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## Corporate Division Business Regulations

### **OTP Bank Plc.**

Activity license number: ÁPTF resolution no. 983/1997/F.

Registered by the Metropolitan Tribunal as Court of Registration under company registration number: 01-10-041585

Registered office: 1051 Budapest, Nádor utca 16.

Website: <http://www.otpbank.hu>

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Effective date: 23 August 2022. The amendments shall also apply to agreements concluded before such amendments taking effect.

Reason of the amendment: change of law governing or affecting the activity or conditions of operation of OTP Bank Plc.

Amendments are highlighted with italics and underline in the Business Regulations.

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## I. Scope of the Business Regulations

### I.1. General provisions

1. These business regulations (hereinafter: **Business Regulations**) contain the general terms and conditions of the legal transactions of financial services between OTP Bank Plc. and the clients of its corporate division (hereinafter in these Business Regulations: **Client**)<sup>1</sup>.
2. The Business Regulations are effective in combination with the OTP Bank Plc.
  - a) General Business Regulations,
  - b) Business Regulations for payment services, as well as
  - c) the related public announcement,
  - d) the separate individual conditions specified in the other business regulations and the applicable public announcement to services provided to the corporate division clientele, as well as
  - e) separate individual conditions specified in the agreements concluded with the Client, within the limits of and in compliance with the effective law.
3. The following provisions shall apply to the effective period and interpretation of certain provisions of these Business Regulations as defined below, unless mandatory legal regulations or the agreement of the parties provide otherwise:
  - a) Any reference in these Business Regulations to the Civil Code shall mean, according to the circumstances of the case, Act IV of 1959 effective before 15 March 2014, or Act V of 2013 effective from 15 March 2014, according to the provisions of Act CLXXVII of 2013 on Temporary and Authorizing Provisions Related to Taking Effect of Act V of 2013 on the Civil Code.
  - b) For the purposes of these Business Regulations, “payment account” shall mean a payment account as defined in the Business Regulations for payment services, including bank accounts and current accounts.

Certain points of these Business Regulations contain further, specific provisions in respect of the effect and interpretation of these Business Regulations.

4. The General Business Regulations, its annexes and the Supplementary Privacy Statement of the corporate division contain further provisions regarding the complaint management procedure, the central credit information system, outsourcing, and banking secret and management of personal data of OTP Bank Plc.
5. The “Business Regulations on payment services” contain further provisions regarding requirements for account keeping and opening of payment account, disposal over the payment account, termination of the payment account agreement, accepting and signing payment orders, verifying funds, executing payment orders, notifying clients, and other

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<sup>1</sup> According to the public announcement of OTP Bank Plc. taking effect on 1 November 2016, as from 1 November 2016 these business regulations apply also to public service and municipal clients, and simultaneously the Municipality Business Line Business Regulations and the Municipality Business Line Public Service Organisations Business Regulations are rendered ineffective.

conditions applicable to payment services not regulated by chapter II of these Business Regulations.

6. The individual agreement, as well as the Public Announcement and Business Regulations applicable to the individual agreement constitute an integral part of the contractual relationship between OTP Bank Plc. and the Client.
7. Related to the documents specified above and legal relationship between OTP Bank Plc. and the Client, the provisions of the effective law on credit institutions and financial enterprises, on provision of payment services, of other law associated with the legal relationship subject to the agreement, as well as of the Civil Code applicable to the respective legal relationship shall apply.
8. The Business Regulations shall govern HUF and foreign currency transactions of Clients belonging to the corporate division, except for turnover performed through electronic channels. (These Business Regulations do not contain the special conditions applicable to transactions performed through electronic channels, such as OTPdirekt Electra terminal, OTPdirekt internet, telephone and bank card services, hereinafter: electronic channels, only indicate the option of the services of the respective channel.)
9. For the purposes of the Business Regulations, Clients belonging to the corporate division of OTP Bank Plc. shall include, but are not limited to the following:
  - 9.1. All foreign exchange resident
    - a) economic organisations which perform production or service provider activity in its own name and at its own risk, for achieving profits or wealth, in a business-like manner, for consideration (including also credit institutions, financial enterprises, investment enterprises and insurance companies), irrespective of whether it performs this activity as a company (e.g. company limited by shares, limited liability company, limited partnership, unlimited partnership), or as other legal person (e.g. association, foundation, cooperative), and
    - b) the interest grouping, the European Economic Interest Grouping, the European Company, the forest holder association, as well as the Hungarian branch of a foreign enterprise, sole trader, sole company,
    - c) natural person holding a certificate authorizing to perform service provider veterinary activity, natural person holding a license authorizing to perform private pharmacist activity, village trustee activity, homestead activity or social service provider activity;
    - d) attorney subject to the Act on Attorneys, European community lawyer, individual patent lawyer, public notary, individual bailiff, as well as private person subject to VAT, and all natural persons having or not having a tax ID (except for primary producers) for whom a current account is opened at their request;
    - e) a housing cooperative, a condominium;

