      - v) changes in capital and money market interest rates,
      - vi) a change in the interbank lending rates,
      - vii) changes in the consumer price index,
      - viii) a change in the yield on a publicly issued security issued by the Bank or a lender to the Bank, a change in the fee for a guarantee or surety provided to the Bank or a credit insurance,
      - ix) an increase in yields on government securities,
      - x) changes in the Bank's lending and operating risk costs,
      - xi) significant changes in the convertibility of the forint or any currency quoted by the Bank, the revaluation or devaluation of the Hungarian forint or any currency quoted by the Bank,
      - xii) restriction or narrowing of the right to participate in international money and capital market transactions, (xiii) total or partial freezing of money and capital markets, temporary or permanent cessation of liquidity, temporary or permanent shutdown of the domestic and/or international interbank payment system.
    - c) changes in banking operating conditions
      - i) raising the fees and costs of services provided at a price below the cost of the given service to the level of operating costs for business policy or other reasons,

- ii) an increase in the risk or risk factors of certain customer segments or product groups, taking into account the ratio of contractual and non-contractual performance of the Agreements belonging to the given product group or customer segment,
  - iii) a fall in the value of the Collaterals,
  - iv) an increase in the risk premium of the bank involved in the provision of the given service,
  - v) an increase in the Bank's operating expenses due to reasons beyond the Bank's control, an increase in fees paid by the Bank to another service provider directly related to the provision of the service, introduction of a new fee by the intermediary service provider or bank; and other changes to the terms and conditions of the business rules of the given service provider or bank and/or in its announcements, or changes in the percentage/amount of fees and costs established by law,
  - vi) a change in the banking procedures, settlement order, IT systems, procedural, operational and/or risk-taking regulations related to the performance and maintenance of the services, which entails additional costs for the Bank,
  - vii) the introduction of a service related to new financial products provided by the Bank to customers, the modification, extension, development of a service related to existing products, or the withdrawal, suspension or termination of a product or service.
- 2.3 The Bank shall inform the Borrowers of the amendment fifteen days prior to its entry into force, and in the event of an amendment to the General Lending Conditions and the List of Conditions, shall make it available at its premises open to customer traffic and on the Bank's website: [www.citibank.hu](http://www.citibank.hu).
- 2.4 The Bank reserves the right – in respect of any service – to unilaterally modify any condition of the concluded Service any time in a manner that is not unfavourable for the Borrower.
- 2.5 It is not considered a unilateral modification disadvantageous to the Borrower if the Bank launches a new service, and a new fee related thereto, if the Borrower is not obliged to make use of the new service and if the modification of conditions (introduction of a new fee) is applicable exclusively to new customers or newly concluded Agreements. It is likewise not considered a unilateral modification disadvantageous to the Borrower if the Bank, after a period specified in advance or upon the occurrence of certain conditions announced in advance, changes the contractual terms in a manner and in an extent announced in advance.

### 3. DEFINITIONS

In these General Lending Conditions and in the agreements between the Bank and the Borrower, unless otherwise specified therein, the following expressions shall have the following meanings:

- Authorization Letter:** the Bank's form, including the Signature Card, the Manual Transaction Authorization (GMTA) and any form replacing them, in which the Borrower notifies the Bank of the identity of the persons authorized to sign on its behalf and the specimen signatures of such persons;
- Banking Business Day:** every day, when banks in Hungary are open, with the exception of Sundays and those bank holidays of which the Bank has duly informed the Borrowers; in the case of a bank not registered in Hungary, the days on which the banks are open in the country where the bank is domiciled;
- Civil Code:** Act IV of 1959 on the Civil Code in respect of Agreements entered into prior to 15 March 2014 (the Old Civil Code); Act V of 2013 on the Civil Code in respect of any Agreement concluded after 14 March 2015 and any Agreement in respect of which the Parties agreed to be governed by this Act (the New Civil Code).
- Collateral:** any security interest, including but not limited to any lien, mortgage, cash collateral deposit, surety and guarantee or other agreement or arrangement the economic or commercial effect of which is similar to security and provides a claim for the Bank on the property of the Borrower and/or any third party providing such collateral;
- Conditions Precedent:** any condition defined in Section 5 of these General Lending Conditions;
- Event of Default:** any of the events specified as such in Section 10 of these General Lending Conditions;
- Facility Agreement:** a bi-lateral legal document entered into by and between the Bank and the Borrower evidencing the Borrower's indebtedness to the Bank, including, inter alia, any of the following documents:
- i) an Overdraft Facility Agreement;
  - ii) a Loan Agreement;
  - iii) a Revolving Credit Facility Agreement;
  - iv) an agreement on other lending arrangements; and

- v) agreement on the issuance of bank guarantee, or guarantee, surety or letter of credit;

**Indebtedness:** any and all amounts owed by the Borrower to the Bank pursuant to a Facility Agreement, including but not limited to principal amounts, interest, default interest, fees, costs and other charges;

**List of Conditions:** information on the services available and on the consideration for the services made available at the Bank's premises open to the public, including in particular the exchange rates used, the bank charges and the variable terms and conditions and other fees for the individual Agreements;

**Reference Interest Rate:** the BUBOR, LIBOR, EURIBOR, €STR, SOFR, TERM SOFR, SONIA, SARON or TONA quoted for the period constituting the basis for interest calculation, as defined in the Agreement;

- **BUBOR:** "Budapest Interbank Offered Rate"; the offer-side annual money-market forint reference interest rate, but at least 0%, calculated by the National Bank of Hungary on the basis of the offer-side rates applied by active interest-quoting banks, and primarily published via the Thomson Reuters and Bloomberg news agencies, which relates to the period starting on the second Hungarian business day following the fixing, as the Budapest forint money-market spot execution day, except in the case of the overnight interest period, where the day of trade is also the day of execution;
- **EURIBOR:** "Euro Interbank Offered Rate"; the offer-side reference annual euro interest rate, but at least 0%, published at around 11:00 Brussels time, which is quoted within the European Economic and Monetary Union by the reference banks for each other in accordance with the prevailing requirements of the applicable regulations of the European Central Bank for the appropriate periods, on the Business Day that precedes the first day of the given period by two Business Days;
- **LIBOR:** "London Interbank Offered Rate"; the reference annual interest rate, but at least 0%, published at around 13:00 London time, which is quoted by the main banks for each other in the London interbank market, in respect of a given currency and period, on the Business Day that precedes the first day of the given period by two Business Days, except for the overnight period in USD currency where the day of trade is also the day of execution for all periods;
- **€STR:** "euro short-term rate" administered and published by the European Central Bank (or any other person which takes over the administration and the publication of that rate); or (i) if €STR is not available for that Banking Business Day, then the rate for the marginal lending facility of the European Central Bank, as published by the European Central Bank from time to time (European Central Bank Rate) for that Banking Business Day, adjusted by the Bank to compensate, in accordance with market practice, for the recent historic difference between €STR and the European Central Bank Rate; or (ii) if paragraph (i) above applies but the European Central Bank Rate for that Banking Business Day is not available, then the most recent European Central Bank Rate for a day which is no more than 5 Banking Business Days before that Banking Business Day, adjusted by the Bank to compensate, in accordance with market practice, for the recent historic difference between €STR and the European Central Bank Rate;
- **SOFR:** secured overnight financing rate administered and published by the Federal Reserve Bank of New York (or any other person which takes over the administration and the publication of that rate); or (i) if SOFR is not available for that Banking Business Day, then the central bank rate of the Federal Reserve Bank (Federal Bank Rate) for that Banking Day, adjusted by the Bank (in accordance with market practice) to compensate for the difference between SOFR and the Federal Bank Rate; or (ii) if paragraph (i) above applies but the Federal Bank Rate for that Banking Business Day is not available, then the most recent Federal Bank Rate for a day which is no more than 5 Banking Business Days before that Banking Business Day, adjusted by the Bank (in accordance with market practice) to compensate for the difference between SOFR and the Federal Bank Rate;
- **TERM SOFR:** means for any interest period, the forward-looking term rate for a period as closely comparable to such interest period determined by the Bank in its sole discretion (which shall be conclusive absent manifest error) based on SOFR that is displayed on a screen or otherwise published by CME Group Benchmark Administration Limited (or a successor administrator of such rate selected by the Bank in its reasonable discretion) on such date and at approximately a time prior determined by the

