



**General Lending Conditions
for Small and Medium-Sized Businesses
of Citibank Europe plc Hungarian Branch Office**

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Court Registration No: 01-17-000560 - Metropolitan Court as Court of Registration
Activity licence: Central Bank of Ireland, 1 May 2001
Effective from August 1, 2009
CBce 502/01

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1. SCOPE OF THE GENERAL LENDING CONDITIONS

- 1.1 The present General Lending Conditions (hereinafter referred to as „General Lending Conditions”) shall govern all active credit institution services, including, but not limited to any overdraft facility, loan and other credit relations existing between Citibank Europe plc Hungarian Branch Office (hereinafter referred to as the „Bank”) and its clients in the segment of small to medium-sized businesses (hereinafter referred to as „Client” or „Clients”). Clients shall mean (with the exception of credit institutions) the legal entities, corporate entities without legal personality or other organisations to which the Bank provides credit institution services.
- 1.2 The provisions of the General Lending Terms are binding both on the Bank and Clients without special reference thereto; however, by mutual agreement, the Bank and the Client may deviate from the relevant provisions of the General Lending Conditions in their individual Agreements or in their individual Transactions, in which cases such provisions shall prevail over the relevant provisions of the General Lending Conditions.
- 1.3 With regard to the provisions set forth in Section 22, in addition to the provisions set forth in Clause 1.2, the Bank's General Business Conditions of Corporate Services (hereinafter referred to as „General Business Conditions”), the Bank's CitiBusiness and Mid-size Corporate Current Account List of Conditions and the relevant international banking standards shall also apply.

2. ACCEPTANCE AND AMENDMENT OF GENERAL LENDING CONDITIONS

- 2.1 The acceptance by the Client of the General Lending Conditions shall be a condition precedent for the Bank providing overdraft facilities, Loans or other credit-related services for the Client. The Bank provides a copy of the General Lending Conditions to each Client for acceptance, otherwise the General Lending Conditions are available at the premises of the Bank during regular business hours and at the Bank's website (www.citibank.hu). In accordance with the General Lending Conditions, the Bank shall enter into
 - (i) Overdraft Facility Agreement,
 - (ii) Loan Agreement,
 - (iii) Credit Line Agreement,
 - (iv) other credit- or loan-type Agreement,
 - (v) or agreement relating to bank guarantees or letters of creditwith Clients, such Agreements evidencing the expressly acceptance of the provisions of the General Lending Conditions by the parties.
- 2.2 The Client hereby accepts that provisions set forth in Section 2 of the General Business Conditions shall apply to the rules of providing to the Client and of the amendment of the General Lending Conditions and to the rules of the amendment of the loan agreement and any other agreement considered as Agreement accordingly.

3. DEFINITIONS

Unless stipulated otherwise, the following terms shall have the following meanings for the purposes of the General

Lending Conditions and the Agreements concluded by and between the Bank and the Client:

Authorized Signature Mandate: the form of the Bank on which the Client notifies the Bank of the particulars and specimen signatures of persons authorised to sign on its behalf. For the purposes of the present General Lending Conditions, the Authorized Signature mandate is not equivalent to the letter of authorisation forming part of the Agreement regarding the exercise of the right of prompt collection;

Business Day: every day on which banks are open for business in Hungary, with the exception of Saturdays and Sundays, and non-working days and public holidays announced in the laws of Hungary, as well as of the bank holidays of the Bank duly communicated by the Bank to the Client; in the case of the involvement of a bank registered in a country other than Hungary, any day on which banks are open for business in the country where the registered office of such bank is located;

Collateral: any security interest, including but not limited to lien and mortgage rights, assignment, security deposit, suretyship, conditional sale and purchase or other title retention agreement or any other agreement the economic or commercial effect of which is similar to security and provides a claim for the Bank on the property of the Client and /or third party providing such collateral or a part thereof;

Security Documents: any and all documentation providing Collateral, security rights for the Bank or acknowledging such rights on the basis of any Agreement concluded by and between the Bank and the Client;

Interest Period: the BUBOR, LIBOR or EURIBOR period serving the purpose of the establishment of the Interest Base, where the first period begins on the day of disbursement and all subsequent Interest Periods shall commence on the Business Day following the last day of the previous Interest Period; if any Interest Period were to end on a day which is not a Business Day, the Interest Period shall be extended to the next Business Day unless, as a result, the Interest Period in question were to extend to another calendar month (in which case the Interest Period shall end on the precedent Business Day);

BUBOR: the forint interest rate per annum which is quoted for the specified Interest Period at or around 10.30 a.m. (Budapest time) two Business Days before in respect of the first day of the corresponding Interest Period and which is published by the National Bank of Hungary on the Budapest inter-bank market on the BUBOR page of the Reuters screen (or via any other official electronic media). The BUBOR interest rate published by the National Bank of Hungary is the mathematical average of the interest rates (rounded up or down to two decimal points) which the relevant BUBOR-quoting banks offer on the Budapest inter-bank market for the relevant period;

LIBOR: the arithmetic average of the interest rates offered on the relevant page of the Reuters screen (if necessary, rounded up or down to 1/16 per cent) which are quoted by the reference banks on the London inter-bank market for leading banks and which are made available at the Bank's request at or around 11.00 a.m. on the Business Day which precedes the first day of the Interest Period by two Business Days and which are offered for the relevant Interest Period in respect of foreign exchange deposits in the given currency;

EURIBOR: in respect of any interest-bearing amount denominated in EUR or in any participating currency of the European Monetary Union which the Customer owes on the basis of a Contract:

- (a) the offered rate of interest per annum which is the arithmetic mean value of the interest rates offered on the relevant page of the Reuters screen and which is quoted in respect of deposits of the specified amount placed for the Interest Period in EUR or in any participating currency of the European Monetary Union;
- (b) if no such screen page or service exists or is available, the Bank shall select the service or screen page which displays the offered European inter-bank interest rate in respect of the euro or any participating currency of the European Monetary Union; or if no quotation is published for the given Interest Period in respect of the euro or any other currency participating in the European Monetary Union and the Bank did not select an alternative service publishing quotations, the arithmetic average of the interest rates (rounded up or down to four decimal points) which are quoted by the Euro Reference Banks on the EUR inter-bank market for first-class banks in respect of deposits of the relevant amounts placed for the Interest Period at or around 11.00 a.m. on the Business Day which precedes the first day of the Interest Period by two Business Days and which are offered in respect of the relevant Interest Period and for the foreign exchange deposits determined in the Agreement;

Euro Reference Banks: any banks selected by the Bank (no two of which shall be located in the same financial centre) whose quoted interest rates are used for the purposes of the Reuters screen mentioned in paragraph (a) of the EURIBOR definition if the events described in paragraph (b) do not occur. In every instance, these banks shall proceed via branches which are located in a member state of the European Monetary Union;

Conditions Precedent: any of the conditions determined in Chapter 6 of the present General Lending Conditions and in the Agreement(s);

Event of Default: the events listed in Chapter 13 of the present General Lending Conditions and in the Agreement(s);

Agreement: a bilateral legal document entered into by and between the Bank and the Client evidencing the existence of the Client's Indebtedness to the Bank, including, inter alia, any of the following documents, inter alia:

- (i) Overdraft Facility Agreement,
- (ii) Loan Agreement,
- (iii) Credit Line Agreement,
- (iv) Agreement on bank guarantee or letter of credit,
- (v) any other credit or loan agreement or any other Agreement embodying an active credit institution relationship;

Indebtedness: any and all amounts owed by the Client to the Bank pursuant to an Agreement, including but not limited to principal, any accumulated and unpaid interest, fees, charges and other expenses;

Loan: the principal amount disbursed to the Client by the Bank or drawn by the Client in accordance with the provisions of the Agreement;

Credit Line: the maximum amount determined in the Agreement which the Bank keeps at the Client's disposal under the terms and conditions of the Agreement and to the debit of which the Customer may draw Loan(s), guarantees or letters of credit;

Drawdown Period: the period determined in the Agreement for the purpose of the availability of the Loan commencing on the day of the signing of the Agreement and extending to the day of the Final Maturity of the Credit Line or to the date determined in the Agreement, in the course of which the Client may request the disbursement of Loans under the provisions of the Agreement provided conditions precedents are fulfilled;

Drawdown Notice: a notice sent by the Client to the Bank on the drawing of a Loan in the form determined in the Agreement;

Drawdown Day: the Business Day on which the Bank disburses the Loan identified by the Client in the Drawdown Notice or determined in the Loan Contract;

Final Maturity Day: the Business Day on which the Client shall reimburse the Indebtedness to the Bank under the terms and conditions of the Agreement; if the Final Maturity Day does

not fall on a Business Day, the first Business Day thereafter shall be the Final Maturity Day; if the Final Maturity Day is the last day of the given calendar month and it is not a Business Day, the last Business Day of the given calendar month shall be the Final Maturity Day;

Interest Payment Day: last day of the Interest Period;

Interest Base: the BUBOR, LIBOR or EURIBOR quoted for the Interest Period determined in the Agreement;

Margin: the amount per annum stated in the Agreement and expressed in percentage which the Bank shall establish within its own competence, primarily on the basis of the risk of the Client.

4.1 Overdraft Facility

4.1.1 The Bank shall keep a Credit Line at the Client's disposal in conjunction with the Client's money transaction account kept with the Bank and determined in the Agreement up to the amount determined in the Agreement. This Credit Line shall become automatically available in the event of insufficient funds on the money transaction account. Any Loan drawn to the debit of the Credit Line shall be reimbursed automatically from the amount of the items credited onto the money transaction account, however, reimbursement shall be made on the Final Maturity Day determined in the Agreement at the latest.

4.1.2 The Client shall pay interest on the Loans drawn. The applicable interest shall be equal to the daily Interest Base changing daily plus the Margin determined in the Agreement.

4.1.3 The Bank shall charge an approval, amendment or extension fee amounting to a percentage determined in the Agreement of the total amount of the Credit Line for the availability of the Credit Line or the extension of the Final Maturity Day, which shall be charged simultaneously with or following the disbursement by way of debiting accounts.

4.1.4 The Client shall pay the Bank a commitment fee in respect of the part of the Credit Line made available by the Bank and not drawn by the Client, which fee shall be an amount determined per annum and expressed in percentage. The Bank shall charge the commitment fee as of the first day of the availability of the Credit Line until the last day thereof, monthly, including the initial and final days of availability.

4.2 Standby Credit Facility

4.2.1 The Bank shall keep a Credit Line at the Client's disposal up to the amount determined in the Agreement separately from the Customer's money transaction account kept with the Bank and determined in the Agreement. Loans may be drawn to the debit of the Standby Credit Line by transfer to the money transaction account in accordance with the Client's instructions, the details of which shall be regulated in the Agreement entered into by and between the Client and the Bank. Any Loan drawn to the debit of the Standby Credit Line shall be reimbursed by transfer from the money transaction account to the Standby Credit Line account, based on the Client's instruction. Any Loan shall be repaid on the Final Maturity Day determined in the Agreement, at the latest.