- f) related to non-profit and other organisations: political party, law office, patent law office, bailiff office, public notary office, Employee Shareholding Scheme organisation, investment fund, other funds, private pension fund, voluntary pension fund, voluntary mutual health and assistance fund, public warehouse, other organisations qualifying as legal person under specific law, public interest donations, as well as various organisations and groups without legal personality;
- g) labor union, employee advocacy;
- h) public body: chamber and other public body;
- i) churches and institutions thereof;
- j) municipality, municipality budgetary organisation, municipality association, regional development council, water utility association.

9.2. All foreign exchange non-residents, including foreign exchange non-resident enterprises (including free zone companies) and organisations (e.g. commercial representative office of foreign enterprise, consular, diplomatic body).

9.3. Any enterprise which was established before 15 March 2014 shall also be subject to point I.9. of these Business Regulations depending on the decision of OTP Bank Plc., even if it is not listed in point I.9., but in its activities, function and nature it is equivalent with the enterprises listed there (e.g. joint venture).

10. Within its corporate division, OTP Bank Plc. differentiates between corporate clients (and within: micro and small enterprise, as well as medium and large enterprise), public service and municipality clienteles (segments), and accordingly Enterprise Client / Public Service Client / Municipality Client clients. The services which may be provided to each clientele and the conditions thereof may differ; OTP Bank Plc. shall inform its Clients on those in its Public Announcements.

11. Micro and small enterprise (hereinafter: MSE) shall mean all enterprises with tax number, irrespective of their business form, as well as all non-public service nonprofit and other organisations (foundation, association, merger) for which:

- a) the total banking liabilities on client/client group level, the actual commitments (credit facilities and revolving credits, as well as contracted amount of loans) at the time of the review and the credit (loan) amount requested does not exceed HUF 250 million, and
- b) the total OTP group liabilities on client/client group level, the actual commitments (credit facilities and revolving credits, as well as contracted amount of loans) at the time of the review and the credit (loan) amount requested does not exceed HUF 250 million, and
- c) for the client group (the company group which the client is a member of, and for which the parent company prepares consolidated financial statements) the consolidated annual net sales revenue is maximum the HUF equivalent of EUR 50 million, and the balance sheet total is maximum the HUF equivalent of EUR 43 million,
- d) the products used by it are limited to standard enterprise products

e) for enterprises, the employee headcount does not exceed 250 persons; this condition shall only be considered for use of credit products.

Total banking liabilities: the amount of financial commitments by the Client outstanding against OTP Bank Plc.

Total OTP group liabilities: the amount of financial commitments by the Client outstanding against the OTP Bank group.

Standard enterprise product: the scope of services developed for the MSE clientele, which are listed in the Public Announcements for micro and small enterprises.

If the MSE client is a member of a client group, then the client group shall be considered collectively, and the above total banking liability limits shall be applied to the enterprises in a combined manner. Members of a client group exceeding the specified limit may not qualify as MSE Client.

12. Furthermore, condominiums and housing cooperatives specifically belong to the MSE clientele (segment), for which conditions specified in point I.11. a) – e) do not apply.
13. If any of the conditions according to point I.11. a) – e) is not fulfilled for an Enterprise Client, the Enterprise Client shall belong to the medium and large enterprise (hereinafter: MLE) clientele instead of the micro and small enterprise clientele.
14. OTP Bank Plc. may annually review the business segment classification of the Enterprise Client, and reassess it based on the available information, without the prior approval of the Enterprise Client.

