



**UniCredit Bank  
Hungary Zrt.  
GENERAL TERMS  
AND CONDITIONS**

**FOR FACTORING WITH RECOURSE**

Effective from  
5<sup>th</sup> of February 2025

# General Terms and Conditions for factoring with recourse

## TABLE OF CONTENTS

3	1. Definitions
5	2. Scope of the utilization of the General Contracting Terms
6	3. Subject of the Factoring relationship; Right of recourse
6	4. Commencement of the factoring activity
8	5. Settlement of Receivables' purchase price: advance payment
9	6. The settlement of payments
10	7. Administrating and collecting the Receivables
10	8. Consideration for the Bank's factoring services
11	9. Representations and warranties of the Client
12	10. Sanction Clauses
13	11. Fundamental obligations of the Parties
14	12. Breach of contract and its legal consequences
15	13. Entering into force and termination of the Factoring Agreement
16	14. The bank's liability in connection with the Factoring Services
16	15. Collateral
17	16. Governing law, dispute resolution
17	17. Other Stipulations
18	18. The term of the General Terms and Conditions

# UniCredit Bank Hungary Zrt. General Terms and Conditions

for factoring with recourse

Effective from 5<sup>th</sup> of February 2025

---

## 1. Definitions

1.1. The capitalized words and expressions listed below have the following meanings – irrespective of the tense, number, grammatical mood and case they are used in - during the interpretation of the present General Terms and Conditions:

“**Advance Payment**” means the first purchase price portion of the Receivables or, in case the purchase price is paid in a single amount, the purchase price of the Receivables whose ownership title is transferred to the Bank upon the Bank paying the purchase price to the Client.

“**Affiliates**” means the Client and the entities within the same group of companies, as well as their representatives and employees.

“**Authorisation Letter**” means the statement made by the Client in the form determined in the Appendix of the Factoring Agreement and confirmed by the account-holding credit institution of the Client, in which the Client authorises the Bank to enforce any of its receivables from the Client along with the related auxiliary costs in respect of any transaction according to NBH Decree No. 35/2017 (XII.14.) on The Arrangement of Money Circulation, against any of the Client's bank accounts held at any credit institution, whereby the account-holding credit institution is authorised to fulfil such collection orders.

“**Bank**” means the UniCredit Bank Hungary Zrt. (seat: 1054 Budapest, Szabadság tér 5-6.; company registration number: 01-10-041348; tax number: 10325737-4-44), providing factoring services to the Client in accordance with the terms and conditions determined in the present GTC and the Factoring Agreement.

“**Banking Day**” means any day on which financial institutions in Budapest are open and available for general business purposes. In case of payments or financial settlements in EUR means any day on which payments in EUR can be settled via the Trans-European Automated Real-time Gross Settlement Express Transfer System. In case of payments or financial settlements in other foreign currencies means any day on which the financial institutions of the country of the determined foreign currency are open and available for general business purposes.

“**BUBOR**” means the Budapest Interbank Offered Rate, which, according to the BUBOR Regulations, is the annual interest rate calculated for interbank HUF loans in respect of each Interest Rate Period or interest-bearing period which is set by the National Bank of Hungary in respect of the given Interest Rate Period on the day when the transactional interest rate is established, and is published by the National Bank of Hungary at 11:00 a.m. (CET) on the “BUBOR” site of the Reuters' Monitor.

“**Buyer**” means the person obliged to pay the Receivables set out in the Invoice.

“**Buyer's Limit**” means the maximum gross amount of the Receivables to be received by the Client from a Buyer that may be financed by the Bank according to the Factoring Agreements.

“**CBT**” stands for the **Bank's Corporate and Local Government Business Terms**, which includes the special conditions for the transactions concluded by the Bank and its Clients which qualify as economic entities.

“**Client**” means the private entrepreneur, legal entity, or another organisation for whom/which the Bank provides financial services and who/which turns to the Bank with a request for financial services, and who/which

undertakes an obligation towards the Bank as a security for the Client's contractual performance.

**"Client's Current Account"** means the Client's cash flow account defined in the Factoring Agreement, to which the positive balance of the Factoring Settlement Account due to the Client will be paid according to this GTC.

**"Collateral"** means the collateral provided by the Client or any third party which provides collateral for the fulfilment of the Client's obligations derived from the Factoring Agreement, where such items of collateral are listed in the Factoring Agreement.

**"Default Interest"** means the default interest defined in the Factoring Agreement as per Section 8.1(d) of the GTC, which the Bank is entitled to charge after the amount of the Advance Payment after the end of the Grace Period.

**"EURIBOR"** means the Euro Interbank Offered Rate, which is the interest rate, expressed as an annual percentage, for each Interest Rate Period and interest-bearing period, registered at 11.00 a.m. (Brussels time) on the day when the interest rate for the given period is defined, two days before the given Interest Rate Period, on the 'EURIBOR' site of the Reuters terminal, in respect of EUR deposits placed for a term that is equal to the given Interest Rate Period or interest-bearing period or that is the closest to these.

**"Factoring Agreement"** means the agreement that is concluded by the Bank and the Client, based on the GBC, CBT and GTC as the underlying regulations, which, as a framework contract, includes the special rules of the factoring relationship.

**"Factoring Settlement Account"** means the technical settlement account that was opened at the Bank for the Client, as defined in the Factoring Agreement, which serves as a place of settlement for the Buyers, or where the payment obligations from the factoring relationship are accounted for (deducted, offset or paid) according to this GTC. The Client has no right of disposal over the Factoring Settlement Account.

**"GBC"** means the **General Business Conditions** of the Bank, which contain the general terms of the legal transactions concluded by Bank and its Clients, which have been approved by the relevant authority, where the provisions of such regulations apply for issues that are not included in the special business rules for specific

types of transactions, the General Terms and Conditions and the Factoring Agreement.

**"General Terms and Conditions"** or **"GTC"** means the present **General Terms and Conditions** of the factoring relationship with recourse.

**"Grace Period"** means the period starting on the due date of the Invoice until the date determined in the Factoring Agreement for which the Bank does not calculate Default Interest, and refrain from exercising its right to reclaim Advance Payment; in case if there is no explicit stipulation in the Factoring Agreement regarding the Grace Period, the provisions of the Grace Period cannot apply.

**"Hpt."** means the Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises.

**"Insurance Policy"** means the contract between the Bank and an Insurer for the provision of credit insurance cover (as amended from time to time) under which, in the manner and to the extent specified in the Insurance Contract, the Insurer shall compensate the Bank for losses incurred as a result of the insured event specified under the insurance contract not being fully settled.

**"Invoice"** means the invoice issued to the Buyer in respect of any Receivables during the Client's normal course of business or any other document acceptable to the Bank for the purposes of factoring evidencing the existence and the amount of the Receivables, and the payment deadline.

**"Invoice Acceptance Declaration"** means the declaration of the Buyer in the form set out in the appendix of the Factoring Agreement in which the Buyer undertakes to pay the amount determined in the Invoice on the due date unconditionally and exclusively to the Bank without any deductions, offsets and declares that by accepting the Invoice it has no objections against the underlying transaction.

**"List of Conditions"** means the document which was defined in the GTC and which includes the costs, fees and other conditions of the services provided by the Bank.

