



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

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### 1. Scope of the General Lending Conditions

- 1.1. The General Lending Conditions (hereinafter: "General Lending Conditions") shall govern the conditions of all types of lending arrangements, including, but not limited to loan, credit, and overdraft facilities between Citibank Europe plc. Hungarian Branch (hereinafter: "Bank") and its Corporate Banking Customers (hereinafter: "Borrower" or "Borrowers"). Borrower shall mean (with the exception of financial institutions) legal entities, corporate entities without legal personality or other organisations to which the Bank provides lending services.
- 1.2. The terms and conditions of the General Lending Condition are binding without special reference thereto; however, by mutual agreement, the provisions of individual contracts or specific transactions may deviate from those of the General Lending Conditions in which cases such provisions shall prevail over the General Lending Conditions.
- 1.3. The legal relationship between the Bank and the Borrower shall also be governed by international banking practices as well as the provisions in Section 1.2 above.

### 2. Acceptance of the General Lending Conditions

- 2.1. The Borrower's acceptance of the General Lending Conditions shall be a condition precedent for the Bank providing financing to the Borrower. The Bank provides a copy of the General Lending Conditions to each of its Borrowers for acceptance, otherwise the General Lending Conditions are available at the premises of the Bank during regular business hours and at the Bank's home page ([www.citibank.hu](http://www.citibank.hu)). Pursuant to the terms hereof the Bank will enter into one or more of the following agreements:
  - (i) an Overdraft Facility Agreement; (ii) a Loan Agreement;
  - (iii) a Revolving Credit Facility Agreement,
  - (iv) any other lending arrangement with the Borrower,
  - (v) or agreement on bank guarantee, letter of credit, such agreements evidencing the Borrower's acceptance of the terms and conditions of these General Lending Conditions.
- 2.2. The Bank shall have the right to modify the General Lending Conditions based on its own decision at any time. The Bank shall notify the Borrower on any modification of the General Lending Conditions by posting it in the Bank's premises. In absence of any statement by the Borrower, the Bank shall construe the modification as accepted by the Borrower 15 days after posting. In case the modification to the General Lending Conditions is not accepted by the Borrower, - unless otherwise prescribed in the Agreement - he is entitled to terminate the Agreement(s) with the effective date of the modification. In such case the Bank and the Borrower have to settle the accounts and claims with one another no later than the effective date of the termination.

### 3. Definitions

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

**Authorized Signature Mandate:** the form of the Bank on which the Borrower notifies the Bank of the particulars and specimen signatures of persons authorized to sign on behalf of the Borrower;

**Business Day:** any day, other than a Saturday or a Sunday, on which banks are open for business in Hungary, with the

exception of bank holidays of the Bank duly communicated to the Borrowers or, 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 any lien, mortgage, charge, floating charge, encumbrance, pledge, conditional sale or other title retention agreement, or other agreement or arrangement the economic or commercial effect of which is similar to security and provides a claim for the Bank on the property of the Borrower and/or any third party providing such collateral;

**Conditions Precedent:** any condition defined in Section 5 of these General Lending Conditions;

**Event of Default:** any of the events specified as such in Section 10 of these General Lending Conditions;

**Facility Agreement:** a bi-lateral legal document entered into by and between the Bank and the Borrower evidencing the Borrower's indebtedness to the Bank, including, inter alia, any of the following documents:

- (i) an Overdraft Facility Agreement;
- (ii) a Loan Agreement;
- (iii) a Revolving Credit Facility Agreement;
- (iv) an agreement on other lending arrangements; and
- (v) an agreement on bank guarantee, letter of credit

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

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

### 4. Credit / Loan Transactions

- 4.1. The Bank may lend any amount and maintain any facility to the Borrower only in accordance with the terms and conditions of a written Facility Agreement.
- 4.2. The Bank will assess each application for credit, loan or other banking service on an individual basis and on the merit of the Borrower's financial, legal and economic status, as well as the quality of the Collateral, if any, provided.

### 5. Conditions Precedent

The Bank shall be authorized to

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

The Conditions Precedent shall be as follows:

- 5.1. if the Borrower is a Hungarian corporate entity, delivery and presentation of the documents listed in Section 5.2 of the General Business Conditions;

- 5.2. if the Borrower is not a Hungarian corporate entity, delivery and presentation of the documents listed in Section 5.3 of the General Business Conditions;
- 5.3. delivery to the Bank of the Authorized Signature Mandate pursuant to Section 11.3 of the General Business Conditions;
- 5.4. written acceptance of the General Lending Conditions pursuant to Sections 2.1 and 2.2 above, and the General Business Conditions;
- 5.5. delivery and perfection, including execution or procurement as the case may be, of any Security Document providing Collateral to the Bank pursuant to the provisions of a Facility Agreement;
- 5.6. any other Condition Precedent stipulated in any Facility Agreement between the Bank and the Borrower.