Bank in its reasonable discretion in a manner substantially consistent with market practice;

- **SONIA:** sterling overnight index average rate displayed on the relevant screen of any authorised distributor of that reference rate (or any other person which takes over the publication of that rate); or (i) if SONIA is not available for that Banking Business Day, then the bank rate of the Bank of England (for the purpose of this paragraph: Central Bank Rate) for that Banking Business Day, adjusted by the Bank (in accordance with market practice) to compensate for the difference between SONIA and Central Bank Rate; or (ii) if paragraph (i) applies but the Central Bank Rate for that Banking Business Day is not available, then the most recent Central Bank Rate for a day which is no more than 5 Banking Business Days before that Banking Business Day, adjusted by the Bank (in accordance with market practice) to compensate for the difference between SONIA and the Central Bank Rate;
- **SARON:** means the Swiss Average Rate Overnight reference rate administered by SIX (or any other person which takes over the administration of that rate) as at the close of trading on the SIX Swiss Exchange on the relevant day displayed on page SARON.S of the Thomson Reuters screen under the heading CLSFIX; or (i) if SARON is not available for that Banking Business Day, then the policy rate of the Swiss National Bank as published by the Swiss National Bank from time to time (Swiss National Bank Rate), adjusted by the Bank to compensate, in accordance with market practice, for the recent historic difference between SARON and the Swiss National Bank Rate; or (ii) if paragraph (i) above applies but Swiss National Bank Rate for that Banking Business Day is not available, then the most recent Swiss National Bank Rate for a day which is no more than 5 Banking Business Days before that Banking Business Day, adjusted by the Bank to compensate, in accordance with market practice, for the recent historic difference between SARON and the Swiss National Bank Rate;
- **TONA:** means the Tokyo overnight average rate, as administered by the Bank of Japan (or any other person which takes over the administration of that rate), or (i) if TONA is not available for that Business Day, then the central bank rate of the Bank of Japan (for the purpose of this paragraph: Central Bank Rate) for that Business Day, adjusted by the Bank (in accordance with market practice) to compensate for the difference between TONA and the Central Bank Rate; or (ii) if paragraph (i) above applies but the Central Bank Rate for that Business Day is not available, then the most recent Central Bank Rate for a day which is no more than 5 Business Days before that Business Day, adjusted by the Bank (in accordance with market practice) to compensate for the difference between TONA and the Central Bank Rate;

The Reference Interest Rates €STR, SOFR, TERM SOFR, SONIA, SARON and TONA are rounded in each case to maximum five decimal places. The lowest value of these Reference Interest Rates cannot be less than 0%;

**Reference Interest Rate Replacement Event:** means, in relation to a Reference Interest Rate:

- (a) that Reference Interest Rate has permanently ceased or is likely permanently to cease to be published or available;
- (b) a regulator, administrator, court, or other competent authority: (i) states that Reference Interest Rate (or any feature of the calculation, methodology or convention used to determine interest under the Agreement) is no longer representative, appropriate, or recommended; or (ii) requires or (where relevant) recommends that Reference Interest Rate (or any feature of the calculation, methodology or convention used to determine interest under the Agreement) be discontinued; or
- (c) the Bank, in its reasonable opinion, determines that: (i) market practice with respect to that Reference Interest Rate (or any feature of the calculation, methodology or convention used to determine Interest under the Agreement) has changed or is reasonably expected to change, for example, as a result of any public announcement to that effect; or (ii) that the Reference Interest Rate (or any feature of the calculation, methodology or convention used to determine interest under the Agreement) is no longer representative or appropriate for calculating interest under the Agreement.

**Replacement Reference Interest Rate:**

- (a) a reference interest rate that is formally designated, nominated or recommended as the replacement for a Reference Interest Rate by any applicable central bank, regulator or any supervisory authority; or

- (b) a successor or substitute rate that the Bank has reasonably determined as the appropriate industry-accepted substitute or successor rate;

(this definition shall also apply to any Replacement Reference Interest Rate as if references in this definition to the Reference Interest Rate were references to that Replacement Reference Interest Rate).

**Security Documents:** documents creating, authorising, perfecting or acknowledging any Collateral which shall be executed in favour of the Bank pursuant to the terms of any Facility Agreement entered into between the Bank and the Borrower.

## 4. INDIVIDUAL BANKING TRANSACTIONS

### 4.1 Credit and Loan Transactions

4.1.1 The Bank may lend any amount and maintain any facility to the Borrower only in accordance with the terms and conditions of a written Facility Agreement.

4.1.2 The Bank will assess each application for credit, loan or other banking service on an individual basis and on the merit of the Borrower's financial, legal and economic status, as well as the quality of the Collateral, if any, provided.

### 4.2 Documentary credit

4.2.1 The Bank accepts orders for documentary credit (hereinafter: "letter of credit"). If the Bank accepts such orders, the Bank shall open the letter of credit only under conditions acceptable to the Bank, including the provision of appropriate collateral. In the absence thereof, the Bank may refuse the order.

4.2.2 Unless otherwise stipulated by the Bank, the Uniform Customs and Practice for Documentary Credits (UCP600, 2007 revision) of the International Chamber of Commerce apply to letters of credit issued by the Bank, whose provisions the Borrower recognises as binding. The letter of credit issued by the Bank may only be transferred with prior written authorisation granted by the Bank. The Bank does not assume liability for the translation of other regulations related to the opening of the letter of credit that are not included in the original order.

4.2.3 The Borrower must submit an application to open a letter of credit to the Bank at a date that allows the Bank sufficient time to notify the beneficiary of the opening of the letter of credit through its correspondent bank or, in the case of confirmation, to notify the confirming bank. The Bank shall not be liable for any damages or losses resulting from the late opening or refusal to open the letter of credit.

4.2.4 It is the sole responsibility of the Borrower to give complete and clear instructions, specifying the documents and the conditions under which the letter of credit must be paid, accepted or negotiated. The Bank shall not make a payment against the submitted documents if they do not comply with the requirements set out in the terms of the letter of credit, unless the Borrower authorizes the Bank in writing to accept such documents and pay against them and the Bank accepts this and the Borrower assumes all responsibility in this regard. The Borrower further undertakes to indemnify the Bank for any resulting damages or losses.

4.2.5 If the Bank has made a reservation during the examination of the documents when using the export letter of credit, the Borrower's account may be debited with the amount paid, if, despite the discrepancies, the Bank has drawn down the amount and it was reclaimed by the issuing bank.

4.2.6 The Borrower undertakes that the contents of his application to open a letter of credit complies with the Hungarian legislation in force. If the Borrower's order does not meet this requirement, the Bank shall refuse to execute the order. If the Bank suffers any damage or loss as a result, the Borrower shall reimburse the Bank.

4.2.7 If the Bank issues a letter of credit as commissioned by the Borrower and makes a payment on the basis of the letter of credit, the Borrower shall reimburse the Bank upon the Bank's first notice together with the amount of any potential exchange rate differences. Any failure to issue a bank notice does not affect the Borrower's reimbursement obligation specified above. The amount paid by the Bank becomes due at the time of payment.

4.2.8 If, in the order pertaining to the issuance of the letter of credit, the Borrower indicates the number of their payment account held at the Bank on which they intend to ensure coverage for the payment liabilities relating to the issuance of the guarantee, the Bank attempts to collect the Borrower's payment liabilities primarily by debiting this payment account.

### 4.3 Guarantee and surety

4.3.1 At the request of the Borrower, the Bank may accept orders to provide a (bank) guarantee or surety (hereinafter collectively referred to as guarantee). The Borrower may request the issuance of a guarantee to secure its own liabilities and obligations or those of a third party specified by it. All liabilities relating to the guarantee issued to secure the

liabilities of a third party (including, but not limited to, the liability to reimburse pursuant to Section 4.3.8 and the liability to pay interest, fees and expenses pursuant to Section 8) is borne by the Borrower. The Bank provides guarantees only under terms and conditions acceptable to it, including the provision of adequate collateral as determined by the Bank. In the absence thereof, the Bank may refuse the Borrower's order. An additional condition for the issuance of a guarantee to secure the liabilities of a third party is that the Bank performs customer due diligence measures as required by anti-money laundering legal regulations in relation to such third party.

4.3.2 The guarantee is deemed to have been issued on the date of the guarantee, regardless of when it is accepted by the Borrower or the beneficiary of the guarantee (hereinafter beneficiary).