**"Notice Letter"** means the notification in the form set out in the Appendix of the Factoring Agreement in which the Client informs the Buyer that its claim(s) and receivable(s) against the Buyer have been assigned to the Bank pursuant to the Factoring Agreement.

“**Ptk.**” stands for Act V of 2013 on the Civil Code.

“**Penalty Interest**” is the penalty interest rate set out in Section 8.1(e) of the GTC and defined in the Factoring Agreement, which the Bank is entitled to charge for any overdue fee and interest rate debt.

“**Receivables**” means assignable claims for payment of the Client against the Buyer, which (i) are from the delivery of goods or the provision of services to be paid in arrears, or (ii) are based on a contract or a decree from an authority or a court, or any legal regulations which is or will become due in the future, in respect of which the Bank performs factoring activities.

“**Receivables with Uncertain Status**” relates to cases when the Client does not pay the Invoice on the due date and the Bank records the Receivables under “Receivables with Uncertain Status” for the period between the end of the Grace Period and the date of payment or until the receivable is reassigned to the Client.

“**ROBOR**” means the Romanian Inter-bank Offered Rate, which is the interest rate, expressed as an annual percentage, for each Interest Rate Period and interest-bearing period, registered at 11.00 a.m. (Bucharest time) on the day when the interest rate for the given period is defined, two days before the given Interest Rate Period, on the ‘ROBOR site of the Reuters terminal, in respect of RON deposits placed for a term that is equal to the given Interest Rate Period or interest-bearing period or that is the closest to these.

„**Sanctions**” has the meaning set out in Section 10.1(a).

“**Supplier Limit**” means the aggregate maximum value of the Advance Payments that can be provided by the Bank to the given Client based on all the Factoring Agreements, and that prevails towards all Buyers simultaneously, i.e. it is the highest amount of the financing risk undertaken by the Bank.

„**Term SOFR**” means the Term Secured Overnight Financing Rate, which is the interest rate, expressed as an annual percentage, for each Interest Rate Period and interest-bearing period, registered at 05.00 a.m. (Chicago time) on the day when the interest rate for the given period is defined, two days before the given Interest Rate Period, on the „SOFRRR” site of the Reuters terminal, in respect of USD deposits placed for a term that is equal to the given Interest Rate Period or interest-bearing period or that is the closest to these.

“**Transactional Interest**” means the transactional interest, which changes on a daily basis, as per Section 8.1(c) of the GTC and the Factoring Agreement. It must be paid by the Client after the amount of the Advance Payment, due to the pre-financing of the first purchase price portion of the Receivables.

“**VAT**” means the value-added tax defined in the currently valid legal regulations.

- 1.2. In the present GTC, capitalized words and expressions, which were not defined in 1.1., have the meaning determined in the GBC of the Bank.
- 1.3. In the interpretation of the present GTC, the numbering of the sections and articles serves only for reference and – unless otherwise provided by the present GTC – shall be taken into consideration exclusively in the collective interpretation of the GTC, CBT, GBC, and the Factoring Agreement.

## 2. Scope of the utilization of the General Contracting Terms

- 2.1. The present GTC, the GBC and the CBT contain the general conditions of the factoring with recourse provided by the Bank, together with the rights and obligations of the parties - meaning the Bank and the Client - in the factoring relationship. The provisions of the GTC shall be binding on the contracting parties without express stipulation, but the parties may mutually agree to deviate from such provisions in specific Factoring Agreements.
- 2.2. The concluded Factoring Agreement contains the special rules of the factoring relationship with recourse made between the Bank and the Client. The GBC, the CBT, the present GTC, and the Factoring Agreement made on the basis of these contain the totality of the rules regarding the factoring with recourse relationship, the interpretation of the content of these documents shall be joint, and the relation of the documents shall be considered as general–special. Should there be a contradiction between the texts of the GBC, the CBT, this GTC and the Factoring Agreement concluded based on these, the provisions of the Factoring Agreement will have priority followed by the GTC, the CBT and the GBC, in this order. This GTC, the CBT and the GBC shall apply, in this order, for all issues not regulated in legal regulations or the Factoring Agreement.
- 2.3. Upon the establishment of the contractual relationship, the Bank provides an original of the Factoring Agreement

and the collateral agreements to the Client. Simultaneously with signing the Factoring Agreement, the Bank hands over this GTC, the GBC and the CBT to the Client. The factoring relationship between the Bank and the Client is established by the signing of the Factoring Agreement. By signing the Factoring Agreement, the Client acknowledges the receipt of the GBC, the CBT and the GTC and expressly accepts the provisions of the GBC, the CBT and the GTC.

### 3. Subject of the Factoring relationship; Right of recourse

3.1. The Bank under the conditions set out in the GBC, the CBT, the present GTC and the Factoring Agreement carries out the following activities in relation to the Client's Receivables against the Buyers determined in the Factoring Agreement:

- a) acquisition of the Receivables by means of assignment with or without Advance Payment;
- b) registry and administration of the claims;
- c) collection of debts.

3.2. In the factoring relationship with recourse the Bank as assignee undertakes to acquire all existing and future Receivables of the Client towards the Buyer determined in the Factoring Agreement, by assignment of such Receivables, as a result of which all rights pertaining to the Receivables deliveries and/or to the underlying services (to the extent permitted by the law), as well as all rights arising from pledges and suretyships securing the Receivables and interest claims transfer to the Bank.

3.3. If the Buyer does not perform its payment obligation by the due date (or in case a Grace Period has been agreed until the expiry of such Grace Period), the Bank, by exercising its right of recourse, may claim repayment of the Advance Payment by the Client, whilst the Bank shall re-assign the Receivables in accordance with the conditions set out in the GTC and the Factoring Agreement.

### 4. Commencement of the factoring activity

4.1. The Client may use the factoring services provided by the Bank if it fulfils the conditions of utilisation set out in the Factoring Agreement.

4.2. The assignment and the transfer of ownership of the Receivable occur upon the handover of the documents specified in Sections 4.2.1-4.2.2 below and in the Factoring Agreement, or – if the Bank also provides Advance Payment – upon transfer of the Advance Payment to the Client pursuant to Section 5 below except in the case when the Bank accepts the Receivables only for collection on the basis of the Factor Agreement, in this case the assignment of the Receivable and the transfer of ownership with the Buyer shall take place at the same time as the Receivable arises.

4.2.1. If the Receivable is based on a supply or service contract the Client is obligated to prove the accomplishment of the supply or the services by originals of the following documents:

- a) documentary proof adequately verifying the delivery of goods (e.g.: consignment note);
- b) documentary proof of the emergence of the underlying deal (e.g. delivery, sale-purchase contract, order confirmed by the purchaser etc.);
- c) documentary proof signed by the Buyer that adequately verifies the contractual performance of the underlying deal (receipt note, performance record, hand over–take over record, Bill of Lading, etc);
- d) the Invoice; should there be multiple Invoices, the summary of Invoices submitted for factoring;
- e) other documents of proof requested by Bank before the due date of delivery.

The summary of the Invoices referred to in sub-section (d) above means an excel table in the form required by the Bank delivered by the Client together with each package of invoice submitted for factoring, which clearly sets out the number, amount, date, expiry date of the Invoices belonging to the invoice package, and name of the Buyers.