4.2.2 The Customer shall pay interest on the Loans drawn. The interest payable shall be equal to the daily Interest Base changing daily plus the Margin determined in the Agreement.

4.2.3 The Bank shall charge an approval, amendment or extension fee amounting to a percentage determined in the Agreement of the total amount of the Credit Line for the availability of the Credit Line or the extension of the Final Maturity Day, which shall be charged simultaneously with or following the placement of the Standby Credit Line at the Client's disposal by way of debiting accounts.

5. CREDIT/LOAN TRANSACTIONS

5.1 The Bank shall only provide and make available Credit Lines or Loans under the terms and conditions determined in the written Agreement.

5.2 The Bank shall decide on the Client's application for a Credit Line or Loan on the basis of an individual credit assessment procedure, in particular, on the basis of the Client's financial, business and legal situation and the evaluation of the Security offered.

- 5.3 The Client shall be entitled to draw down Loans during the Drawdown Period under the provisions stated in the Credit Line Agreement or to request the extension of the Term thereof by way of Drawdown Notices. In the event of a drawdown or extension, the Bank shall charge an extension/amendment fee for each Loan Drawdown at the percentage rate determined in the Agreement of the amount of the Loan drawn which shall be payable upon disbursement/extension by way of debiting accounts.
- 5.4 The last repayment day of the Loan(s) drawn and the last Interest Payment Day may not extend beyond the Final Maturity of the Credit Line or the date determined in the Agreement. If the Agreement so provides, the Client shall be entitled to repeatedly draw upon any already repaid or prepaid Loan(s) under the relevant contractual terms and conditions.
- 5.5 The Bank shall charge a disbursement fee on the amount of the loan in accordance with the provisions of the loan agreement at the percentage rate of the amount of the Loan determined in the Agreement which shall be payable upon disbursement by way of debiting accounts.
- 5.6 The Client shall pay the Bank a commitment fee in respect of the part of the Credit Line made available by the Bank and not drawn by the Customer, which fee shall be determined per annum and expressed in percentage. The Bank shall charge the commitment fee as of the first day of the availability of the Credit Line until the last day thereof, monthly, including the initial and final days of availability.

6. CONDITIONS PRECEDENT

- 6.1 The Bank shall be authorized
- (i) to withhold the disbursement of any amount payable;
 - (ii) subject to the nature of the individual legal relationship, to suspend or defer the fulfilment of any of its obligations undertaken in the Agreement so long as the Client has not fulfilled each of the Conditions Precedent listed herein below and/or stated in the Agreement. The Bank may, at its sole discretion, waive the application of any of the Conditions Precedent listed herein below. Should the Client fails to meet any of the Conditions Precedent listed herein below within 15 days from the signing of any Agreement, the Bank shall be entitled to terminate the Agreement with immediate effect.
- 6.2 Conditions Precedent are the following in particular:
- 6.2.1 if the Client is a corporate entity registered in Hungary, submission and presentation of the documents determined in Clause 5.2 of the General Business Conditions;
 - 6.2.2 if the Client is a corporate entity registered outside Hungary, submission of the documents determined in Clause 5.3 of the General Business Conditions;
 - 6.2.3 based on the provisions set forth in Clause 11.3 of the General Business Conditions, submission of the Authorized Signature Mandate;
 - 6.2.4 written acceptance of the General Business Conditions and the General Lending Conditions in accordance with Clauses 2.1 and 2.2;
 - 6.2.5 signing, obtaining, submission and registration in the relevant records, if necessary, of the Security Documents set forth in the Agreement by the party providing Collateral for the Bank;
 - 6.2.6 presentation of certificates issued by the competent tax and customs authorities not more than 30 days prior to the signing of the Agreement which appropriately prove that the Client has no debt towards the agencies mentioned;
 - 6.2.7 submission of a declaration of debt acknowledgement issued before a notary public in which the Client confirms the existence of the Indebtedness (with the exception of transactions secured by a security deposit or bank guarantee);
 - 6.2.8 as referred to in the Agreement (i) „MOKK” (Hungarian Chamber of Civil Law Notaries) certificate verifying the entry in the lien records of the lien security item(s) stated in the mortgage agreement for movable property, (ii) in the case of real property/properties, handing over to the Bank of a title deed with an index proving the submission to the competent land title office of an application for the registration of the relevant mortgage;
- 6.2.9 if the Security is a mortgage, the Client shall present to the Bank the insurance policy/offer relating to the mortgaged property determined in the mortgage contract and the document proving the payment of the insurance premium;
- 6.2.10 if the Security is a mortgage and the Client is not the owner of the mortgaged property determined in the mortgage agreement, the mortgage obligor shall have the mortgage agreement committed to a notarial deed;
- 6.2.11 if the Security is a mortgage on a real property and the owner of the real property (hereinafter referred to as „Real Property”) uses the Real Property offered as security and encumbered with the mortgage by way of letting, the mortgage obligor shall assign its receivables arising from the lease contracts to the Bank in the form determined by the Bank;
- 6.2.12 fulfilment of any further Conditions Precedent determined in the Agreement entered into by and between the Bank and the Client.