4.3.3 The hard-copy guarantee is delivered by the Bank to the registered office of the Borrower or the beneficiary in person, by registered mail or by courier (as per the Borrower's choice), at the Borrower's expense in all cases. If the Borrower requests delivery at the Bank's registered office, but does not collect the guarantee within 2 (two) Banking Days following the notification on the issuance of the guarantee, the Bank sends it to the Borrower's registered office by registered mail with acknowledgment of receipt at the Borrower's expense.

4.3.4 As per the Borrower's instructions, the Bank delivers the electronically issued guarantee via email or by SWIFT to the email address or BIC code specified by the Borrower. In the case of a guarantee requested to be issued via SWIFT, the Borrower may also request issuance through an avalising bank and indicate that the avalising bank's commission and expenses are to be paid by the beneficiary. If the Borrower fails to make such an indication in the event of issuance through an avalising bank or the commission and expenses of the avalising bank are not paid by the beneficiary directly to the avalising bank for any reason, the Borrower shall pay such commission and expenses to the Bank.

4.3.5 The guarantee issued by the Bank to the beneficiary – unless otherwise provided for by the guarantee and by the legal regulations applicable to the guarantee – is an independent commitment of the Bank, and is fulfilled by the Bank pursuant to the terms and conditions of the guarantee and the provisions of legal regulations applicable to the guarantee. In the event of a claim reported, the Bank is not obliged or entitled to examine the underlying legal relationship. The liabilities undertaken in the underlying transaction and their potential amendment or modification do not amend the liabilities of the Bank under the guarantee, unless otherwise follows from the guarantee itself. The provisions of these General Lending Terms and Conditions relating to guarantees apply mutatis mutandis to the amendment of the guarantee.

4.3.6 A The Bank informs the Borrower within 3 (three) Banking Days following the receipt of the drawdown for the guarantee that a drawdown for the guarantee has been received, and the Bank concurrently also informs the Borrower that the drawdown is being fulfilled or that the drawdown is being refused. The Borrower is not notified separately of the drawdown of the guarantee or of the fulfilment or refusal of such drawdown.

4.3.7 If, contrary to general banking practice, the Borrower insists that the text of the guarantee be worded differently from the standard wording of the Bank – worded in line with the special requirements of the Borrower –, liability for any and all risks arising from the wording requested by the Borrower as well as any and all undesired consequences are borne by the Borrower in full and without limitation. The Borrower may not make any claims against the Bank due to damages and other claims relating to potential risks arising from such different wording (including inaccuracy of the guarantee text and the unsatisfactory regulation of the drawdown of the guarantee) and is obligated to indemnify the Bank in full and without delay for any such claims potentially made against the Bank by third parties.

4.3.8 If the Bank issues a bank guarantee on behalf of the Borrower and makes a payment on the basis of the bank guarantee, the Borrower shall reimburse it to the Bank upon the first request of the Bank. Any failure to issue a bank notice does not affect the Borrower's reimbursement obligation specified above. The amount paid by the Bank becomes due at the time of payment.

4.3.9 If, in the order pertaining to the issuance of the guarantee, the Borrower indicates the number of their payment account held at the Bank on which they intend to ensure coverage for the payment liabilities relating to the issuance of the guarantee, the Bank attempts to collect the Borrower's payment liabilities primarily by debiting this payment account.

## 5. CONDITIONS PRECEDENT

5.1 The Bank shall be authorized to  
i) withhold the disbursement of any amount or

ii) to suspend or defer (as the legal relationship may be) any of its obligations under a Facility Agreement so long as the Borrower has not fulfilled each of the following Conditions precedent together with those Conditions Precedent stipulated in any Facility Agreement, if any. The Bank may, in its sole discretion, waive any or all of the Conditions Precedent set out below. Should the Borrower not fulfil all of the Conditions Precedent below within 15 days from the signing of any Facility Agreement, the Bank shall be entitled to terminate such Facility Agreement with immediate effect.

5.2 The Conditions Precedent shall be as follows:

- a) written acceptance of the General Lending Conditions pursuant to Sections 2.1 and 2.2 above, and the General Business Conditions;
- b) delivery and perfection, including execution or procurement as the case may be, of any Security Document providing Collateral to the Bank pursuant to the provisions of a Facility Agreement;
- c) following the conclusion of the Agreement, there has been a material change in the circumstances of the Bank due to which the performance of the Agreement can no longer be expected;
- d) after the conclusion of the agreement, there has been an unfavorable change in the economic, operational or financial situation of the Borrower in the opinion of the Bank;
- e) after the conclusion of the agreement, the Borrower breaches its obligation under the General Business Conditions, the General Lending Conditions or the Agreement, or
- f) any other Condition Precedent stipulated in any Facility Agreement between the Bank and the Borrower.

## 6. REPRESENTATIONS AND WARRANTIES OF THE BORROWER

6.1 Upon entering into a Facility Agreement with the Bank, the Borrower warrants and represents to the Bank that:

6.1.1 it is a corporation duly organized and validly existing under the laws of its jurisdiction of incorporation and it has full power and legal rights and all corporate consents and approvals necessary to enter into the Facility Agreement with the Bank and to exercise its rights and perform its obligations contained in that Facility Agreement and in these General Lending Conditions, and that all actions required to authorize the execution and delivery of the Facility Agreement have been duly taken;

6.1.2 it is not in breach of, or in default under, any agreement to which it is a party or which is binding on it or on any of its assets;

6.1.3 no action, suit, investigation or administrative proceeding of or before any court or authority has been started or threatened against it or any of its assets which, in the reasonable opinion of the Bank, may be likely to have a material adverse effect on the business, conditions (financial or otherwise), results or operations of the Borrower or the ability of the Borrower to perform its obligations under the Facility Agreement with the Bank;

6.1.4 the execution of the General Lending Conditions and the Facility Agreement and the Borrower's exercise of its rights and performance of its obligations thereunder and under the General Lending Conditions do not constitute and will not result in any breach of any agreement, law or regulation by which the Borrower is bound;

6.1.5 all acts, licences and conditions required by the laws of Hungary in connection with the execution and performance of the Borrower's agreement with the Bank are performed, obtained and fulfilled by the Borrower;

6.1.6 the Borrower's obligations owed to the Bank constitute legal, valid, binding, direct and unconditional obligations of the Borrower;

6.1.7 its financial position is of good standing and will enable it to duly perform all its obligations owed to the Bank;

6.1.8 the audited financial statements of the Borrower in respect of the last financial year prior to the date of the Facility Agreement with the Bank were prepared in accordance with generally accepted accounting principles and give a true and fair view of the financial condition of the Borrower and the results of the operations of the Borrower for that financial year. The Borrower had no significant liabilities which were not disclosed by such financial statements of the Borrower and had no unrealised or anticipated losses not disclosed therein and there has been no material adverse change in the financial condition, business or operations of the Borrower since the date of such statements; and at the same time at the date of signature of its Facility Agreement with the Bank, the Borrower is not aware of any material facts or circumstances that have not been disclosed to the Bank and which, if disclosed, could reasonably be expected to adversely affect the decision of a person considering whether to provide or not to provide financing to the Borrower;