4.2.2. If the Receivable arises out of a contract, a legal act, a decision of an authority or a court, a claim for damages or any other event, the Client shall, at the Bank's request, prove the existence, enforceability, legality and validity of the Receivable by means of original documents specified and acceptable to the Bank.

4.3. The Bank accepts for factoring only Invoices with payment deadline defined in the Factoring Agreement.

In case of submission of an Invoice indicating longer payment deadline than determined in the Factoring Agreement, the Bank is entitled to deny factoring of the respective Receivable.

- 4.4. The Client is obliged to indicate the Factoring Settlement Account specified in the Factoring Agreement on the Invoice as place of performance and to direct all cash flows related to their Receivables to this account.
- 4.5. The Client authorises the Bank to exercise all owner's rights necessary for the enforcement of claims in respect of the assigned Receivables from the date when the ownership right with respect of the relevant Receivable is transferred.
- 4.6. By signing the Factoring Agreement, the Client expressly acknowledges that the Buyer may only raise and address any objections derived from the assigned Receivables or the underlying legal relationship (between the Buyer and the Client) exclusively to the Client and the Client shall continue to fulfil all guarantee or warranty obligations to the Buyer in respect of the assigned Receivables. The Client shall inform the Buyer of the Client's obligations set out in this Section in the Notification Letter.
- 4.7. If the Factoring Agreement so provides, or if the Bank so decides, the Bank may reject the factoring activity until the Buyer signs the Invoice Acceptance Declaration or a written declaration with substantially the same content in which the Buyer undertakes and confirms that (i) it will only fulfil its payment obligations with respect to the Receivables by transferring the relevant amounts to the Factoring Settlement Account; (ii) its objections with respect to the assigned Receivables and the underlying legal relationship (between the Buyer and the Client) may only be raised to and enforced against the Client; (iii) the amount, due date, payment deadline and place of performance of the individual Receivables can only be modified with the Bank's consent.
- 4.8. Upon the Bank's request, the Client has to indicate on its Invoices a text specified by the Bank in the Factoring Agreement, which includes that (i) the Invoice has been factored and (ii) the place of performance of the Invoice is the Factoring Settlement Account.
- 4.9. In the Factoring Agreement, the parties may agree that factoring of the Client's Receivables from the Buyers shall be carried out by the Bank in such a manner that the Bank notifies the Buyer of the assignment of a Receivable either 30 days after the end date of the

Grace Period or only in the case of a serious breach of contract by the Client (silent factoring).

- 4.9.1. For the purpose of the present Section 4.9, the occurrence of the events specified in Section 12 of this Agreement should be considered a serious breach of contract by the Client. In the event of a serious breach of contract by the Client, the Bank, as assignee with respect to the Receivable, is entitled to turn the silent factoring relationship into a so-called open factoring relationship by notifying the Buyer. The Client expressly agrees that in the event of a serious breach of contract the Bank shall notify the Buyer by sending a copy of the Factoring Agreement.
- 4.9.2. In the case of a silent factoring relationship, the Client continues to be entitled and obliged to contact the Buyers and to maintain the relationship and communication with them. In the event of liquidation, bankruptcy, winding-up or involuntary cancellation of the Buyer, the Bank shall transfer and reassign the Receivables involved in the factoring and serving as the basis of the unpaid Invoices to the Client without any further notice within five Banking Days after the publication date of the final order enacting the liquidation, the bankruptcy proceedings, the winding-up and the involuntary cancellation. The Bank has the discretionary right to notify the Client prior to the expiration of the above five Banking Days that it does not wish to transfer and reassign any Receivable to the Client.
- 4.9.3. The Client acknowledges that if the Buyer is or later becomes a client of the Bank, the Client is entitled to request an annual audit letter from the Bank to certify its obligations towards the Bank. The Client acknowledges that in such a case the Bank shall be obliged to certify the Client's obligations to the Bank in respect of the Factoring Agreement.
- 4.10. (i) Until examination of the underlying documents on which the Receivable is based; or (ii) if after the conclusion of the Factoring Agreement there is a material change in the circumstances of either the Bank or the Client due to which the performance of the Factoring Agreement may no longer be expected, the Bank is entitled to:
  - a) reject the Client's request for Advance Payment without justification; and/or

- b) withdraw its offer regarding the payment of Advance Payment for certain Receivables by its discretionary decision.
- 4.11. The withdrawal of payments made by the Buyer and credited to the Factoring Settlement Account for any purpose or in any way constitutes the violation of Section 405 of the Criminal Code.
- 4.12. At its discretion, without informing the Customer, the Bank is entitled, but not obliged, to conclude an Insurance Contract in order to recover the Receivable sold to it by the Customer, provided that the scope of Buyers and insured events involved in the credit insurance and the amount of insurance cover depend solely on the agreement between the Bank and the insurer. Any partial or full payment of the Receivable under the Insurance Agreement shall be the solely for the Bank's benefit provided that the Bank shall not be entitled to recovery in excess of the purchased Receivables and its incremental.
- 5. Settlement of Receivables' purchase price: advance payment**
- 5.1. The purchase price of the Receivable assigned by the Client - if the Factoring Agreement does not stipulate otherwise - equals to the gross amount of the Invoice – including the gross amount indicated in the receipt, contract and/or legal regulation constituting the basis of the Receivable.
- 5.2. The Bank pays the purchase price of the Receivable to the Client by crediting it to the Factoring Settlement Account.
- 5.3. The total amount of the purchase price is due no later than on the second Banking Day following the receipt of the total gross amount of the Receivable and the identification of the Receivable by the Bank. If a Receivable is partially paid, the Bank shall settle the paid instalment of the Receivable with the Client by the second Banking Day receipt by the Bank and identification of the Receivable by the Bank, at the latest, in accordance with the provisions of Section 6.2.
- 5.4. The Bank, by its own discretionary decision and if all the conditions defined in the Factoring Agreement concluded with the Client are fulfilled, provides Advance Payment to the Client up to the amount of the Receivables due from Buyers defined in the Factoring Agreement(s), but maximum up to the amount of the Buyer's Limit per Buyer, and maximum up to the amount of the Supplier Limit in total.
- 5.5. If the amount of the Advance Payment is less than 100% of the purchase price of the factored Receivable, the Bank pays (a) the first instalment of the purchase price, the amount of which is set out in the Factoring Agreement, prior to the due date determined in the Invoice, (b) the remaining second instalment of the purchase price within the deadline set out in Section 5.3. If the Advance Payment equals to 100% of the purchase price of the factored Receivable, the full amount of the purchase price is paid on the date specified in point (a) of this Section 5.5.
- 5.6. In the event of non-payment or partial payment by the Buyer after the expiry of the Grace Period the Bank may reclaim any Advance Payment made to the Client in respect of any Receivables. In this case (i) the Client has to pay the Invoice itself or if the Client fails to do so (ii) the Bank has to re-assign the Receivable to the Client and the Client has to repurchase the Receivable by simultaneously repaying the Advance Payment and any other fees and costs due to the Bank under any Factoring Agreement concluded with the Client. The Bank is entitled to re-charge the Advance Payment and its claims to the Client under the Factoring Agreement and the GTC on the Factoring Settlement Account, or to offset the Advance Payment against the portion of the full purchase price received from the other Receivables purchased by the Bank, based on any of the Factoring Agreements, that is payable to the Client, as a counter-value of the Receivables, thus decreasing the balance of the Factoring Settlement Account. The Bank is entitled to collect its claims due under the Factoring Agreement by filing a collection order pursuant to Section 15.1, and thus exercising its rights set out in the Authorisation Letter. The Client acknowledges that if the Receivables are re-assigned, it may not claim from the Bank damages or any other payments under any legal title.
- 5.7. The Bank is entitled to reduce or terminate the Buyer's Limit by a unilateral statement especially but not exclusively in case of reducing or termination of an insurance coverage under an Insurance Policy. If the Buyer's Limit set for a given Client is cancelled, the Bank shall stop providing any Advance Payment in respect of the Invoices issued for the given Buyers following the cancellation date, however the Client has to provide the Bank with all further Invoices related to such Buyers as long as the Client has any overdue debt towards the



Bank or as long as there is any outstanding Receivable financed and advanced by the Bank.