## **6. Representations and Warranties of the Borrower**

- 6.1. Upon entering into an Facility Agreement with the Bank, the Borrower warrants and represents to the Bank that:
  - 6.1.1. it is a corporation duly organized and validly existing under the laws of its jurisdiction of incorporation and it has full power and legal rights and all corporate consents and approvals necessary to enter into the Facility Agreement with the Bank and to exercise its rights and perform its obligations contained in that Facility Agreement and in these General Lending Conditions, and that all actions required to authorize the execution and delivery of the Facility Agreement have been duly taken;
  - 6.1.2. it is not in breach of, or in default under, any agreement to which it is a party or which is binding on it or on any of its assets;
  - 6.1.3. no action, suit, investigation or administrative proceeding of or before any court or authority has been started or threatened against it or any of its assets which, in the reasonable opinion of the Bank, may be likely to have a material adverse effect on the business, conditions (financial or otherwise), results or operations of the Borrower or the ability of the Borrower to perform its obligations under the Facility Agreement with the Bank;
  - 6.1.4. the execution of the General Lending Conditions and the Facility Agreement and the Borrower's exercise of its rights and performance of its obligations thereunder and under the General Lending Conditions do not constitute and will not result in any breach of any agreement, law or regulation by which the Borrower is bound;
  - 6.1.5. all acts, licences and conditions required by the laws of Hungary in connection with the execution and performance of the Borrower's agreement with the Bank are performed, obtained and fulfilled by the Borrower;
  - 6.1.6. the Borrower's obligations owed to the Bank constitute legal, valid, binding, direct and unconditional obligations of the Borrower;
  - 6.1.7. its financial position is of good standing and will enable it to duly perform all its obligations owed to the Bank;
  - 6.1.8. the audited financial statements of the Borrower in respect of the last financial year prior to the date of the Facility Agreement with the Bank were prepared in accordance with generally accepted accounting principles and give a true and fair view of the financial condition of the Borrower and the results of the operations of the Borrower for that financial year. The Borrower had no significant liabilities which were not disclosed by such financial statements of the Borrower and had no unrealised or anticipated losses not disclosed therein and there has been no material adverse change in the financial condition, business or operations of the Borrower since the date of such statements; and at the same time at the date of signature of its Facility Agreement with the Bank, the Borrower is not aware of any material facts or circumstances that have not been disclosed to the Bank and which, if disclosed, could reasonably be expected to adversely affect the decision of a person considering whether to provide or not to provide financing to the Borrower;
  - 6.1.9. there are no security interests whatsoever over or in respect of the whole or any part of the assets, property or undertaking of the Borrower other than those, if any, permitted in the Facility Agreement with the Bank; and

- 6.1.10. unless agreed otherwise, any Security Documents executed in favour of the Bank to secure the Indebtedness of the Borrower to the Bank represent first priority security interests and are not subordinated in any way to any other security interests granted to any other party.

- 6.2. All of the representations and warranties contained in Section 6.1 above are deemed to be renewed on each date upon which money is provided or commitment is undertaken by the Bank to the Borrower, each interest payment date and each repayment date and extension date specified in the Facility Agreement between the Borrower and the Bank.

## **7. Covenants of the Borrower**

Upon entering into a Facility Agreement with the Bank, the Borrower covenants and undertakes:

- 7.1. to provide to the Bank, copies of its audited financial statements for each fiscal year, as soon as available, but in any event, no later than 180 days after the end of each financial year;
- 7.2. to provide to the Bank promptly any further financial information that the Bank may reasonably require and to provide information related to its material obligations or losses not included in its financial statements to the Bank without the Bank's request;
- 7.3. to notify the Bank immediately upon the occurrence of any Event of Default forthwith;
- 7.4. to comply with all applicable laws and regulations of all governmental and regulatory authorities relating to or affecting its business and to obtain and promptly renew from time to time and to comply with the terms of all consents, approvals, authorizations, licences and/or exemptions which may be necessary to enable it to operate its business properly, in each case if the failure to obtain, comply or renew would have a material adverse effect on its financial condition or business or on its ability to perform its obligations owed to the Bank under the Facility Agreement between the Borrower and the Bank or any Security Documents in support thereof or on the validity and enforcement of any such documents or any documents referred to therein;
- 7.5. to notify the Bank in writing on all circumstances affecting its legal status or management including, without limitation, all changes in the Borrower's corporate form which arise under Act No. IV. of 2006 (Companies Act), changes in its Articles of Association, Deed of Incorporation or its authorised signatories;
- 7.6. to ensure that its legal successors as a result of any organizational change shall assume joint and several liability for all obligations of the Borrower owed to the Bank;
- 7.7. to ensure that at all times its obligations to the Bank rank at least pari passu in priority of payment and in all other respects with all other obligations of the Borrower (Pari Passu); not to secure any obligations to any third party without securing its obligations to the Bank equally and rateably on the same assets, property or revenues at the same time (Negative Pledge);
- 7.8. not to issue any guarantee, provide a letter of comfort or give any form of support to any other bank in respect of any borrowing or liabilities of any subsidiaries or related companies without prior notification to the Bank;
- 7.9. to use the amounts disbursed by the Bank exclusively for the purpose specified in the Facility Agreement between the Borrower and the Bank.