- 6.1.9 there are no security interests whatsoever over or in respect of the whole or any part of the assets, property or undertaking of the Borrower other than those, if any, permitted in the Facility Agreement with the Bank; and
- 6.1.10 unless agreed otherwise, any Security Documents executed in favour of the Bank to secure the Indebtedness of the Borrower to the Bank represent first priority security interests and are not subordinated in any way to any other security interests granted to any other party.
- 6.2 In addition, the Borrower, and, if applicable, the person also as a private individual signing on behalf of the Borrower represents and warrants that:
- 6.2.1 the person acting on behalf of the Borrower or entitled to act on behalf of the Borrower has the requisite capacity, power and authority to execute and deliver the General Agreement, the Agreement and any other provision and that the representation right of such person is full and is not subject to any limitation that could have an effect on the execution or performance of the General Agreement, the Agreement or any other provision;
- 6.2.2 Borrower has not withdrawn the mandate of its directors acting on its behalf, and has not withdrawn or limited their right of representation;
- 6.2.3 its declaration is not subject to any condition or approval; and
- 6.2.4 the information provided by the Borrower is accurate and correct and is suitable for the Bank to form a true picture of the Borrower; and
- 6.2.5 there are no circumstances under which the Bank is or should be aware of (i) any limitation to the representation right; or (ii) the requirement, or the breach of the requirement, of any condition being satisfied or approved if, in the latter case, the declaration is subject to any conditions or approval.\*
- 6.3 All of the representations and warranties contained in Sections 6.1 and 6.2 above are deemed to be renewed on each date upon which money is provided or commitment is undertaken by the Bank to the Borrower, each interest payment date and each repayment date and extension date specified in the Facility Agreement between the Borrower and the Bank.\*
- 7. COVENANTS OF THE BORROWER**
- Upon entering into a Facility Agreement with the Bank, the Borrower covenants and undertakes:
- 7.1 to provide to the Bank, copies of its audited financial statements for each fiscal year, as soon as available, but in any event, no later than 180 days after the end of each financial year
- 7.2 provide the Bank immediately with any additional financial information reasonably required by the Bank and, without the Bank's request, provide the Bank with information related to its significant liabilities or losses not included in its financial statements and, upon the Bank's request, allow the Bank to examine its business books and records during normal business hours, and to verify the accuracy of the information provided by the Borrower, within the framework of the relevant legislation;
- 7.3 notify the Bank without delay in the event of any Breach of Contract, as well as all significant facts, circumstances and changes related to the transactions;
- 7.4 to comply with all applicable laws and regulations of all governmental and regulatory authorities relating to or affecting its business and to obtain and promptly renew from time to time and to comply with the terms of all consents, approvals, authorizations, licences and/or exemptions which may be necessary to enable it to operate its business properly, in each case if the failure to obtain, comply or renew would have a material adverse effect on its financial condition or business or on its ability to perform its obligations owed to the Bank under the Facility Agreement between the Borrower and the Bank or any Security Documents in support thereof or on the validity and enforcement of any such documents or any documents referred to therein;
- 7.5 notify the Bank in writing of all circumstances affecting its legal status or management, including without limitation any change in its corporate form under applicable law and in its Deed of Foundation, Articles of Association, signatories or changes in the data provided during the identification in accordance with the anti-money laundering prevention legislation in force;
- 7.6 to ensure that its legal successors as a result of any organizational change shall assume joint and several liability for all obligations of the Borrower owed to the Bank;
- 7.7 to ensure that at all times its obligations to the Bank rank at least pari passu in priority of payment and in all other respects with all other obligations of the Borrower (Pari Passu); not to secure any obligations to any third party without securing its obligations to the Bank equally and rateably on the same assets, property or revenues at the same time (Negative Pledge);
- 7.8 not to issue any guarantee, provide a letter of comfort or give any form of support to any other bank in respect of any borrowing or

- 7.9 liabilities of any subsidiaries or related companies without prior notification to the Bank;
- 7.10 to use the amounts disbursed by the Bank exclusively for the purpose specified in the Facility Agreement between the Borrower and the Bank; and
- 7.11 if the Collateral created after 14 March 2014 is a mortgage, the Borrower also creates a restraint on encumbrance and alienation for the benefit of the Bank in order to secure the enforcement of the mortgage and gives its unconditional and irrevocable consent to the registration of restraint on encumbrance and alienation as a security securing mortgage in the land registry.\*
- 7.12 to provide security deposit ("óvadék" in Hungarian) on its current account or time deposit balances to the Bank upon the first written request of the Bank to secure its indemnity obligation originating from a guarantee, letter of credit or surety issued or undertaken by the Bank upon the Borrower's request; such security deposit shall be provided in the currency of the guarantee, letter of credit or surety and in an amount that is equal to 105 % of the payment obligation that can be claimed from the Bank under the guarantee, letter of credit or surety.\*\*
- 7.13 the Borrower shall, without delay, inform the Bank if any notice expected from the Bank has not arrived, or did not arrive at the appropriate time or if the Borrower has any objections to its contents.
- 7.14 to immediately provide information to the Bank of any European Union or state aid related to the loan or Credit Facility provided by the Bank, specifying the name of the operational program.

## **8. INTEREST, EXPENSES AND OTHER CHARGES**

- 8.1 Interest rates
- 8.1.1 The interest shall be determined pursuant to the terms and conditions of the Facility Agreement. The Borrower shall authorize the Bank to debit all Indebtedness due under any Facility Agreement to any account held with the Bank or ensure that such amounts are available to the Bank in full on their respective due dates.
- 8.1.2 In the event that there is any change in the Bank's refinancing terms and conditions due to:
- 8.1.2.1 the actions of the National Bank of Hungary (and/or its legal successor); or
- 8.1.2.2 due to the conditions of the money market, the Bank may, in accordance with clauses 2.2-2.5 of these General Lending Conditions, change the interest rate or the interest surcharge and charge interest accordingly.
- 8.1.3 The Bank shall accrue interest on the principal amount of the Indebtedness effective from and including the disbursement date up to but not including the interest payment date. Such dates shall be defined in the respective Facility Agreement.
- 8.1.4 In the event of late payment of a debt, the Borrower shall pay default interest at the rate specified in the law, the List of Conditions or the Agreement.
- 8.1.5 If the Agreement is terminated before the specified expiry date for any reason, interest shall become due immediately.
- 8.1.6 If the Borrower does not pay the interest when it is due, the Bank is entitled to debit any of the Borrower's accounts with the Bank with the amount of interest due.
- 8.1.7 If a Reference Rate Replacement Event has occurred in relation to a Reference Rate, the Bank may by notice to the Customer unilaterally make any amendment or waiver that relates to:
- (a) providing for, or enabling the use of a Replacement Reference Rate;
- (b) aligning any provision of the Agreement to the use of that Replacement Reference Rate;
- (c) implementing market conventions applicable to that Replacement Reference Rate;
- (d) providing for appropriate fallback and market disruption provisions for that Replacement Reference Rate; or
- (e) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one party to another as a result of the application of that Replacement Reference Rate.
- If the lowest value of the replaced Reference Interest Rate according to the General Lending Conditions is zero, then the lowest value of the alternative rate cannot be less than zero.
- 8.2 Commissions/fees
- 8.2.1 The commissions, fees and other costs charged by the Bank are included in the Agreement and the List of Conditions applicable to the given transaction.
- 8.2.2 The Borrower shall pay the charged commissions, fees and other costs in accordance with the terms and conditions of the Agreements concluded between the Borrower and the Bank and the List of Conditions,

so that the Bank debits any of the Borrower's accounts with the Bank when due.

8.3 Legal and expert costs

8.3.1 The Borrower shall reimburse the Bank for any legal costs reasonably incurred in connection with the given case, including the honorarium of the consultants, experts and auditors, etc. used.

8.3.2 The Borrower shall reimburse the Bank for the costs of lawyers or legal advisers involved in a legal dispute between the Borrower and the Bank, unless the court decides otherwise.

8.3.3 The Borrower shall reimburse the Bank for the costs of lawyers or legal advisers involved in a legal dispute, litigation or out-of-court proceedings between the Borrower and a third party.

8.4 Other costs

8.4.1 The Borrower shall reimburse the Bank for any costs incurred in connection with the given transaction, including, but not limited to, the use of telecommunications equipment, courier services and any other services of any kind directly related to the transaction. The Borrower's obligation to pay the costs is independent of whether the given transaction has been concluded or executed, as well as whether the order has been revoked or the commitment has been terminated for any reason.

**9. COLLATERAL**

9.1 The Bank is entitled at any time during the business relationship to request from the Borrower the provision of appropriate Collateral(s) or to supplement the existing Collateral(s) to the extent necessary to secure all claims of the Bank against the Borrower, even if the such receivables are conditional or time-bound or not yet due. The Borrower shall fulfil the Bank's request without delay and supplement the collateral provided. At the request of the Bank, the Borrower is obliged to provide information on the amount and transaction and for the benefit of whom the collateral(s) offered by him are pledged before concluding the Collateral Documentation.

9.2 The Borrower shall execute or procure the execution of the Security Documents in favour of the Bank required by the provisions of any Facility Agreement.

9.3 The Bank is entitled to determine the collateral value of the Collaterals at its own discretion, independently, however, on the basis of the legislation in force and its own internal regulations. The Bank reserves the right to re-evaluate the Collaterals provided by the Borrower during the term of the Agreement, especially in view of the change in their market value, at the Borrower's expense.