7. REPRESENTATIONS AND WARRANTIES OF THE CLIENT

- 7.1 Upon entering into a Loan or Credit Agreement with the Bank, the Client shall represent and warrant the following:
- 7.1.1 it is a corporate entity duly organized and validly existing under the laws of its jurisdiction of incorporation and has all authorisations, rights and the consents of its decision-making body which are necessary for the conclusion of the Agreement with the Bank and for exercising its rights and fulfilling its obligations under the General Lending Conditions and the Agreement, and has taken all necessary measures in respect of the authorisations required for the conclusion and implementation of the present Agreement;
 - 7.1.2 the Client has not, in the Bank’s reasonable opinion, committed any breach of, or been in default under any agreement to which it is a party or which may be binding on it or on any of its assets;
 - 7.1.3 no proceedings of any kind, lawsuits, investigations or state administration proceedings have been instituted or threatened against it or in respect of its assets before or by any court of law or any other authority, which presumably could, in the Bank’s reasonable opinion, have a significantly detrimental impact on its business (financial or other) circumstances, results or operations or on the fulfilment of its obligations set forth in the Agreement entered into with the Bank;
 - 7.1.4 the execution of the General Lending Conditions and the Agreement and the exercise of the Client’s rights in connection therewith or the fulfilment of its obligations under the General Lending Conditions shall not result in the violation of any agreement, law or regulation by which the Client is bound;
 - 7.1.5 all conditions, requirements and licences required by the laws of Hungary for the execution and performing the Agreement with the Bank are performed, obtained and fulfilled by the Client;
 - 7.1.6 its obligations existing towards the Bank are the Client’s lawful, valid, binding, direct and unconditional obligations;
 - 7.1.7 its financial position is of good standing and enables it to duly perform its obligations towards the Bank;
 - 7.1.8 its audited financial report was prepared in the last financial year preceding the date of the Agreement entered into with the Bank in accordance with the generally approved accounting standards and presents the Client’s financial condition and the results of its operations correctly in respect of that financial year. The Customer had no significant obligations which are not stated in the financial report, did not have any unstated, non-realised or anticipated losses, and no material adverse change has occurred in the Client’s financial condition, business practice or general operations since the date of that report; likewise, at the date of signature of the Agreement, the Client is not aware of any material facts or circumstances that have not been previously disclosed to the Bank and which, if disclosed, would reasonably be expected by the Bank to adversely affect the decision of the person deciding on whether to provide or refuse the credit facility;
 - 7.1.9 there are no security interests in respect of the whole or a part of its assets, properties and undertakings other than those, if

any, permitted under the Agreement entered into with the Bank; and

7.1.10 unless agreed otherwise, all Security Documents executed in favour of the Bank to secure the Indebtedness of the Client to the Bank represent first priority security interests for the Bank and are not subordinated in any way to the security interests of any other party.

7.2 All of the representations and warranties listed in Clause 7.1 above shall be regarded as renewed on each day upon which funds are disbursed or commitment is undertaken by the Bank to the Client, each Interest Payment Day and each repayment date and/or extension day determined in the Agreement entered into by and between the Bank and the Client.

8. COVENANTS OF THE CLIENT/MORTGAGE OBLIGOR

8.1 Upon entering into an Agreement with the Bank, the Client covenants and undertakes:

8.1.1 to provide the Bank with its annual report under the Accounting Act within 15 days of the approval thereof but within 180 days of the end of the financial year, at the latest;

8.1.2 to provide the Bank promptly with all further financial information reasonably requested by the Bank and to provide, also without a specific request, any information concerning any material obligations or losses not included in its financial report;

8.1.3 to notify the Bank immediately upon the occurrence of any Event of Default;

8.1.4 to comply with all applicable laws and regulations relating to or affecting its business activities and to obtain and immediately renew from time to time and to comply with the terms of all consents, permits, authorisations, licences and/or exemptions, which may be necessary for engaging in its business activities appropriately, in all instances where, failure to obtain or renew such consents or licences or failure to comply with such conditions, would have a material adverse effect on its financial condition or business activities, or on the fulfilment of its obligations owed to the Bank under the Agreement entered into by and between the Bank and the Client or any Security Documents in support thereof or on the enforceability of such documentation;

8.1.5 to notify the Bank in writing, within 10 calendar days, on all circumstances affecting its legal status or management including, but not limited to all changes in its corporate form of operation which arise on the basis of Act IV of 2006 on Business Associations, and any changes in its deed of foundation or articles of association or in the persons authorised to sign on its behalf;

8.1.6 to ensure that its legal successors as a result of any organizational change shall assume joint and several liability for all payment obligations of the Bank owed to the Bank;

8.1.7 to ensure that the Bank's claims against the Client shall be ranked as at least equal claims to any other obligation that the Client may have assumed (*pari passu*); not to provide Collateral 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*);

8.1.8 not to issue any guarantee, provide a letter of comfort or give any form of support to any other bank in respect of the loans or liabilities of its subsidiaries or associated businesses without the prior notification of the Bank;

8.1.9 to use the full amount disbursed by the Bank exclusively for the purpose specified in the Agreement entered into by and between the Bank and the Client;

8.1.10 to conduct the payment transactions determined in the Agreement on its money transaction accounts/accounts kept with the Bank during the period extending from the conclusion of the Agreement to the Final Maturity Day or during a *pro rata* part thereof in accordance with the account transactions stipulation determined in the Agreement. Based on the above transactions stipulation, only the amounts credited and originating from third parties shall qualify as transactions conducted on the relevant money transaction account. If the currency of the credited foreign exchange account and the credited currency are the same, the HUF value of the credited amount shall be calculated at the Bank's mean foreign exchange rate, subject to the rounding up or down of the HUF

value. If the currency of the credited foreign exchange account and the credited currency are different, the HUF value of the credited amount shall be calculated on the basis of the actual conversion rates quoted by the Bank;