5.8. In the event that the volume of the Receivables from specific Buyers under any Factoring Agreement fall below the disbursed Advance Payment, the Bank shall be entitled to directly settle or set off the difference against the amount payable to the Client as purchase price for other Receivables assigned to the Bank under any Factoring Agreement. If, in respect of a particular Receivable or Buyer, the amount of the Advance Payment paid under any Factoring Agreement exceeds the amount of the Receivable recognised by the relevant Buyer, the Bank shall be entitled to reclaim the Advance Payment already paid and to exercise its right of set-off under this Section 5.8.

## 6. The settlement of payments

6.1. By signing the Factoring Agreement, the Client acknowledges that the Bank is entitled to set off any fees, interests, costs and amounts due under any other legal titles and defined in the GBC, the CBT, any GTC applied by the Bank and applicable to the Client, or any Factoring Agreement concluded with the Client against the purchase price, the Advance Payment, and the second, remaining instalment of the purchase price, simultaneously with the payment of any of these to the Factoring Settlement Account.

6.2. When the purchase price falls due, the Bank deducts the following items from the amount of the purchase price and debits the Factoring Settlement Account with these amounts:

- a) the amount of the Advance Payment paid in respect of the Receivables (if an Advance Payment has been made);
- b) Transactional Interest unpaid after an Advance Payment made in relation to the relevant Receivable;
- c) the Bank shall settle the amounts due by transferring them from the Supplier's Current Account to the Factoring Settlement Account, if the Client expressly authorizes the Bank to do so by signing the Factor Agreement;
- d) Transactional Interests unpaid after the Advance Payments made in relation to other financed Receivables;
- e) unpaid factoring fees arising and due on the day when the purchase price becomes due;

f) based on Section 5, Bank's claims that can be set off against its payment obligations towards the Client, furthermore any withdrawn Advance Payment;

g) the fees and costs due to the Bank based on the GBC, the CBT, any GTC and the Factoring Agreement, and which have not yet been accounted for the debit of the Advance Payment;

h) payment obligations due to other third parties based on legal regulations or any contract.

6.3. The Bank shall send to the Client a detailed summary of the deductions determined in Sections 6.1-6.2 above.

6.4. If, upon the due date, the balance of the Factoring Settlement Account is not sufficient for the Bank to set off against its claims under Sections 6.1-6.2 above, the Bank may:

a) request the Client to pay the due amount and the Client shall pay the fees in accordance with the Bank's request; or

b) provide a loan for the payment of the due amounts subject to the same conditions as the financial conditions of the Advance Payment made under Section 5, and the Bank shall collect such due amounts by exercising its set off right as soon as possible.

c) the Bank shall settle the amounts due by transferring them from the Supplier's Current Account to the Factoring Settlement Account, if the Client expressly authorizes the Bank to do so by signing the Factor Agreement.

6.5. If the Client has an overdue debt to the Bank under any Factoring Agreement and/or any receivables purchase agreement for any reason, the Bank is entitled to enforce any Collateral specified in any Factoring Agreement (in line with the provisions of the underlying collateral agreement) and take all steps necessary to assert its rights arising from the Receivable.

6.6. The positive balance of the Factoring Settlement Account is transferred to the Client's Current Account on the Banking Day following the Bank could fully identify the received amounts at the latest.

6.7. If the Client owes multiple debts to the Bank at the same time and the payment made by the Client only partially covered such debts, the Bank may – unless otherwise agreed – use the received amount to settle

the debt that has become overdue earlier or that can be considered less secured.

## 7. Administrating and collecting the Receivables

- 7.1. The Bank will record the Invoices and after that it will monthly notify the Client of the turnover of factoring using the information sheet titled "Factoring Statement" and of the scope of the Receivables using the information sheet titled "List of Open Invoices."
- 7.2. The Bank notifies the Client without delay if the Buyer refuses to pay. The Bank cooperates with the Client during the validation of the Receivable. The Client is entitled to accomplish instead of the Buyer in any phase of the claim validation. In this case the Bank is obligated to re-assign the Receivable to the Client and return upon request of the Client all the relating documents.
- 7.3. Regardless of the accomplishment of the due notification of the Buyer according to the Factoring Agreement, the Client receives the amounts paid directly by the Buyer as a representative of the Bank and is obligated to transfer these amounts without delay to the Factoring Settlement Account. The Bank is entitled to name the person or persons authorized for the collection of the Receivables.

## 8. Consideration for the Bank's factoring services

- 8.1. As consideration for the Bank's services determined in the Factoring Agreement and the present GTC, the Bank is entitled for the fees listed below. The scope and amount of the fees are set in the List of Conditions and the Factoring Agreement.
  - a) **Contract modification fee:** The Bank charges a Contract modification fee to the Client if the modification affects any elements of the Factoring Agreement or the GTC. The contract modification fee is due on the day of the modification.
  - b) **Factoring fee:** The Bank charges the Client a factor fee in connection with the registration, account management and collection of receivables. The factoring fee is the gross amount of the Receivables assigned to the Bank less the amount of deductions known at the effective date of takes effects of the assignment of a Receivables and the transfer of ownership, according to Section 4.2. The factoring fee is due on the day of acceptance of the relevant Invoice or the day of assignment of the

Receivable, or if an Advance Payment is made, on the day the Advance Payment is paid. The Bank settles the amount of the factoring fee in terms of the (i) size of the turnover planned to realize with the Buyer, (ii) number of the Invoices; (iii) measure of the transfers; (iv) payment discipline; (v) number of the Buyers; (vi) deadline of the Invoices. If the factual data differ from the data provided by the Client or assumed by the Bank, which the Bank has taken into consideration on the date of signing of the Factoring Agreement and used as the basis of setting the factoring fee, the Bank is entitled to change the factoring fee unilaterally.