9.4 All assets, proprietary rights and other rights pledged as collateral in favor of the Bank shall serve as collateral for all the existing receivables of the Bank from the Borrower, unless the use of the Collaterals for some other purpose has been expressly stipulated.

9.5 The Borrower is obliged to take all necessary measures to maintain and preserve the assets and rights pledged as collateral in favor of the Bank, as well as to enforce the collateral claims. The Borrower shall immediately notify the Bank in writing of any changes in the value or marketability of the Collaterals. If something used or replaced in the production or trade, not specified individually, is used as collateral, the Borrower is obliged to immediately replace the used or sold assets.

9.6 Any asset or right, including the Borrower's claims against the Bank, which has come directly or indirectly in the Bank's possession shall serve as security for the Bank's current claims against the Borrower. All goods and documents representing the goods, including securities, which become the property of the Bank or a third party acting on behalf of the Bank from the Borrower or for the benefit of the Borrower shall serve as security for the Bank's current claims against the Borrower. The Bank's lien on such goods and securities arises when they come into the possession of the Bank or a third party acting on behalf of the Bank.

9.7 The Borrower shall, at its own expense, take out insurance, maintain the insurance and pay the insurance premium for the assets pledged to the Bank as collateral or obtained from the loan provided to it by the Bank as long as the Bank has a claim against the Borrower, if this is stipulated by the Bank in the General Lending Conditions or in the Agreement. The insurance must cover all the risks specified in the Agreement relating to the transaction. The Borrower shall, in accordance with the provisions of the insurance contract or policy, assign to the Bank the insurance sum due to it under the insurance to the extent of the Bank's current claim against the Borrower (expired or not expired). The Bank may use the insurance sum paid by the insurance company for repayment of the loan secured in this way before maturity, if the Borrower does not replace the lost or destroyed assets pledged to the Bank as collateral. Unless otherwise agreed, the part of the insurance sum paid on the basis of the insurance policy in excess of the Bank's claim shall belong to the Borrower. If the Borrower is

obliged to take out insurance on the basis of the General Lending Conditions and Terms or the Agreement, the Borrower may not amend or terminate the insurance contract without the prior consent of the Bank, and is obliged to hand over the insurance policy or the document authentically certifying the beneficiary's right of the Bank at the request of the Bank.

9.8 The Bank is entitled to check - even at the Borrower's premises - whether the Collateral provided is sufficient to cover its claims, as well as whether the assets pledged as collateral are managed, preserved by the Borrower in accordance with their purpose, and whether the Bank's lien is indicated on them.

9.9 The Bank may, at its discretion, release the Collaterals provided by the Borrower if it considers that it no longer needs them to secure its claims.

9.10 In the interest of the settlement of its claims within the shortest possible time, the Bank shall be entitled to draw on any of the assets pledged by the Borrower as collateral for the Bank, in the order specified by the Bank. If the Bank decides not to temporarily enforce certain Collaterals, it does not mean that the Bank has waived that Collateral; the Bank may enforce any collateral for as long as it has a claim against the Borrower.

9.11 All expenses and costs related to the provision of the collaterals - including the costs of notarizing any documents - and those related to the maintenance, management and enforcement of the collaterals shall - in the absence of an agreement to the contrary - be borne by the Borrower.

9.12 The Borrower undertakes that the Bank's receivables from the Borrower shall be ranked at least equally (*pari passu*) with all other obligations of the Borrower at all times in terms of payment and other matters.

9.13 The Borrower shall not provide collateral to any other third party without at the same time providing the Bank with Collateral of the same nature and rank on the same asset, property or income (negative pledge).

9.14 The Borrower may not transfer the Collateral provided to the Bank without the prior written consent of the Bank, encumber such assets, property or proceeds or offer them to third parties as collateral or for other purposes. If the Borrower violates this provision, it commits a serious breach of contract, which entitles the Bank to apply the legal consequences provided in these General Lending Conditions or the Agreement.

9.15 The Borrower authorizes the Bank to dispose of, convert, enforce, recover or otherwise act on the Collaterals in order for the Collaterals to be enforceable before the Bank's receivables from the Borrower become due, but, in the Bank's opinion, the value of the Collaterals decreases to the extent that would jeopardize satisfaction.

**10. MATURITY OF THE LOAN AND REPAYMENT**

10.1 All Indebtedness becomes due and payable on the maturity date specified in the Facility Agreement between the Bank and the Borrower.

10.2 Upon any prepayment or repayment of any principal, interest, costs or expenses of the Indebtedness owed to the Bank, the Bank shall be authorized to debit the due amount to the Borrower's account held with the Bank or otherwise ensure that such amounts are available to the Bank in full on their respective due dates. The account set forth by the Parties as primary one shall be debited by the Bank. In absence of such arrangement, based on the authorization by the Borrower stipulated in this point the Bank shall debit the due amount to the account corresponding to the currency of the Indebtedness. In case the accounts set forth above are uncovered, the Bank shall debit other accounts applying exchange rates.

10.3 Any prepayment or repayment by the Borrower is effective when the amounts due have been credited in full without any deduction to the loan Account.

**11. EVENTS OF DEFAULT**

11.1 The following shall constitute an Event of Default under these General Lending Conditions and in each Facility Agreement subject to the specific provisions of such Facility Agreement:

11.1.1 the Bank becomes aware of any facts or circumstances on the basis of which the Bank would have had the right to refuse advancing any amounts pursuant to Article 524 (1) of the Civil Code (in respect of Agreements entered into prior to 15 March 2014) or to Section 6:384 of the Civil Code (in respect of Agreements entered into after 14 March 2014 or Agreements in respect of which the Parties agreed to be governed by the New Civil Code) including any material adverse change in the financial, economic or other conditions of the Borrower's parent company which affects the agreements between the

- Bank and the Borrower and/or its parent company or the parent company's obligation securing the Indebtedness or other agreements between the Bank and the Borrower;
- 11.1.2 any of the circumstances listed in Article 525 of the Civil Code (in respect of Agreements entered into prior to 15 March 2014) or in respect of credit facility agreements in Section 6:382(4) and 6:382(5) and in respect of loan agreements in Section 6:387 of the Civil Code (in respect of Agreements entered into after 14 March 2014 or Agreements in respect of which the Parties agreed to be governed by the New Civil Code) arises;
- 11.1.3 any material adverse change occurs in the legal, financial, or any other conditions of the Borrower and such changes are considered by the Bank to have an adverse effect on the payment obligations of the Borrower (Material Adverse Change);
- 11.1.4 the Borrower has fallen behind with fulfillment of any of its payment obligations set forth in the Agreement, or other agreements or the Borrower, its subsidiaries or affiliated companies fail to pay their debts as and when they fall due;
- 11.1.5 any incorrect or misleading representation(s) is made by the Borrower with respect to or in connection with the Facility Agreement or, the Borrower misleads the Bank by communicating inaccurate facts or failing to disclose data, or otherwise;
- 11.1.6 the Borrower and/or a third party providing the collateral does not fulfill, or does not fulfill in accordance with the contractual terms, any of its obligations arising from the Agreement concluded with the Bank or its obligation outstanding pursuant to a provision, representation, warranty or commitment set forth in such Agreement or in the General Lending Conditions, or in any supplementary obligation securing the Agreement, and the Borrower fails to remedy this failure within 10 (ten) calendar days following the sending of a written notification or reminder by the Bank to the Borrower;
- 11.1.7 the Borrower and/or a party providing the collateral or other third party, who has rights or obligations under the Service provided under the Agreement, commits a breach of Agreement in respect of any obligation or liability agreement related to the Debt between the Bank and the Borrower under the Agreement;
- 11.1.8 the Borrower is in default under any obligation of a loan or credit facility agreement, credit arrangement or any Indebtedness concluded with any third party(ies), which would permit such party(ies) to accelerate the maturity of such borrowings, and to declare them due and payable, even if such third party(ies) do(es) not exercise their right to accelerate for any reason whatever (Cross Default Clause)
- 11.1.9 the Borrower or any entity in which the Borrower has majority equity or controlling interest or the majority owner of the Borrower or the natural or legal person having controlling interest in the Borrower become or is likely to become insolvent, or any of them is under a liquidation procedure or is threatened by any of such events;
- 11.1.10 an order is made or a procedure is started for the liquidation or dissolution or bankruptcy of the Borrower, its subsidiaries or affiliates;
- 11.1.11 the Borrower fails to perform any payment obligation under a final judgement or court order;
- 11.1.12 the Borrower merges or consolidates into or with any other entity or transfers or otherwise disposes of a substantial part of its assets or properties to a third party or substantially changes the scope or the nature of its business activities without the prior written consent of the Bank.
- 11.1.13 the Borrower obstructs an inspection performed by the Bank, or fails to fulfill its reporting obligation to the Bank, outstanding based on an Agreement or statutory provision;
- 11.1.14 the Borrower's secured creditor becomes entitled to take possession of all or a substantial part of the Borrower's assets;
- 11.1.15 the Borrower fails to comply immediately with the Bank's request to provide or confirm or supplement the collateral;
- 11.1.16 the whole or a substantial part of the Borrower's business is expropriated, nationalized, compulsorily sold or becomes publicly owned, or the Borrower is no longer able or entitled to exercise the right of management, control or ownership;
- 11.1.17 the auditors give a negative rating to the Borrower's audited financial statements;
- 11.1.18 under the Civil Code, a legal lien is created on the Borrower's assets or part thereof, or the competent court makes a decision to seize the Borrower's assets;
- 11.1.19 any material change occurs to the Borrower's ownership structure;
- 11.1.20 in respect of a relationship between the Borrower and the Bank secured by a Collateral or a factoring relationship under the New Civil Code, the Borrower and/or the security provider third party makes a statement regarding the de-registration of the content of the security interest registry;
- 11.1.21 other conditions stipulated by the parties in the Agreement are fulfilled, an event occurs.