8.1.11 if, in the Bank's reasonable opinion, the value of the collateral securing the Bank's claims against the Client significantly decreases for any reason, to provide further collaterals at the rate determined by the Bank up to the extent of the outstanding debt and the incidental charges thereon;

8.1.12 if the Collateral is a mortgage on a real property, the Client/mortgage obligor

8.1.12.1 shall only initiate proceedings or submit application on registration of building structures or a change of title in respect of the Real Property provided as collateral to the Bank with the Bank's knowledge and consent during the existence of the Bank's mortgage title, as part thereof further undertakes to conduct proceedings on the registration of any new building structure erected on the Real Property in accordance with the relevant rules and regulations, to present to the Bank all documents necessary for the said proceedings prior to the institution of the proceedings in the real property register, and to request the Bank's consent thereto;

8.1.12.2 shall present to the Bank the final occupancy permit relating to any building structure, if any, built on the Real Property within 15 days of the receipt thereof, and undertakes to have the building structure insured at its own expense under the terms and conditions of general property insurance within 30 days of the commencement of use, and to assign to the Bank the amount of any damages payable in respect of the Real Property on the basis of the insurance policy/offer;

8.1.12.3 if the Client/mortgage obligor wishes to let the Real Property or a part thereof, shall present the relevant lease agreement to the Bank at least 5 days prior to the concluding thereof. The Client/mortgage obligor or any other person otherwise entitled to dispose of the Real Property shall only be entitled to make any changes to the lease legal relationship or to enter into a new lease legal relationship if the Bank has approved the lease agreement. The Bank may refuse its approval in particular but not limited to cases where the agreement stipulates a notice period of more than 90 days for the lessor or the agreement fails to provide that the lessee is required to deliver the Real Property, vacated from all movable property, by the end of the notice period without a claim for accommodation;

8.1.12.4 if the Client is the owner of the Real Property, in the event of the utilisation of the Real Property by way of letting, the Client shall ensure that the lessees of the Real Property shall meet their payment obligations arising from the lease agreements by crediting the money transaction account determined in the Agreement (in the absence of the Bank's instruction to the contrary effect);

8.1.12.5 shall only alienate, encumber or provide the Real Property as a contribution in kind for a business association (or, in the case of a business association mortgage obligor, provide the Real Property as a contribution in kind for another business association) and shall only take any other measure that may prevent the sale of the Real Property at full value after having obtained the Bank's prior consent;

8.1.12.6 if there is a building structure on the Real Property, shall have the building structure insured at its own expense, under the terms and conditions of general property insurance and shall assign the amount of any damages due in respect of the Real Property on the basis of the insurance policy to the Bank on the basis of an assignment agreement and shall thereafter expressly waive the right of disposing of the assigned claims in any way. The Client/mortgage obligor hereby accepts that the insurance policy in which the Bank is stated as beneficiary shall be presented to the Bank and a simple copy thereof shall be placed at the Bank's disposal. The Client/mortgage obligor shall pre-pay the insurance premium to the insurer by transfer, from its account kept with the Bank, with the frequency determined in the offer/policy stated in the assignment agreement and shall duly verify the payment of the premium towards the Bank. The Client/mortgage obligor hereby consents and authorizes the insurer that if the Bank requests information regarding the payment of the insurance premium directly from the competent insurer, the insurer

insuring the Real Property, as at any time, may provide the required information to the Bank.

9. INTEREST, CHARGES AND OTHER EXPENSES

- 9.1 The Client shall pay interest on the amount of the Loan. The rate of the interest shall be determined in the Agreement entered into by and between the Bank and the Client. The applicable interest rate is the Interest Base determined in the Agreement plus the Margin. The amount of the interest shall be paid subsequently, in one sum, on each Interest Payment Day. In the event that there is any change in the Bank's refinancing terms and conditions as a consequence of measures taken by the National Bank of Hungary (and/or its legal successor) or changes in the prevailing money market conditions, the Bank may modify the Interest Base or the Margin, and may charge interest accordingly.
- 9.2 The Bank shall charge interest on the principal amount of the Indebtedness for the disbursement day but shall charge no interest for the repayment day. The disbursement and repayment days shall be determined in the relevant Agreement or Drawdown Notice.
- 9.3 The Client hereby authorises the Bank to debit the amount of the interest due from any of its accounts kept with the Bank and the Client shall ensure that the amount due shall be available to the Bank on the due date.
- 9.4 If the Client fails to meet any of its payment obligations falling due pursuant to an Agreement, the Client shall pay default interest on the amount due, subject to the reservation of the Bank's any other rights. The Bank shall charge default interest as of the due date until the day on which the amount due is credited onto the Bank's account.

10. COLLATERAL

- 10.1 The Client shall execute or procure the execution of the Security Documents in favour of the Bank required by the Agreement entered into by and between the Bank and the Client.
- 10.2 If the Collateral is a mortgage on a real property,
- 10.2.1 the Client/mortgage obligor hereby accepts that the mortgage shall extend to everything currently joined or coming into contact with the Real Property in the future as components, regardless of whether or not such items have been or will be entered in the land register, and if a building structure is erected on the Real Property, the Client/mortgage obligor hereby accepts that the entry in the real property register of the building structure erected on the Real Property as a separate real property shall have no impact on the effect of the Bank's mortgage, and the Bank's mortgage shall also extend to the building structure entered in the register as a separate real property. The Client/mortgage obligor hereby further accepts that only the Client/mortgage obligor itself may carry out investments on the Real Property which shall be recorded, in the case of a business association, in its own books;
- 10.2.2 the Client hereby authorises the Bank to enter into an insurance agreement on its behalf and in its place in respect of the mortgaged property set forth in the mortgage agreement if no such agreement is concluded within a reasonable time, and to debit the expenses incurred in connection therewith and the amount of the due insurance premium to its money transaction account determined in the Agreement.