- c) **Transactional Interest:** The Bank charges the Transactional Interest based on the amount of the Advance Payment in the amount set out in the Factoring Agreement. The Transactional Interest charged based on the amount of the Advance Payment is calculated by application of BUBOR or (EURIBOR, Term SOFR, ROBOR) reference interest rate, as set forth in the Factoring Agreement. The BUBOR rate or (EURIBOR; Term SOFR, ROBOR) rate varies daily and is the reference interest rate (BUBOR, EURIBOR; Term SOFR, ROBOR) for the period specified in the Factoring Agreement quoted two Banking Days prior to the day in question, while on non-Banking Days it is the reference interest rate valid for the preceding Banking Day. The Transactional Interest is calculated daily, based on the number of days actually elapsed, calculating with a year of three hundred and sixty (360) days, by taking into account the provided advance balance outstanding on the given day, and becomes due on a monthly basis, on the last Banking Day of the relevant month or on the day when the Advance Payment is closed pursuant to Section 5.6.
- d) **Default Interest:** If the amount of the Invoice is not paid by the Buyer by the expiry of the Grace Period at the latest - and there is a debt in the Factoring Settlement Account and the Bank cannot enforce its claim by withdrawing the Advance Payment by offsetting it against the debt - the Bank is entitled to charge the Client Default Interest on the amount of the Advance Payment at the rate specified in the Factoring Agreement after the expiry of the Grace Period. Default Interest is calculated on a three hundred and sixty (360) days basis. If the balance of the Factoring Settlement Account only partially covers the amount of the Advance Payment, the Bank shall charge Default Interest up to the amount of the outstanding debt which it cannot offset against the Factoring Settlement Account. The Default Interest as per this Section is calculated on a daily basis and falls due when the balance of the Factoring Settlement Account becomes positive.

- e) **Penalty Interest:** The Bank is entitled to charge Penalty Interest to the Client for the due and unpaid fees and interests payable by the Client. The extent of the Penalty Interest is included in the Factoring Agreement. The Penalty Interest as per this Section is calculated on a daily basis and will fall due when the balance of the Factoring Settlement Account becomes positive.
  - f) **Minimum fee:** If the amount of the factoring fees does not reach the amount that was defined in the Factoring Agreement at an annual level or on a *pro rata temporis* basis, and that served as a basis for the establishment of the conditions of the financing, the difference will be due to the Bank as a minimum fee which will be accounted for by each calendar year.
  - g) **Fee for Buyer's Limit establishment and modification:** The fee for Buyer's Limit establishment and modification is an auxiliary fee in relation to the financing which the Client has to pay to the Bank as a counter-value for the establishment of the Buyer's Limit for Buyers which the Client wishes to include in the Factoring Agreement under the scope of the Factoring Agreement, in addition to the Buyers which were defined in the Factoring Agreement, or for the modification of the Buyer's Limit for Buyers which were included earlier upon the modification of the Factoring Agreement or at the periods specified in Factoring Agreement. In the event of charging the Buyer's Limit establishment and modification fee, the Bank will not charge a contract modification fee.
  - h) **Supplier Limit modification fee:** The Supplier Limit modification fee is a financing related fee payable by the Client which is the charge for the modification – proposed by the Client - of the Client Limit determined in the Factoring Agreement. The Client shall pay the Supplier Limit modification fee simultaneously with the modification. The Bank does not charge contract modification fee in case of the Supplier Limit modification fee was charged.
  - i) **Commitment fee:** The commitment fee is a financing related fee payable by the Client which is determined in the percentage of the amount of the difference between the Supplier Limit and the actually used amount by the Client. The Bank calculates daily the commitment fee and collects it on the last Banking Day of each month.
  - j) **Banking costs:** For the realisation of the banking transactions, the Bank shall charge the costs determined in the Factoring Agreement, which are due on the day of the transaction.
  - k) **Record-keeping fee of overdue invoices:** The fee for Receivables with Uncertain Status is an auxiliary fee or cost in relation to the factoring that is payable by the Client and is charged by the Bank monthly by Invoice for the assigned receivables that became uncertain.
  - l) **Replacement fee of account statement:** If an account statement that was requested and received by the Client has to be replaced, the Bank will charge a fee which will become due parallel to the handing over of the new statement.
- 8.2. The Bank may make the provision of ad hoc information subject to the payment of a fee, the amount of which shall be determined on a case-by-case basis. Unless otherwise agreed, the fee shall be borne by the person requesting the information. The Bank is entitled to withhold the information until the fee is paid. Issuance of the Factoring Settlement Account statement that is prepared at the intervals set by the Bank on the receivables and cash flows related to the Factoring Agreement is free of charge. The Bank will charge VAT defined in the applicable legal regulations for its services provided as a financial institution. The application of the amended fee or interest rate is always valid from the date specified in the List of Conditions or in the written notice sent to the Client, and in case of interest payment for the total amount of the outstanding payment obligations of the Client.

## 9. Representations and warranties of the Client

- 9.1. The Client, up to the amount of the **purchase price**, represents and warrants that:
- a) the Client is the sole owner of the Receivables, it has not assigned them to a third party nor has it disposed of them in any other way that would exclude or impede the fulfilment of its obligations under the Factoring Agreement;
  - b) the Receivables are legally and validly outstanding and enforceable against the Buyer and none of the Receivables has been written off;
  - c) should that be necessary for the valid existence and enforceability of the Receivables under the applicable legislation, the Client has obtained the relevant authorisations and approvals, and fulfilled the obligation to register the Receivables;

- d) the Client is entitled to assign the Receivables to the Bank without any limitation, in particular, all consent and authorisation necessary for the assignment of the Receivables is available, while there is no agreement between the Buyer and the Client that would exclude or impede the assignment of the Receivables;
  - e) all Receivables assigned to the Bank under the Factoring Agreement or to be assigned in the future are related to the actual sale, delivery of goods, or provision of services undertaken in the ordinary course of the Client's activities;
  - f) the Receivables are not due on the date of the assignment and (in case of fixed term Factoring Agreements) the due date for the payment of the Invoices does not fall on a later date than the expiry date of the Factoring Agreement;
  - g) the underlying transactions the Receivables originate from have been completed in accordance with the relevant legal and contractual provisions, the Buyer(s) has/have not refused or suspended performance, final quantity and quality acceptance of the performance has taken place;
  - h) the Receivables are free of litigation, encumbrances, and claims (except for any Collateral established for the benefit of the Bank);
  - i) neither the Buyer nor any other third party is entitled to enforce a counterclaim, file any challenge, exercise a set-off right, file a warranty claim, enforce a guarantee, or file any other objection against the Client in connection with the Receivables relating to the Factoring Agreement nor in connection with any other matters;
  - j) has not breached the provisions of the underlying agreements the Receivables originate from, no objection, complaint, or claim has been raised in connection with the Receivables, the underlying agreements or the fulfilment of the obligations undertaken in the agreements which would jeopardize the payment of the Receivables in due time or give rise to any set-off, deduction, or withholding;
  - k) the commercial contract underlying the Receivables was not terminated (with no regard to default) at the time the Claims were assigned to the Bank;
  - l) (if an invoice is issued in respect of the Receivable) all the conditions for issuing the Invoice have been met and the Client has duly issued the Invoice as defined in the relevant accounting legislation, and the amount indicated on the Invoice corresponds to the amount set out in the Client's declaration confirming the performance of the goods or services serving as basis of issuance of the Invoice;
  - m) the terms of payment do not include a method of payment by letter of credit, documentary collection, SWIFT transfer, check, bill of exchange or cash payment, and such payment methods will not be used by the Client in the course of its business with the Buyer;
  - n) the terms of payment are the same as those provided by the Client earlier to the Bank;
  - o) upon the assignment, based on applicable law the Client is not obliged to make any deduction from the Receivables for the payment of taxes and duties;
  - p) all information provided to the Bank in connection with the Receivables and all data necessary for the identification of the Receivables are true and accurate;
  - q) the Client has fully disclosed and provided to the Bank all facts and information related to the Receivables which it is aware of, and which are relevant from the perspective of the transaction envisaged in the Factoring Agreement;
  - r) any documents made available to the Bank in connection with the Receivables were signed by person(s) authorized to represent and sign documents on behalf of the Client;
  - s) there is no default outstanding under any agreement concluded by the Client, which would give rise to any claim that would jeopardize the Client's payment obligations under the Factoring Agreement;
  - t) there is no direct or indirect reciprocity, connection, or concentration between the Client and the Buyer, either with respect to ownership relations, the management, or decision-making rules included the franchise agreement and any other similar type of agreement.
- ## 10. Sanction Clauses
- ### 10.1. The Client declares that:
- a) Affiliates have not been subject to economic, financial or trade sanctions laws, regulations or restrictive measures imposed or notified by:

- The United Nations;
- The European Union;
- The United States of America;
- The United Kingdom/Italy/Germany<sup>1</sup>;
- Any official institution, authority, agency and/or other body with jurisdiction over any Party to the Factoring Agreement and/or over its Affiliates and did not commit any violations of Sanctions,

and to the best of its knowledge no such investigation or proceeding is pending against them

- b) The underlying transaction the Receivables originate from, assigned to the Bank, does not constitute a violation of Sanctions, and does not, directly or indirectly, concern countries subject to Sanctions;
- c) The underlying transaction the Receivables originate from, assigned to the Bank does not involve third parties and/or persons owned or controlled by Sanctioned Persons, and/or sanctioned countries or territories (hereinafter: Sanctioned Countries);
- d) The consideration for assigning the Receivables to the Bank and any other disbursement made by the same to the Client shall in no case be used, directly or even indirectly, by the Client and the Affiliates for purposes prohibited by the sanctioning authorities under point (a) and/or subject to Sanctions or to favour, anyhow, Sanctioned Persons and Sanctioned Countries (e.g. through financing, donations and any other act of disposition).
- e) The goods and services provided in the main transaction shall not be subject to the export authorization of sanction authority, or if the sanctioning authority is required to grant an export authorization, it shall immediately inform the Bank and provide all data and documents necessary for the Bank's effective participation in the proceedings.
- 10.2. The breach of the present Section 10 (including the case in which the representations and undertakings made by the Client are proven to be even partially untrue or are, at any time, contradicted by acts, facts and/or any circumstance) shall entitle the Bank to refuse the transaction under the Factoring Agreement, as well as the related documents, and reject the request for factoring.

The Bank shall not be liable for any loss, damage or delay caused by such refusal or in any case by the application to the transaction of the laws and regulations on Sanctions. Furthermore, the Bank shall have the right to terminate the Factoring Agreement without prejudice to its right to compensation for damages of any nature, suffered or to be suffered, including the damages arising from claims of third parties and/or the economic consequences of Sanctions.

- 10.3. Furthermore, the Client undertakes to provide the Bank, whenever requested to do so by the same, with written confirmation that neither the commercial transaction underlying the assigned Receivable, nor the assignment of the Receivable involve, directly or indirectly, a person, a country or a territory that is the subject to financial Sanctions.

## 11. Fundamental obligations of the Parties

### 11.1. Obligations of the Bank

#### 11.1.1. With respect to the assigned Receivables, the Bank:

- a) keeps a registry of the Invoices, payments, debits and the Receivables;
- b) if necessary, arrange for the dispatch of the payment notices necessary for the collection of the Receivables;
- c) continuously examines in the electronic Bank information system if an insolvency or liquidation process is initiated against the Hungary-seated Buyer;
- d) if it expressly undertakes it in writing or unilaterally decides to do so, the Bank takes the necessary steps to collect the Receivables from the Buyer.

#### 11.1.2. The Bank's obligation does not include the task to examine any reclamations raised in relation to the performance of the Client's obligations towards the Buyer.

### 11.2. Fundamental obligations of the Client

- 11.2.1. The Client has to prove the existence, enforceability, legality and validity of the Receivables with documents specified in the present GTC and the Factoring Agreement and also obliged to provide the Bank with all documents necessary for the collection of the Receivable and required by the Bank in case the Buyer's payment default.

---

<sup>1</sup> if there is a nexus to any such jurisdictions

- 11.2.2. The Client undertakes to offer its Receivables against all of its Buyers specified in the Factoring Agreement for sale exclusively to the Bank.
- 11.2.3. The Client has to send the Bank prior written notification to the Bank of any agreements concluded with the Buyer which may affect the Factoring Agreement in any way. The Client has to fulfil its obligations towards the Buyer in such way, which may not violate the existence, payment, and enforceability of the Receivable. The Client has to provide the Bank with information on all underlying transactions the Receivables originate from and continuously provide the Bank with all financial and other information related to the Receivables, including information on its own and the Buyer's creditworthiness. The Client is expressly obliged to inform the Bank if it enters into an ownership relationship with the Buyer or if it is involved directly or indirectly in the management and decision making process of the Buyer.
- 11.2.4. The Client is obliged to deliver goods or provide services to all Buyers in respect of which a Buyer's Limit has been agreed subject to the same payment terms. Changes to the payment terms require the prior written consent of the Bank. The Client shall – until the Bank notifies it otherwise in writing – assign all of its Receivables against Buyers to the Bank under the title of factoring, in respect of whom a Buyer's Limit has been established in the Factoring Agreement.
- 11.2.5. The Client acknowledges that its information obligation under this Section 11.2 applies to both domestic- and foreign-based Buyers and that neither the Bank's obligation specified in Section 11.1.1(b) above, nor the non-fulfilment of such obligation in case of domestic-based Buyers release the Client from its liability for damages resulting from its failure to provide information or from the legal consequences of a breach of contract.
- 11.2.6. If the Client uses funds received from the central budget's subsystems or any other organization to which the Bank has a reporting obligation, or a third party provides funds to the Bank for the provision by the Bank of a financial service (refinancing) to a customer, the Bank may disclose the data received from the Client in accordance with the GBC, the CBT, the GTC, and the Factoring Agreement to the provider of the relevant funds or the refinancing. The Client has to allow the representative of the organization providing the funds or refinancing to carry out an audit of the Client.
- 11.2.7. The Client is obliged to record the fact of the factoring transaction determined in the Factoring Agreement in its books in accordance with the applicable accounting rules.
- 11.2.8. The Client has to continue to cooperate with the Bank and fulfil its obligations under the Factoring Agreement and the present GTC in the event of termination of the Factoring Agreement and cancellation of the Supplier Limit and/or Buyer's Limit too until all Receivables assigned to the Bank and all claims of the Bank against the Client under the Factoring Agreement are paid to the Bank unconditionally and irrevocably.
- 11.2.9. The Bank's rights set out in clause 12.1.–12.8. shall not be restricted if an Insurance Policy is in effect concerning the Receivables or the Buyers.