## **8. Interest, Expenses and Other Charges**

- 8.1. The interest and default interest shall be determined pursuant to the terms and conditions of the Facility Agreement. The Borrower shall authorize the Bank to debit all Indebtedness due under any Facility Agreement to any account held with the Bank or ensure that such amounts are available to the Bank in full on their respective due dates. In the event that there is any change in the Bank's refinancing terms and conditions due to:
  - 8.1.1. the actions of the National Bank of Hungary (and/or its legal successor); or
  - 8.1.2. the conditions on the money market, the Bank may modify the interest rate and the margin and charge interest accordingly.

- 8.2. The Bank shall accrue interest on the principal amount of the Indebtedness effective from and including the disbursement date up to but not including the interest payment date. Such dates shall be defined in the respective Facility Agreement.

## 9. Collateral

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

## 10. Maturity of the Loan and Repayment

- 10.1. All Indebtedness becomes due and payable on the maturity date specified in the Facility Agreement between the Bank and the Borrower.
- 10.2. Upon any prepayment or repayment of any principal, interest, costs or expenses of the Indebtedness owed to the Bank, the Bank shall be authorized to debit the due amount to the Borrower's account held with the Bank or otherwise ensure that such amounts are available to the Bank in full on their respective due dates. The account set forth by the Parties as primary one shall be debited by the Bank. In absence of such arrangement, based on the authorization by the Borrower stipulated in this point the Bank shall debit the due amount to the account corresponding to the currency of the Indebtedness. In case the accounts set forth above are uncovered, the Bank shall debit other accounts applying exchange rates.
- 10.3. Any prepayment or repayment by the Borrower is effective when the amounts due have been credited in full without any deduction to the loan Account.

## 11. Events of Default

- 11.1. The following shall constitute an Event of Default under these General Lending Conditions and in each Facility Agreement subject to the specific provisions of such Facility Agreement:
- 11.1.1. the Bank becomes aware of any facts or circumstances on the basis of which the Bank would have had the right to refuse advancing any amounts pursuant to Article 524 (1) of the Civil Code including any material adverse change in the financial, economic or other conditions of the Borrower's parent company which affects the agreements between the Bank and the Borrower and/or its parent company or the parent company's obligation securing the Indebtedness or other agreements between the Bank and the Borrower;
- 11.1.2. any of the circumstances listed in Article 525 of the Civil Code arises;
- 11.1.3. any material adverse change occurs in the legal, financial, or any other conditions of the Borrower and such changes are considered by the Bank to have an adverse effect on the payment obligations of the Borrower (Material Adverse Change);
- 11.1.4. the Borrower is in default of payment in any amount due under the Facility Agreement or the Borrower, its subsidiaries or its affiliates do not pay their debts at maturity;
- 11.1.5. any incorrect or misleading representation(s) is made by the Borrower with respect to or in connection with the Facility Agreement or, the Borrower misleads the Bank by communicating inaccurate facts or failing to disclose data, or otherwise;
- 11.1.6. the Borrower fails to observe or perform any obligation under the Facility Agreement with the Bank or any provisions, representations, warranties or covenants provided in such agreement or in the General Lending Conditions, or any additional agreement securing such obligation and such failure is not remedied within 10 (ten) calendar days after notice or request thereof has been given to the Borrower by the Bank;
- 11.1.7. the Borrower and/or any third party providing a collateral is in default under any undertaking, obligation related to the Indebtedness in connection with the Facility Agreement;
- 11.1.8. the Borrower is in default under any obligation of a loan or credit facility agreement, credit arrangement or any Indebtedness concluded with any third party(ies), which would permit such party(ies) to accelerate the maturity of such borrowings, and to declare them due and payable, even if such third party(ies) do(es) not exercise their right to accelerate for any reason whatever (Cross Default Clause)