11. MATURITY OF LOANS AND REPAYMENT

- 11.1 All Indebtedness becomes due and payable on the maturity day determined in the Agreement or in the Drawdown Notice, on which day the Client shall repay the Indebtedness. The Debt repaid by the Customer shall qualify as duly repaid once it has been fully credited onto the account determined in the Contract, without any deduction.
- 11.2 Upon the prepayment or repayment of any Indebtedness to the Bank, the Client shall authorise the Bank to debit the amount due to its money transaction account kept with the Bank, or the Client shall otherwise ensure that the full amount to be repaid are available to the Bank on the due date.

- 11.3 In Credit Facility and Loan Agreement with a term of more than one calendar year, the Bank may determine a grace period for the period determined in the Agreement, reckoned from the Drawdown Day of the first loan amount (hereinafter referred to as „grace period“), during which period the Client shall only have the obligation to pay interest on the amount of the Loan. Unless the Agreement provides otherwise, the Client shall repay the amount of the Loan following the expiry of the grace period monthly, on the given interest payment days, in equal instalments. The amount of the amortisation instalments and the last repayment date shall be determined in the Agreement.

- 11.4 If any amount paid by the Client to the Bank does not cover the amount due, the Bank reserves the right to set the amount received at its discretion, based on the relevant governing rules of law.

12. PREPAYMENT

- 12.1 The Client shall be entitled to prepay the amount of the Loan in part or in full prior to the Final Maturity Day or the repayment day stated in the Drawdown Notice, subject to the prior written notification of the Bank, with the proviso that the Bank shall be entitled to charge a prepayment fee in the event of prepayment in consideration of its costs resulting from such prepayment.
- 12.2 All such notices sent by the Client on its intended prepayments shall be irrevocable and shall state the amount and date of the planned prepayment, and the Client shall prepay the amount stated in the notice in accordance with the notice, on the day stated therein.
- 12.3 Any amount prepaid shall at all times reduce the last remaining instalment.
- 12.4 A prepayment made by the Client shall be considered as duly made once the amount has been fully credited onto the account determined in the Agreement, without any deduction.

13. EVENTS OF DEFAULT

- 13.1 For the purposes of the present General Lending Conditions and each Agreement, under the provisions stated therein, it shall qualify as an Event of Default in particular if:
- 13.1.1 the Bank becomes aware of any fact or circumstance, on the basis of which the Bank would have been entitled to refuse to disburse the Loan with reference to Section 524, subsection (1) of the Civil Code, including all material adverse changes in the financial, business or other circumstances of the Client's parent company, which affects the agreements entered into by and between the Bank and the Client and/or the parent company or the parent company's obligations securing the Indebtedness or any other agreements entered into by and between the Bank and the Client;
- 13.1.2 any of the circumstances listed in Section 525 of the Civil Code arises;
- 13.1.3 any adverse change occurs in the legal, financial or any other pecuniary condition of the Client and such changes are considered by the Bank to jeopardise the fulfilment of the Client's payment obligations towards the Bank („material adverse change“);
- 13.1.4 the Client is in default of payment in any amount due under the Agreement or the Client, its subsidiaries or its affiliates fail to pay their debts at maturity;
- 13.1.5 any erroneous or misleading representation(s) is made by the Client with respect to or in connection with the Agreement or the Client misleads the Bank by communicating inaccurate facts, or failing to disclose data or otherwise;
- 13.1.6 the Client fails to observe or perform any of its obligations under the Agreement with the Bank or any provisions, representations, warranties or covenants set forth in such Agreement or in the General Lending Conditions or any obligations under any ancillary obligation securing the Agreement, and such failure is not remedied within 10 (ten) calendar days after notice or request thereof has been given to the Client by the Bank;
- 13.1.7 the Client/third party providing a collateral is in default in respect of any undertaking or obligation related to the Indebtedness under Agreement entered into by and between the Bank and the Client/third party providing collateral;