- 11.2 Upon the occurrence of any Event of Default, the Bank may, but without prejudice to any other rights of the Bank, by written notice to the Borrower:
- 11.2.1 terminate the Facility Agreement in full or in part with immediate effect and declare in full or in part any and all Indebtedness immediately due and payable; and/or
- 11.2.2 declare that the obligations of the Bank to advance or maintain any amounts which would constitute Indebtedness to the Borrower shall be cancelled whereupon all of the Bank's obligations under Facility Agreement shall cease;
- 11.2.3 notwithstanding the above, enforce its rights under the General Business Conditions, the present General Lending Conditions and/or the Agreement.
- 11.3 In the event of termination, the Bank's claims become due immediately. In such a case, the Bank is entitled to immediately exercise all the rights included in the General Business Conditions and the General Lending Conditions without prior notice to the Borrower. Following winding up through termination and during bankruptcy or liquidation proceedings or other reorganization of the Borrower and until the Bank's claim against the Borrower has been finally settled and fully satisfied, the General Business Conditions and the General Lending Conditions shall remain valid and applicable.
- 11.4 Unless otherwise provided in the Agreement or legislation, the amounts paid by the Bank to the Borrower or to another person in respect of the Borrower based on this termination pursuant to Chapter 11 shall become mature and due. Until all claims between the Borrower and the Bank have been settled, the provisions of the General Business Conditions, the General Lending Conditions and the individual Agreements shall remain valid and applicable.

## 12. REGISTRATION OF LOANS

The Bank shall open and maintain in its books in accordance with its normal practices a technical identifier for each Borrower's each Loans – indebtedness from time to time advanced by and owing to it by that Borrower. Amounts recorded under such technical identifier shall, with the exception of manifest errors, be prima facie evidence of the Indebtedness including overdue Indebtedness, if any.

The Bank's business books and records shall govern the determination of the current amount of the service provided by the Bank and used by the Borrower (contractual amount, interest, fees, other costs, debt to the Bank).

## 13. TAXES AND INCREASED COSTS

All payments to be made by the Borrower to the Bank shall be made free from and clear of and without deduction for or on account of tax unless the Borrower is required to make such a payment subject to the deduction or withholding of tax.

In such case the sum payable by the Borrower in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Bank receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made. If, by reason of any change in law or in its interpretation or administration and/or compliance with any request from or requirement of any central bank or other authority, the Bank incurs a cost or an increased cost in connection with the Facility Agreement or any of its obligation thereunder or in respect of any payment it may make or receive hereunder, then the Borrower shall, from time to time on demand of the Bank, promptly pay to the Bank amounts equal to such increased costs.

## 14. WAIVERS

No failure to exercise and no delay in exercising on the part of the Bank any right or remedy shall be construed as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise of such right or remedy.

## 15. ASSIGNMENTS

The Borrower shall not be entitled to assign or transfer all or any of its rights and obligations under the Facility Agreement between the Bank and the Borrower without prior written consent of the Bank. The Bank may at any time assign or transfer all or any of its rights and obligations under the Facility Agreement.



## 16. SET-OFF

- 16.1 The Borrower agrees that the balance of its payment accounts with the Bank serves as coverage for the Borrower's current liabilities to the Bank.
- 16.2 Without prejudice to any other rights conferred on the Bank by law or by any agreement entered into with the Borrower, the Bank may exercise the following rights at any time:
- 16.2.1 to enforce all existing and overdue obligations of the Borrower to the Bank by offsetting against the obligations of the Bank to the Borrower - by debiting any of the Borrower's payment accounts maintained with the Bank or if the Bank maintains a customer account for the Borrower in accordance with the provisions of the latest provisions of the Capital Markets Act or other applicable legislation, then the Borrower's customer account, after the preferentially ranked payment orders as defined by law, but before any other payment order, regardless of the currency of the liabilities;
- 16.2.2 shall convert any payment obligation, if the obligation referred to in Article 16.2.1. are in different currencies, at the exchange rate set by the Bank on the day of the offsetting or at a market rate that the Bank reasonably determines for the purposes of such offsetting; and
- 16.2.3 where any obligation against which the set-off is made is unascertained, to set off an amount estimated by it in good faith to be the amount of such obligation.
- 16.3 If the Borrower fails to meet their payment obligation towards the Bank, the Bank shall be entitled to refuse the execution of the Borrower's payment orders to third parties. The Bank shall not be liable for any damage or loss to Borrower or any third party arising from such refusal.
- 16.4 The Bank shall not be obliged to exercise any right conferred or acknowledged hereunder and under the Facility Agreement, however the Bank shall immediately notify the Borrower of any exercise or purported exercise of any right of set-off.
- 16.5 The Borrower is not entitled to set-off any of its claims against the Bank, the Borrower is obliged to fully comply with its payment obligation to the Bank at all times. The Borrower's payment obligation set forth in this clause shall not affect the Bank's obligation to pay the amount(s) due to the Borrower.

## 17. CONTACT, NOTIFICATIONS AND ANNOUNCEMENTS

- 17.1 All notices and other communications in relation to the Facility Agreement shall be in writing or by telefax transmission sent or delivered either to the Bank or the Borrower, as the case may be, at its address set forth on the first page of the relevant Facility Agreement or at such other address as shall be designated by either the Bank or the Borrower in a notice. Unless otherwise agreed, the Bank shall, in its sole discretion, decide on the method of delivery.
- 17.2 All such notices shall be effective on the second (2nd) Business Day from the date of posting by the Bank in the case of delivery in Hungary, and on the fourth (4th) Business Day, in the case of delivery abroad. Any written statement, contractual offer, notice, document that the Bank has duly sent to the Borrower, its representative acting on behalf of the Borrower, to the address provided by the Borrower, by post, shall be deemed to have been communicated and delivered to the addressee even if it was not actually possible to deliver the item or the addressee was unaware of it, on the eighth day following the date on which the first postal delivery of those items was attempted; if this cannot be established, on the day on which the undelivered item was returned by the post office to the sender. The Borrower is aware that the Bank is not obliged to send the statements written above with a return receipt, they are considered sent if a copy is available to the Bank, as well as a record that they have been sent. The Borrower declares that, in view of the obligation to communicate and deliver the declarations, it ensures that it has a person (representative) entitled to receive postal items at the delivery address provided by the Borrower at all times during the banking relationship between the Bank and the Borrower. If Borrower fails to do so, Borrower may not cite the absence of the person (representative) entitled to take delivery in order to obtain benefits. The notice sent by the Bank to the Borrower to the electronic or Internet banking system used by the Borrower or to the fax, telex or e-mail address provided by the Borrower shall be deemed received on the day of dispatch.
- 17.3 The Bank is entitled to determine unilaterally, by publishing a relevant information notice, the terms and conditions on the basis of which (i) it accepts electronic copies of hard-copy documents issued in writing, and (ii) documents containing electronic signatures from the Borrower. The Bank bears no liability on the basis of electronic

documents issued or forwarded to the Bank by the Borrower in departure from such terms and conditions, and the Bank is entitled to disregard these without any further notice. If the Borrower submits electronic documents to the Bank in the manner specified in the relevant information notice, the Bank also becomes entitled to deliver electronic documents to the Borrower in the manner specified in the information notice. The Bank is entitled to amend the notice specified in this Section at any time by publishing an amended information notice, which enters into force on 15th day from publication. The Bank and the Borrower may also agree on a special form of liaison. In such a case, the Bank may refuse to execute orders that have not been received by the Bank in the form prescribed or approved by the agreement between the Bank and the Borrower, or by other data carrier or communication device not approved by the Bank.