- 11.1.9. the Borrower or any entity in which the Borrower has majority equity or controlling interest or the majority owner of the Borrower or the natural or legal person having controlling interest in the Borrower become or is likely to become insolvent, or any of them is under a liquidation procedure or is threatened by any of such events;
- 11.1.10. an order is made or a procedure is started for the liquidation or dissolution or bankruptcy of the Borrower, its subsidiaries or affiliates;
- 11.1.11. the Borrower fails to perform any payment obligation under a final judgement or court order;
- 11.1.12. the Borrower merges or consolidates into or with any other entity or transfers or otherwise disposes of a substantial part of its assets or properties to a third party or substantially changes the scope or the nature of its business activities without the prior written consent of the Bank.
- 11.2. Upon the occurrence of any Event of Default, the Bank may, but without prejudice to any other rights of the Bank, by written notice to the Borrower:
- 11.2.1. terminate the Facility Agreement in full or in part with immediate effect and declare in full or in part any and all Indebtedness immediately due and payable; and/or
- 11.2.2. declare that the obligations of the Bank to advance or maintain any amounts which would constitute Indebtedness to the Borrower shall be cancelled whereupon all of the Bank's obligations under Facility Agreement shall cease;
- 11.2.3. notwithstanding the above, enforce its rights under the General Business Conditions, the present General Lending Conditions and/or the Agreement.

## 12. Registration of Loans

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

## 13. Taxes and Increased Costs

All payments to be made by the Borrower to the Bank shall be made free from and clear of and without deduction for or on account of tax unless the Borrower is required to make such a payment subject to the deduction or withholding of tax. In such case the sum payable by the Borrower in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Bank receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made. If, by reason of any change in law or in its interpretation or administration and/or compliance with any request from or requirement of any central bank or other authority, the Bank incurs a cost or an increased cost in connection with the Facility Agreement or any of its obligation thereunder or in respect of any payment it may make or receive hereunder, then the Borrower shall, from time to time on demand of the Bank, promptly pay to the Bank amounts equal to such increased costs.

## 14. Waivers

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

## 15. Assignments

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

or any of its rights and obligations under the Facility Agreement.

## **16. Set-Off**

- 16.1. Without prejudice to any other rights conferred on the Bank by law or by any agreement entered into with the Borrower, the Bank may exercise the following rights at any time:
  - 16.1.1. the right to set off any matured obligation whatsoever owed by the Borrower to the Bank against any obligation whatsoever owed by the Bank to the Borrower regardless of the currency of either obligation;
  - 16.1.2. the right, where the obligations referred to in Section 16.1.1 above are in different currencies, to convert any obligation at such market rate of exchange as the Bank shall reasonably determine for the purpose of the set-off; and
  - 16.1.3. the right, where any obligation against which the set-off is made is unascertained, to set off an amount estimated by it in good faith to be the amount of such obligation.
- 16.2. The Bank shall not be obliged to exercise any right conferred or acknowledged hereunder and under the Facility Agreement, however the Bank shall immediately notify the Borrower of any exercise or purported exercise of any right of set-off.

## **17. Notices and Communications**

- 17.1. All notices and other communications in relation to the Facility Agreement shall be in writing or by telefax transmission sent or delivered either to the Bank or the Borrower, as the case may be, at its address set forth on the first page of the relevant Facility Agreement or at such other address as shall be designated by either the Bank or the Borrower in a notice. All such notices shall be effective on the second (2nd) Business Day from the date of posting by the Bank in the case of delivery in Hungary, and on the fourth (4th) Business Day, in the case of delivery abroad.
- 17.2. If the Borrower uses telefax, only persons indicated in the Authorized Signature Mandate previously signed by the Bor-

rower may send instructions or notices via telefax in relation to the Loan or the Credit Facility Agreement. By authorizing the Bank to accept communication by telefax, the Borrower shall acknowledge that it will not be entitled to request the original of any of such communications in any court or arbitration proceedings unless the Borrower dispatches written confirmation of such communication to the Bank on the same day.

- 17.3. In the case of any communication or instruction, the Bank requires the Borrower to provide the Bank with the exact and correct information necessary for the execution of such communication or instruction in the absence of which the Bank may refuse to execute such communication or instruction. The Bank is not obliged to verify the correctness and accuracy of any information provided to the Bank by the Borrower. The Bank shall not be responsible for any damage or loss for the execution or non-execution of any communication or instruction which contains erroneous or inadequate information.
- 17.4. The Bank shall have no duty to verify the contents or the identity of the sender or confirmer of any communication or other notices received by manual transmission and the Borrower shall be bound by and the Bank shall be authorized to rely on such communications or notices. However, the Bank shall have absolute discretion to act or not act upon, and/or to request verification of any communications received by manual procedures. The Bank shall be entitled to defer performance of communication or notice until verification is delivered by the Borrower to the Bank.
- 17.5. The Borrower acknowledges that the security procedures provided by the Bank are designed to verify the source of a communication and not to detect errors in the content of such communication or notices.
- 17.6. Except for the Bank's gross negligence, bad faith or wilful misconduct, as long as the Bank acts in accordance with the Authorized Signature Mandate, the Bank shall be held free and harmless from all responsibilities and shall not be liable for any costs or losses suffered by the Borrower.