- 13.1.8 the Client is in default under any of its obligations arising from a loan, credit agreement or any indebtedness concluded with any third party(ies), which would entitles such third party(ies) to terminate these agreements and the related agreements with immediate effect and to declare the indebtedness due and payable even if such third party(ies) does/do not exercise its/their rights to accelerate the maturity for any reason whatever („cross default clause”);
- 13.1.9 the Client or any entity in which the Client has a majority stake or a controlling interest or the Client’s majority owner or a natural or legal person with a majority controlling right in the Client becomes insolvent or bankruptcy or liquidation proceedings have been instituted against the said parties or bankruptcy or liquidation proceedings are likely to be instituted against the said parties or the occurrence of the above events is threatened;
- 13.1.10 an order is made or a procedure is instituted for the liquidation, dissolution or bankruptcy of the Client, its parent company, subsidiaries or affiliates;
- 13.1.11 the Client fails to perform its payment obligation set forth in a final judgment or court order;
- 13.1.12 the Client merges or consolidates into or with any other entity or transfers or transfers a significant part of its assets to third parties or otherwise disposes of a significant part of its assets or significantly changes the scope and/or nature of its business activities without the prior written consent of the Bank;
- 13.1.13 the Client prevents any monitoring to be conducted by the Bank or fails to meet any of its data supply obligations towards the Bank that may exist on the basis of the Agreement or laws;
- 13.1.14 a material change of any nature occurs in the Client’s structure of ownership;
- 13.1.15 a prioritised payment order, as defined in Section 8, subsection (1) of Government Decree No. 227/2006. (XI.20.) on Money Transmission Services and Electronic Payment Instruments, by the competent tax, social security or customs authority submits or a collection order on the basis of any deed that may be executed by a third party is submitted against any of the Client’s accounts kept with the Bank;
- 13.1.16 the Client fails to perform the payment transactions requirement determined in % of the annual net sales revenue stated in the financial report of the previous closed financial year or as an amount as set forth in the Agreement or the pro rata part thereof determined in the Agreement or calculated in relation to the calendar year;
- 13.1.17 as a consequence of the non-payment by the Client/mortgage obligor of the insurance premium relating to the mortgaged property determined in the mortgage agreement or for any reason whatever, the insurance agreement relating to the mortgaged property ceases to have effect;
- 13.1.18 if the Collateral is a mortgage on a real property, the Client is the owner of the Real Property encumbered with mortgage and the Client/mortgage obligor utilises the Real Property encumbered with mortgage by way of letting, the lessees of the Real Property do not meet their payment obligations arising from the lease agreements to the credit of the money transaction account determined in the Agreement (in the absence of the Bank’s instruction to the contrary effect);
- 13.1.19 the Client fails to meet any of its obligations undertaken in Clause 8.1;
- 13.1.20 the Client provides credit or a loan for third parties or assumes a guarantee/suretyship for the obligations of third parties during its credit relationship with the Bank without the Bank’s prior permission.
- 13.2 Upon occurrence of any Event of Default, the Bank may, but without prejudice to any other rights that the Bank, by written notice sent to the Client,
- 13.2.1 terminate the Agreement with immediate effect and/or declare that all Indebtedness shall be due and payable upon the Bank’s first written notice, in which case the amount stated in the written notice shall be due and payable as stated in the notice, subject to the reservation of the above rights; and/or
- 13.2.2 declare that the Bank’s obligation of to advance or maintain any amounts which would constitute Indebtedness shall be cancelled whereupon all of the Bank’s obligations shall cease and all the obligations of the Bank existing on the basis of the Agreement entered into with the Client shall also cease; and/or
- 13.2.3 notwithstanding the above and the provisions set forth in Clause 13.3, enforce its rights on the basis of the General Business Conditions, the present General Lending Conditions or the Agreement.
- 13.3.1 If expressly permitted by the Agreement, the Client acknowledges that if it fails to comply with the part of the stipulation on the annual payment transactions related to the given calendar quarter as determined in Clause 8.1.10 in any calendar quarter, the Bank shall reserve the right to reduce the Credit Line, subject to the written notification of the Client, by an amount that is in proportion to the ratio of the actually completed transactions to the payment transactions required to be completed in the given calendar quarter (hereinafter referred to as „Reduced Credit Line”).
- 13.3.2 If the amount of the Loan(s) actually drawn by the Client to the debit of the Credit Line does not exceed the amount of the Reduced Credit Line, the Reduced Credit Line shall be available for the Client as of the day of the sending of the Bank’s written notice to that effect.
- 13.3.3 If the amount of the Loan(s) actually drawn by the Client to the debit of the Credit Line exceeds the amount of the Reduced Credit Line, the Reduced Credit Line shall be available for the Client as of the day of the sending of the Bank’s written notice to that effect, with the proviso that the Client shall repay the Bank the difference between the amount of the Loan(s) actually drawn and the Reduced Credit Line in accordance with the provisions of the Agreement within 5 (five) calendar days of the day of the sending of the Bank’s written notice regarding the Reduced Credit Line.
- 13.3.4 If the Bank determined a Reduced Credit Line as set forth in Clause 13.3.1 and the Client thereafter complies with the part relating to the given calendar quarter of the annual payment transactions stipulation determined in Clause 8.1.10 in any calendar quarter (or attains a higher proportion of the part relating to the given calendar quarter of the annual account transactions stipulation determined in Clause 8.1.10 than the proportion, on the basis of which the Bank determined the Reduced Credit Line), the Bank, at its discretion, shall be entitled to restore the Credit Line (or to determine a Reduced Credit Line of a higher amount that does not reach the amount of the original Credit Line). The restored Credit Line or the newly established Reduced Credit Line shall be available for the Client as of the day following the sending of the Bank’s written notice to that effect.

14. REGISTRATION OF LOANS

The Bank shall open and maintain in its books in accordance with its normal practices a technical identifier for each loan of each Client - indebtedness from time to time advanced by and owing to it by the Client. Amounts recorded under a given technical identifier shall, with the exception of manifest errors, serve as primary evidence of the Indebtedness, including any overdue Indebtedness, if any.

15. TAXES AND INCREASED COSTS

Any payments to be made by the Client to the Bank shall be made free from and clear of and without deduction for or on account of tax unless the Client is obliged to make such payments subject to the deduction or withholding of the relevant taxes. In the latter case, the amount payable by the Client in respect of which such deduction or withholding is required to be made shall be increased in a way that enables the Bank to receive a net amount (free from all further payment liabilities, deductions or withholding) following the deduction or withholding referred to above 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, as a consequence of a change in the law or the interpretation or application of the law and/or the request or requirement of a central bank or any other authority, the Bank incurs costs or increased costs in connection with any of its obligations existing on the basis of the Agreement or in respect of any amount paid or received, the Client shall, from time to time on demand of the Bank, pay an amount which is

sufficient for compensating the Bank for such costs or increased costs.

16. WAIVERS

No failure to exercise or 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.