- 17.4 If the Borrower and the Bank agree on the method of communication by telephone or electronic data carrier (e.g. e-mail), the Borrower declares that it is aware of the dangers of telephone, public Internet and e-mail communication, and specifically requests and accepts the transmission of any bank secrecy data regarding the Borrower by telephone or e-mail with the knowledge and assumption of this risk, even if the parties do not use encryption when communicating by e-mail. The Bank shall not be liable for damages resulting from the failure of (telephone) lines, incorrect pronunciation, or misunderstanding due to the quality of the lines.
- 17.5 The Borrower shall retain and handle with due diligence the forms, data carriers, equipment and other means of communication provided by the Bank to the Borrower and use them in accordance with the terms of separate agreements signed between the Borrower and the Bank.
- 17.6 If the Borrower becomes aware of any anomalies related to the forms, data carriers, equipment and means of communication, or becomes aware of their loss, misappropriation or any misuse thereof, it shall immediately notify the Bank thereof. Until the Bank has received the notification, the consequences shall be borne by the Borrower.
- 17.7 Before the Borrower transmits orders or communications to the Bank by keyed fax, fax, telephone, post, courier or by personal submission (manually), the Borrower authorizes the persons who, on behalf of the Borrower, are entitled to forward orders or other communications to the Bank by these means by duly signing the Letter of Authorization, specifying the scope and limits of their authorization. In the Letter of Authorization, it is necessary to provide for the right to sign (joint, independent), and the following restrictions may be specified: general or per transaction type limit.
- 17.8 The Letter of Authorization shall become effective no later than on the 5th Banking Business Day after submission to the Bank, however, if the Letter of Authorization is incomplete, incorrect or otherwise inadequate, the Bank shall notify the Borrower. The Borrower is entitled to amend the Letter of Authorization at any time, and its authorized representative is obliged to notify the Bank of the changes by means of submitting a duly signed, original copy of the new Letter of Authorization; the Borrower is obliged to do the same if he wishes to terminate the power of attorney of the proxy in the letter of authorization.
- 17.9 If the Borrower uses telefax, only persons indicated in the Authorized Signature Mandate previously signed by the Borrower may send instructions or notices via telefax in relation to the Loan or the Credit Facility Agreement. By authorizing the Bank to accept communication by telefax, the Borrower shall acknowledge that it will not be entitled to request the original of any of such communications in any court or arbitration proceedings unless the Borrower dispatches written confirmation of such communication to the Bank on the same day.
- 17.10 In the case of any communication or instruction, the Bank requires the Borrower to provide the Bank with the exact and correct information necessary for the execution of such communication or instruction in the absence of which the Bank may refuse to execute such communication or instruction. The Bank is not obliged to verify the correctness and accuracy of any information provided to the Bank by the Borrower. The Bank shall not be responsible for any damage or loss for the execution or non-execution of any communication or instruction which contains erroneous or inadequate information.
- 17.11 The Bank shall have no duty to verify the contents or the identity of the sender or confirmer of any communication or other notices received by manual transmission and the Borrower shall be bound by and the Bank shall be authorized to rely on such communications or notices. However, the Bank shall have absolute discretion to act or not act upon, and/or to request verification of any communications received by manual procedures. The Bank shall be entitled to defer performance of communication or notice until verification is delivered by the Borrower to the Bank.

- 17.12 The Borrower acknowledges that the security procedures provided by the Bank are designed to verify the source of a communication and not to detect errors in the content of such communication or notices.
- 17.13 The official language of liaison between the Bank and the Borrower is Hungarian. Parties may mutually stipulate English as the language of liaison between them.

## 18. LIABILITY

- 18.1 The Bank shall not be liable for damages resulting from a refusal or late granting of a domestic or foreign official order, the necessary official permit, or unforeseeable and unavoidable events, including, but not limited to, armed conflicts, revolution, national emergency, uprising, nationalization, natural disasters, interruptions or failures of telecommunications, the collapse of any market, strikes, labor disputes or other circumstances beyond the Bank's control (in summary: force majeure), and for damages caused by events that occurred in the Borrower's interest or scope, or as a result of the Borrower's failure to comply with or late compliance with the relevant provisions of the law, the General Business Conditions, the relevant General Terms of Contract, the General Lending Conditions, the List of Conditions and the Agreement(s).
- 18.2 The Bank undertakes no liability or financial risk with respect to the Borrower for any loss in value of the amounts credited to the Borrower (which the Bank may place in its own name with depositors of its choice) due to taxation, payment of dues or depreciation, or for the unavailability of such amounts that originates from restrictions affecting their convertibility and/or transferability, from appropriation, forced transfer, war, civil disturbances, confiscation of any kind, or from a military or usurpatory exercise of power, or from any other similar cause beyond the Bank's control, and in such cases neither Citigroup nor any of its branches, subsidiaries or units shall be liable.
- 18.3 The Bank shall not be liable for the originality or validity of the documents submitted to it, if the fact that it was false, falsified or invalid could not be detected by the careful control applied in the ordinary course of business, which can normally be expected from a credit institution.
- 18.4 The Bank has the right to use the assistance of a third party at its best discretion or, if the Borrower expressly indicates the person providing assistance in the order, to use the correspondence or agency of this third party in order to fulfill the Bank's contractual obligations, to the extent necessary. The Bank shall exercise due diligence in selecting, instructing and supervising such third parties, but shall not be liable for the acts or omissions of such third parties. If the liability of the contributor is limited by law, the liability of the Bank shall also be adjusted to the liability of the contributor. In order to fulfill the Borrower's order, the Bank is entitled to use the assistance of a third party to the extent necessary to protect the Borrower from damage.
- 18.5 In the case of Agreements entered into force before 15 March 2014, the Bank shall not be liable for any costs or losses incurred by the Borrower, except for gross negligence, bad faith or willful misconduct of the Bank, as long as it acts in accordance with the Letter of Authorization. In the case of Agreements concluded on or after 15 March 2014 and all Agreements to which the parties order the application of the new Civil Code, the Bank shall not be liable for damages suffered by the Borrower or the third party providing the collateral due to non-performance or non-contractual performance of the Agreement, Collateral Documentation, unless otherwise provided by law, except in the case of intentional breach of contract due to gross negligence or breach of contract damaging human life, body or health. In case of breaches caused by gross negligence, the Bank's liability is limited to direct losses incurred at the Borrower (excluding profit loss and other consequential losses), unless otherwise provided by law.
- For the purposes of the provision above, gross negligence means any act or omission of the Bank which serves as a proof of gross recklessness, indolence, unqualifiedness, or repeated, recurring negligence which violates the relevant conditions, instructions, procedural orders of the Bank or any applicable law but excluding the instances of human mistake, inattention, wrong assumption and misunderstanding.\*

## 19. DATA PROCESSING

- 19.1 The Borrower acknowledges that the bank does not violate bank secrecy if it transfers the Borrower's data (hereinafter: reference data) specified in the act on the Central Credit Information System (currently Act CXXII/2011, hereinafter: CCIS Act) in accordance with the provisions of the CCIS Act to the Central Credit Information System (hereinafter: CCIS). The CCIS is a closed database, the purpose of which is to enable a more differentiated assessment of creditworthiness and thus lending on a wider scale, and to help reduce credit risk in order to ensure the safer operation of lending organizations (hereinafter: reference data providers) as defined in the CCIS Act.