## 12. Breach of contract and its legal consequences

- 12.1. The Bank, in its sole discretion is entitled to (i) suspend the fulfilment of any of its obligations under the Factoring Agreement or the provision of any undertaken services (including that the Bank may reject any application of the Client for the payment of an Advance Payment and/or withdraw its promise made in respect of certain Receivables for the payment of an Advance Payment); (ii) withdraw or claim back an Advance Payment made to the Client or collecting the amount of such an Advance Payment by exercising its set-off right and re-assign the Receivables pursuant to Section 5.6 or (iii) terminate the Factoring Agreement with immediate effect by a unilateral declaration upon the occurrence of any of the following circumstances:
- any event of default set out in Section 6:407 of the Ptk and the Bank's Corporate and Local Government Business Terms;
  - enforcement, insolvency, liquidation, winding-up, or involuntary cancellation proceedings are commenced against the Client or the third-party Collateral provider, or any of these are initiated;
  - the Client or the third party Collateral provider takes any action to restrict or impede any enforcement actions under any agreement on the establishment of a Collateral;
  - the Client commits a breach of law or a contractual breach the Bank considers material, either in relation

- to the commercial-service transaction underlying the Receivable or in relation to the Factoring Agreement, with retroactive effect to the date thereof;
- e) there is an ownership or other controlling relationship between the Client and the Buyer or such a relationship is established during the term of the Factoring Agreement;
  - f) the Client breaches its contractual obligations set out in a collateral contract or in any other contract the purpose of which is the facilitation, strengthening or acceleration of the collection of the Receivable; or the Client obstructs or restricts the exercise and enforcement of any rights and claims under any of these contracts;
  - g) the prosecutor issued an indictment against a controlling owner of, a managing director, or other representative of the Client for crimes determined in the Criminal Code of Hungary (especially but not exclusively: crimes against life or property, financial-, or economic crimes and crimes against public trust); or the competent foreign authority prosecuted them for crimes against property or economic crimes which are punishable by Hungarian law;
  - h) operational disorders occur within the direct sphere of the Client due to legal disputes between persons entitled to represent the Client, or between persons having ownership interest in the Client or due to the fact that it becomes difficult or impossible to contact or communicate with the Client;
  - i) the auditor expresses a negative or qualifying opinion on the Client's balance sheet report.
- 12.2. In case of occurrence of any of the circumstances set out in Section 12.1 above the Bank requests the Client to stop the activity or situation leading to the breach of contract. If the Bank is of the opinion that the event of default cannot be remedied or that the delay resulting from the notice to the Client would be detrimental to the Bank, the Bank is entitled to apply the legal consequences set out in Section 12.1 without prior notice.
- 12.3. If the Bank terminates any legal relationship with the Client by a unilateral written declaration, all of the Bank's obligations arising from any Factoring Agreement towards the Client terminate and the Bank, in its sole discretion, becomes entitled to partially or entirely enforce the Collateral, simultaneously with the notification of the Client and the Collateral provider.
- 12.4. If the Bank terminates any legal relationship with the Client by a unilateral written declaration, all of the Client's debts towards the Bank – primordially but not exclusively the amount of the granted Advance Payments and the related interests, fees and costs (including any factoring fee and minimum fee) - arising from any Factoring Agreement become due and payable on the day of the receipt of the termination notice by the Client, and the Client has to pay its debts without delay.
- 12.5. If a Buyer does not or not fully accomplish a paying obligation based on an Invoice within 60 (sixty) days counted from its due date, the Buyer's Limit can be renounced by the Bank and the Bank will be no longer obligated to provide Advance Payment for the Invoices issued against that Buyer.
- 12.6. If one or more event of default occurs in relation to a Buyer, the Bank shall be entitled to renounce in writing the respective Buyer's Limit with immediate effect. The Bank does not provide any Advance Payment in relation to Receivables arising from delivery of goods or provision of services realized following receipt of the notification of the Client about the renouncement of the Buyer's Limit. The Bank may reduce or terminate the Buyer's Limit with 15-day (fifteen) written notice in case the Client did not use completely the Buyer's Limit.
- 12.7. If one or more events of default occur in relation to a Factoring Agreement, a Buyer or a Receivable the Bank may claim back the Advance Payment provided based on any Factoring Agreement and its affixes, meaning that the Bank shall have the right to terminate the financing.
- 12.8. The Bank is entitled to suspend the fulfilment of any of its obligations under the Factoring Agreement or the provision of any services undertaken, or to suspend the Buyer's Limit in case a bankruptcy procedure has commenced or has been initiated against the Client or a Collateral provider.
- 12.9. The Bank's rights set out in clause 12.1.–12.8. shall not be restricted if an Insurance Policy is in effect concerning the Receivables or the Buyers.
- 13. Entering into force and termination of the Factoring Agreement**
- 13.1. The Factoring Agreement shall enter into force upon the execution by both Parties. The Factoring Agreement is

made – unless it stipulates otherwise – for an indefinite period of time.

13.2. The Factoring Agreement terminates

- a) if both Parties have accomplished their obligations and duties under all Factoring Agreements made between the Parties, and if the Parties may have no further obligations against each other;
- b) on the day determined by the Parties, if they have agreed about it in writing;
- c) if any of the Parties terminates the Factoring Agreement by a unilateral declaration.

13.3. Each Party is entitled to:

- a) in case of a Factoring Agreement concluded for an indefinite period with a 15 (fifteen) day notice;
- b) in case of a Factoring Agreement concluded for a definite period with a 90 (ninety) day notice

terminate the Factoring Agreement by a written notice to the other Party. The Client is only entitled to terminate the Factoring Agreement with an ordinary termination if, at the time of the termination, it has no debts towards the Bank based on the Factoring Agreement, and the Client gives an order to the Bank regarding the payment of any of its potential receivables against the Bank.

13.4. The Bank is entitled to terminate the Factoring Agreement by a unilateral written declaration with immediate effect in the cases stated in Section 12.

13.5. Following termination of the Factoring Agreement no further Receivables may be assigned. The termination of the Factoring Agreement for any reason does not mean that any of the Bank's claims against the Client would cease to exist, nor that the Bank's right to validate such claims would be terminated.

## 14. The bank's liability in connection with the Factoring Services

14.1. During its factoring activities, the Bank will always act with the due diligence and care that is expected from it and it will take into account the Client's interests to the greatest extent possible under the given circumstances.

14.2. The Bank is not responsible for such smaller errors or omissions that occur during the performance of a large number of transactions, even when the generally expected care is displayed. The Bank is not responsible for failing to provide the service it undertook if the procedure is hindered by a legal dispute between the Client and the third party or the wrongful conduct of a third party alone.

14.3. The limitation or exclusion of the Bank's liability in this GTC does not affect the Bank's liability for actions or omissions in respect of which liability cannot be limited or excluded validly in a contract.

## 15. Collateral

15.1. If the Client provides a collection right for the Bank in the Factoring Agreement, the Client has to hand over the Authorisation Letter for the submission of the collection order confirmed by the account-holding bank in respect of all of its bank accounts held at the time when the contract is concluded. If, during the term of the Factoring Agreement or until it settles accounts with the Bank based on the Factoring Agreement, the Client opens a new bank account, it has to hand over the confirmed Authorisation Letter to the Bank; it shall also make the necessary reports to the account-holding banks without delay and also send the report back to the Bank with a clause. If any data defined in the report change, the Client shall sign the new report which includes the modified data and act with regard to it as described above. The Bank is entitled to exercise its right of collection within 8 days from the failure of the Client to comply with the written payment request addressed to the Client. The Client undertakes not to provide collection rights for the benefit of third parties other than the Bank without the consent of the Bank during the term of the Factoring Agreement.