17. ASSIGNMENT

The Client shall not be entitled to transfer or assign all or any of its rights and obligations arising from the Agreement entered into with the Bank without prior written consent of the Bank. The Bank may at any time assign or transfer any of its rights and obligations arising from the Agreement to third parties at any time. If necessary in the interest of the sale of the Bank's claims against the Client or the enforcement of its overdue claims, the Bank shall be entitled to disclose data qualifying as bank secrets to third parties.

18. SET-OFF RIGHT

18.1 Without prejudice to any other rights conferred on the Bank by law or by any agreement entered into with the Client, the Bank may, at any time, exercise the following rights:

18.1.1 to set off any outstanding and overdue liabilities owed by the Client to the Bank any obligation whatsoever owed by the Bank to the Client regardless of the currencies of either obligation;

18.1.2 to convert any payment obligations, if the liabilities mentioned in Clause 18.1.1 are denominated in different currencies, at a market rate which the Bank reasonably determines for set-off purposes; and

18.1.3 where any obligation against which the set-off right is intended to be exercised is unascertained, to set off an amount estimated by it in good faith to be the amount of such obligation.

18.2 The Bank shall not be obliged to exercise any right conferred or acknowledged in the General Lending Terms and in the Agreement, however, the Bank shall subsequently notify the Client of any exercise of its set-off rights in the account statement.

19. ORDERS OF PROMPT COLLECTION

If the Client fails to pay any of its Indebtedness at the due date thereof (at the latest), by signing the Agreement, the Client authorises the Bank to debit the amount of the overdue Indebtedness to the Client's account kept with the Bank or kept with any other financial institution following the priority payment orders, as defined in the provisions of the law on money transactions, as in force, but prior to the execution of all other payment orders.

20. NOTICES AND COMMUNICATIONS

20.1 All notices or other communications related to the Agreement shall be sent in writing or by fax (as the case may be) either to the Bank or the Client at its address set forth on the first page of the relevant Agreement or at another address determined by the Bank or the Client in its written notice. The Bank and the Client hereby declare and agree that any written notice served by one party upon the other that is duly posted to their addresses set forth in the Agreement with receipt requested and by registered mail shall be regarded as communicated to and served upon the addressee even if the consignment could not be actually delivered or the addressee was not made aware thereof, on the eighth day reckoned from the day of the first attempted delivery of the consignment; if that day cannot be determined, on the day on which the undelivered consignment is returned by the postal service to the sender. The Client hereby declares that, with regard to the obligation relating to the communication and delivery of declarations, it shall ensure that it has, at all times during the term of the banking relationship between the Bank and the Client, a person (representative) entitled to take delivery of postal

consignments available at the address of delivery stated by it. In the event of failure to meet this obligation, the Client may not refer to the lack of a person (representative) authorised to take delivery of consignments for the purpose of obtaining benefits. Notices sent by the Bank to the electronic or Internet-based banking system used by the Client or to the fax, telex or e-mail address set forth by the Client shall be considered as received on the day of transmission.

20.2 If the Client uses telefax, only persons designated in the Authorized Signature Mandate previously signed by the Customer shall be entitled to send instructions or notices by fax in connection with the given Agreement. By authorizing the Bank to accept communications sent by fax, the Client acknowledges that it shall not be entitled to request the original of any of such communications in any court or arbitration court proceedings, unless the Client dispatches written confirmation of the communication to the Bank on the same day.

20.3 In the case of any communication or instruction, the Bank shall require the Client to provide the Bank precisely and clearly with the data necessary for the execution of the communication or order in the absence which the Bank may refuse to execute such communication or order. The Bank shall not be obliged to verify the correctness and accuracy of the data provided to the Bank by the Client. The Bank shall not be responsible for any loss or damage resulting from the execution or non-execution of communications containing erroneous or inadequate data.

20.4 The Bank shall not be obliged to verify the contents of communications or other notices received by manual transmission or to verify the identity of the person sending or confirming such communications or other notices, such communications or notices shall be binding on the Client, and the Bank shall be entitled to proceed on the basis of such communications or notices. However, the Bank shall have absolute discretion to execute or not to execute and/or to request confirmation of communications received by manual procedures. The Bank shall be entitled to defer the execution of any communication or notice until confirmation is received by the Bank from the Client.

20.5 The Client hereby acknowledges that the security procedures prescribed by the Bank are solely designed to verify the source of the communication and not to detect errors in the of such communication or notice.

20.6 Except for the Bank's gross negligence, bad faith or wilful misconduct, as long as the Bank proceeds in accordance with the Authorized Signature Mandate, no liability shall lie with the Bank for the reimbursement of any cost or loss incurred or sustained by the Client.

21. INVALIDITY

If one provision or several provisions of the Agreement proved to be invalid, unlawful or unenforceable in any respect, it shall have no impact on and shall not limit the validity, lawful nature and enforceability of the rest of the provisions of the Agreement.

22. GOVERNING LAW AND LEGAL DISPUTES

In matters not regulated in the Agreement(s) entered into by and between the Bank and the Client, the provisions of the Bank's CitiBusiness and Mid-size Corporate Current Account List of Conditions, the present General Lending Conditions, the General Business Conditions, as in force, and the laws in force shall govern, in that order.

Should any legal dispute arise from an Agreement, the Bank and the Client shall accept the exclusive jurisdiction of the Metropolitan Court of Budapest or the Central District Court of Pest, subject to the value of litigation.

23. EFFECT OF CONTRACT(S)

The Agreement(s) entered into by and between the Bank and the Client shall remain in force and applicable until final settlement has been made and all claims have been satisfied by the Client and the Bank arising from the Agreement(s).