- 19.1.1 Only Reference Data can be managed in CCIS. The Bank shall transfer to the financial enterprise operating the CCIS (hereinafter: the CCIS Operator) the Reference Data of the company, branch, European joint stock company, cooperative, European cooperative, European economic association, housing cooperative and sole proprietor (hereinafter: the Enterprise),
- a) which concludes an Agreement with the Bank
    - i) for the provision of credit or a cash loan,
    - ii) financial leasing services,
    - iii) for the issuance of paper-based cash-substitute payment instrument, and the provision of the service related thereto which does not qualify as a payment service;
    - iv) securities lending
    - v) sureties and guarantees and other bank commitments;
  - b) which fails to comply with its payment obligations under the contract constituting the subject of data provision referred to under the above point a) in such manner that the amount of overdue and unpaid debt has been outstanding continuously for more than thirty days; or
  - c) which has had a receivable of more than HUF 1 million registered by the Bank queued against its bank account with the Bank for a period exceeding thirty days due to lack of funds, without interruption; or
  - d) which has breached its obligation under the agreement with the Bank to accept a cash substitute payment instrument, and as a result the Bank has terminated or suspended the agreement to accept the cash substitute payment instrument.
- 19.1.2 During the data transfer, the Bank forwards the name, registered office, company registration number/individual entrepreneur card number and tax number of the Enterprise to the CCIS Operator, as well as
- a) in the case of 19.1.1 (a)
    - type and identifier (number) of the Agreement,
    - the date of conclusion, expiry and termination of the Agreement,
    - the manner in which the Agreement was terminated,
    - the amount and currency of the Agreement, the amount and currency of the repayment instalment of the Agreement amount, and the method and frequency of repayment;
  - b) in the case of 19.1.1 (b)
    - type and identifier (number) of the Agreement,
    - the date of conclusion, expiry and termination of the Agreement,
    - the manner in which the Agreement was terminated,
    - the amount and currency of the Agreement, the amount and currency of the instalment of the Agreement amount, and the method and frequency of repayment;
    - the date of occurrence of the conditions specified in 19.1.1 (b),
    - the amount of overdue and unpaid debt outstanding at the time of the occurrence of the conditions specified in point 19.1.1 (b),
    - the date and method of the elimination of the overdue and unpaid debt,
    - a note referring to transferring the claim to another reference data provider, or a lawsuit;
  - c) in the case of 19.1.1 (c)
    - the identifier (number) of the current account management Agreement,
    - the amount and currency of queued receivables,
    - the starting and ending dates for the queuing of claims,
    - a note referring to a lawsuit;
  - d) in the case of 19.1.1 (d)
    - the date of conclusion, expiry, termination or suspension of the Agreement for the acceptance of the cash-substituting payment instrument,
    - a note referring to a lawsuit;
- 19.1.3 The bank shall also provide the CCIS Operator with the amount and currency of the principal debt under the contract that is the subject of the data provision by the fifth Banking Business Day following the relevant month.
- 19.1.4 If the Company makes a prepayment within the scope of the contract subject to data provision, the Bank shall notify the CCIS Operator of the fact of the prepayment within five Banking Business Days after the prepayment, as well as provide information on the prepaid amount and the amount of outstanding principal debt, and the date and currency of the prepayment.
- 19.1.5 Based on the above data transfer, the data is registered by the CCIS Operator in the CCIS, after which they can also be queried and transferred to the Bank and other data providers based on the data request submitted by them. The Bank and the other data providers shall only use the data request and the data received on the basis thereof for making a decision on

- (a) concluding Agreements as per 19.1.1 (a) or
  - (b) providing investment credit to the investor, or
  - (c) concluding a securities lending agreement.
- 19.1.6 The CCIS Operator manages the Reference Data transferred in the above manner for a period of five years, after which period the Reference Data will be permanently and irrevocably deleted. With respect to calculating the five-year period, the starting date shall be:
- (a) in the case of point 19.1.1 (a), the date of termination of the Agreement;
  - (b) in the case of point 19.1.1 (b), if the debt has not been eliminated, the end of the fifth year following the date of the data transmission;
  - (c) in the case of 19.1.1 (c) the date of cessation of the queuing of claims;
  - (d) in the case of 19.1.1 (d) the date of transmission of the data.
- 19.1.7 The CCIS operator shall also immediately and irreversibly delete the reference data if the reference data provider cannot be identified or the reference data was entered into the CCIS unlawfully.
- 19.1.8 The CCIS Operator may only provide Reference Data to the Bank and other reference data providers based on the data request submitted by them. The Bank and the other data providers shall only use the data request and the data received on the basis thereof for making a decision on
- (a) concluding Agreements as per 19.1.1 (a) or
  - (b) providing investment credit to the investor, or
  - (c) concluding a securities lending agreement.
- 19.1.9 In addition to the provisions of 19.1.8, the enterprise is also entitled to request information through any reference data provider, including the bank, about their data contained in the CCIS and about the identity of the reference data provider that made the data available. The bank forwards the information request no later than two Banking Business Days, to the CCIS operator, which sends the requested data in a sealed manner within three days to the bank. Upon receipt, the bank shall also send the information in a closed manner, immediately, but no later than within two Banking Business Days - at the option of the company - by return receipt by post or hand it over to the company in person at the bank's premises.
- 19.1.10 The information is free of charge for the enterprise, regardless of the reference data provider through which it submitted its application.
- 19.1.11 The Registered Enterprise may exercise the following legal remedy over to the transfer or management of its Reference Data by the Bank to the CCIS Manager: a) It may file an objection to the Bank or the CCIS Manager for the correction or deletion of the Reference Data, which the Bank or the CCIS Operator is obliged to investigate within three days of its receipt and to inform the Company in writing, by return receipt by post, immediately, but no later than within two Banking Business Days after the completion of the investigation. If the Bank accepts the objection, it shall without delay, but within five Banking Business Days at the latest, hand over the reference data to be corrected or deleted – while simultaneously notifying the Enterprise – to the CCIS Operator, which shall make the required change to the records within two Banking Business Days.

b) The Enterprise may file an action against the Bank and the CCIS operator in the local court competent according to its registered office for illegal transfer and handling of the Reference Data, or for the purpose of their correction or deletion,

- i) within 30 days from receipt of the notice on the investigation of the objection if he or she disagrees with the result of the review of the objection;
  - (ii) within 30 days of the expiry of the time limit set for the obligation to provide information in the event of failure to provide the information pursuant to Section 19.1.9 or the information on the investigation of the objection.
- 19.1.12 The CCIS operator is obliged, until such time as the matter is resolved in a final and legally binding manner, to keep on record the fact that legal action has been launched, together with the disputed reference data.
- 19.2 The Borrower undertakes to treat its business relationship with the bank and the related written and/or oral agreements as a business secret in accordance with the provisions of the relevant legislation. The Borrower shall not make the written and/or oral agreements with the bank available to third parties in any form without the prior written consent of the bank. Breach of this obligation constitutes a serious breach of contract for the business and legal relations between the Borrower and the bank.
- 19.3 The bank handles, processes and stores personal data that comes to its knowledge in accordance with the general terms and conditions.

## 20. THIRD PARTIES

Only the Parties and third persons expressly authorised by the relevant Agreement or Security Document is entitled to demand performance in respect of services set out in the the Agreement or the Security Document. A third party not authorised by the relevant Agreement or the Security Document is not entitled to demand performance of a service set out by the the Agreement or the Security Document.\*

## 21. STATUTE OF LIMITATION

The Bank and the Borrower agree that in addition to the circumstances and actions set out in Section 6:25 of the New Civil Code, a written notice requiring performance and the enforcement of the claim during a liquidation proceeding also interrupts the period of statute of limitation.\*

## 22. RECORD KEEPING AND CUSTODY OBLIGATIONS

- 22.1 The Bank keeps separate and identifiable records in respect of properties, assets (estate), receivables of the Borrower or a third party which become in the possession or at the disposal of the Bank on the costs of the the Borrower or the third party, provided that there is no other relationship in place between the Bank and the Borrower or the third party. If there is such relationship in place, then the Bank will act according to the terms of that relationship. Under this section 22, the Bank is subject to custodian and record keeping obligations only.
- 22.2 The Bank may claim the costs incurred at the Bank and its expenses in relation to the custodian and record keeping obligation and may directly get those claims, as well as its other claims against the Borrower or the third party directly satisfied from the assets of which records are kept under this section 22.\*

\* applicable in respect of agreements entered into after 14 March 2014 or agreements in respect of which the Parties agreed to be governed by the New Civil Code.

\*\* applicable in respect of agreements entered into after December 18, 2017.