15.2. Until the provision of the Collateral or until the Collateral is supplemented based on the Bank's request, the Bank is entitled to suspend its factoring activities or the fulfilment of its potential payment liabilities towards the Client. All costs relating to the provision, maintenance, handling and enforcement of Collateral shall be borne by the Client.

15.3. Should the exercise of a right serving as Collateral, or the enforcement of a claim to such Collateral, arise during the period in which the Collateral is available for the Bank, the Bank will be entitled to exercise that right or to enforce that claim. The Bank is entitled (i) to treat



the amounts received during the enforcement of the claim, any amount that arrives at the Bank for the name of the Client, as well as the balances that appear on the Factoring Settlement Account and the Client's Current Account as security deposit (financial collateral) securing the Bank's existing and future claims against the Client under any Factoring Agreement, and to record such amounts separately, and (ii) to set off them against the Client's due payment obligations.

- 15.4. The collateral contract will remain in force and effect until the Bank's claims against the Client under the Factoring Agreement, are fully settled. After the complete recovery of its claims from the Client, the Bank shall release the Collateral that was made available for it by the Client but remained unused, at the request and cost of the Client.
- 15.5. The Bank is entitled to set off its due claims against its debts towards the Client. This set off right exists even when the Bank's claims and liabilities are not derived from the same transaction. The Bank is entitled to charge the costs of the enforcement of the Collateral to the Client and to set off them against the amounts received by the Client even when the costs should be borne by a third party according to the legal regulations. The Bank is entitled to proceed in accordance with the above even in respect of costs arising in connection with the collection of the Receivables assigned to the Bank by the Client, or in connection with the enforcement of claims or the enforcement of any Collateral newly established during the claim enforcement procedure. The Bank is entitled to set off its due claims against any debts towards the Client from any legal relationship, under any legal title, even if the claims were generated in different currencies and are derived from different Factoring Agreements that were concluded with the Client. The Bank's set off right does not affect or limit the Bank's set off right as per Sections 12.12-12.5 of the GBC against any other bank accounts of the Client held at the Bank, including the Client's Current Account held at the Bank.

## 16. Governing law, dispute resolution

- 16.1. The present GTC and the Factoring Agreement are governed by Hungarian law.
- 16.2. The Bank and the Client shall attempt to settle all disputes arising between themselves amicably. Should this prove to be unsuccessful, for all disputes arising from the Factoring Agreement or arising in connection with it,

Parties submit themselves to the exclusive jurisdiction of the court determined in Section 13 of the GBC in respect of matters falling within its competency.

## 17. Other Stipulations

- 17.1. Written form, formal requirements
- 17.1.1. The Bank and the Client shall prepare their notifications to each other, their requests, their messages and the Factoring Agreements in writing, or shall confirm these in writing. The Bank is entitled to have the Client's instructions confirmed in writing at the cost of the Client before their implementation. Any notifications, messages and orders sent to each other by post, electronic documents with qualified electronic signature and contracts in paper form signed by authorised signatories of both Parties qualify as written documents. The Bank is entitled to request incorporation of the Factoring Agreement in notarial deed.
- 17.1.2. Non-written communications must be simultaneously confirmed in writing, they become effective upon the written confirmation, with the exception of facsimile messages and communications in an electronic form, which shall be confirmed in writing only if explicitly requested. When a Party confirms a non-written communication, the other Party shall immediately indicate any discrepancy between the communication and the written confirmation. The Client's telephone number, fax number, and electronic mail address shall be indicated in the Factoring Agreement, and all orders, files, and documents received from the indicated fax number, telephone number, and electronic mail address shall be deemed by the Bank as genuine communications originating from the Client.
- 17.1.3. The Bank reserves its right to reject any order received by phone, fax or electronic communication for security reasons at its own discretion, including, but not limited to the start of the factoring activity or the provision of the Advance Payment, or to suspend the performance of the order until receipt of the written confirmation. The Bank has no liability in connection with any such rejection and/or suspension.
- 17.1.4. The Client shall hand over to the Bank originals of the documents to be provided in accordance with the provisions of the GTC and the Factoring Agreement to certify the existence, enforceability, legality, and

substantiation of the Receivables in person or by post. The Client may send such documents to the Bank via telefax or in an electronic form, bearing all the responsibility and risk in this regard. If the documents were sent via telefax or in an electronic form to the Bank, the Bank may deem real the content of these documents, the signatures authentic and the signing right of the signatories legally acceptable. Upon the Bank's request the Client is obligated to handover in original the documents sent via telefax or email, and the Bank may suspend its activities until the examination of the original documents.

17.1.5. Other than by examining the content of the documents handed over to it, the Bank does not examine whether the Client's Receivables lawfully exist or not. The Bank does not verify whether the delivery of goods or the provision of the services have actually taken place between the Client and the Buyer; all risks derived from the false or forged nature of any documents will therefore be borne by the Client.

17.1.6. The Bank shall not be held liable for the consequences of the fulfilment of a false or forged order where this false or forged nature could not have been recognised even with the careful review that the Bank applies during the normal course of business. Furthermore, the Bank is not liable for any damages that are caused to the Client due to the breakdown of phone lines where the message either does not arrive at all, or it is not comprehensible or is incomplete. The Bank is not liable for any damages caused by incorrect pronunciation or mishearing or unintelligibility due to the quality of the phone line or the fax transmission. The data forwarded through a phone network if a phone or a fax is used, or by phone or through the Internet if the Internet is used and an electronic network is operating, may become known to unauthorised third parties. The Client undertakes the responsibility for these damages and waives any claims in this respect against the Bank.

17.1.7. If under the Factoring Agreement the Client may submit a simple or notarised copy of a document to

the Bank which should be delivered in original based on the GTC, upon the Bank's request the Client shall immediately provide the Bank with the original of the document too.

17.1.8. With regard to documents issued abroad, unless international treaty stipulates otherwise, or there is a different practice of reciprocity, the signature of the document must be certified or countersigned by the Hungarian representation authority. The certification or countersignature is not necessary if the authorisation has an Apostille and the country indicated as the place of signature is a signatory to the Hague Convention of 1961 on abolishing the requirement of legalisation for foreign public documents.

## 17.2. Language

17.2.1. This GTC was prepared in the Hungarian language.

17.2.2. If the GTC or the Factoring Agreement is translated into a foreign language, the Hungarian version shall prevail in case of any discrepancy.

## 17.3. Waiver

17.3.1. Failure by the Bank to exercise any right or remedy provided for in the present GTC, the GBC, the CBT, the Factoring Agreement or any legislation shall not constitute a waiver by the Bank of that right or any other right or remedy, and the one-time or partial exercise of a legal remedy shall not prevent the Bank from further exercising that or any other right or legal remedy.

## 17.4. Assignment and transfer of rights

17.4.1. In the absence of a written agreement providing expressly to the contrary, the Client is not entitled to transfer its rights and assign its receivables arising from the Factoring Agreements to a third party without the Bank's consent.

## 18. The term of the General Terms and Conditions

18.1. The present General Terms and Conditions shall enter into force on 5<sup>th</sup> of February 2025 and be effective for an indefinite period of time.

Budapest, 21 of January 2025.