If as a result of the review, the business segment classification of the Enterprise Client having a payment account/account package is changed by OTP Bank Plc., modification of the payment account/account package agreement is not required.

15. For the purpose of the Business Regulations, the following qualify as Public Service Clients:

#### **15.1. Labor union, employee advocacy**

- a) Labor union (Act CLXXV of 2011 on the Freedom of Association, on Public-Benefit Status, and the Activities of and Support for Civil Society Organisations; Act I of 2012 on the Labor Code)

The labor union is an organisation founded as a legal person based on the rules applicable to civil organisations, voluntarily for the purpose specified in its charter. It has registered members who may only be private persons. Its primary objective is facilitating and protecting the interests of employees in relation to their employment relationship. The labor union is created by registration in the court registry.

- b) Other employee advocacy (Act CLXXV of 2011 on the Freedom of Association, on Public-Benefit Status, and the Activities of and Support for Civil Society Organisations; Act I of 2012 on the Labor Code)

An association representing employee interests, based on voluntary association of the members, e.g. works council.

#### **15.2. Public body: Chamber, other public body**

- a) Chamber (according to the provisions of Act V of 2013 on the Civil Code)  
Including economic and professional chambers, from public bodies which have their own governance, registered membership, are founded based on an act, and conduct public service relating to their membership and the activities performed by them. The chamber is created by registration in the court registry, it is a legal person.
- b) Other public body (according to the provisions of Act V of 2013 on the Civil Code)  
This includes all public bodies other than chambers above, e.g.: the wine community, as well as all professional advocacy organisations.

### **15.3. Church, church institution**

- a) Recognized church (Act CCVI of 2011 on the Right to Freedom of Conscience and Religion and the Legal Status of Churches, Denominations and Religious Communities; Act CXXIV of 1997 on the Financial Conditions of the Religious and Public Purpose Activity of Churches).  
The recognized church is an autonomous organisation having its own governance, constituted by natural persons representing identical religious principles, for which this public law legal status is granted by the Parliament for the purpose of cooperation for community objectives. The recognized church is a legal person. It is founded primarily for exercising religious activities, it has a credo containing the essence of its doctrines as well as rituals. Any unit, organisation or institution of the recognized church which has legal personality according to the internal regulations of the recognized church is a legal person.
- b) Internal ecclesiastic legal person primarily performing public service (Act CCVI of 2011 on the Right to Freedom of Conscience and Religion and the Legal Status of Churches, Denominations and Religious Communities).  
An institution of a recognized church which qualifies as an internal legal person, and conducts pedagogic, educational, higher educational, medical, charity, social, family, children and youth protective, as well as cultural and sports activities (hereinafter: church institution). The church institution is ideologically engaged, therefore requirements necessary for maintaining the special identity may be specified for admittance and for the establishment, maintenance and termination of employment relationships.  
Institutions established by the recognized church and operating as companies, foundations or associations do not belong in this category.
- c) Internal ecclesiastic legal person primarily performing religious activity (Act CCVI of 2011 on the Right to Freedom of Conscience and Religion and the Legal Status of Churches, Denominations and Religious Communities; Act CXXIV of 1997 on the Financial Conditions of the Religious and Public Purpose Activity of Churches).  
Any unit or organisation of the recognized church which has legal personality according to the internal regulations of the recognized church, and primarily performs religious activity is a legal person. (hereinafter: Internal Ecclesiastic Legal Person) The Internal Ecclesiastic Legal Person operates according to the internal regulations of the recognized church, and acts on behalf of the recognized church in relationships specified in the internal regulations of the recognized church. The regulations applicable to the recognized church shall be applied appropriately to the Internal Ecclesiastic Legal

Person. Companies, foundations or associations established by the religious community do not qualify as Internal Ecclesiastic Legal Person.

16. For the purposes of the Business Regulations, Municipality Clients shall include, but are not limited to the followings:

- a) municipalities of settlements and of the capital
- b) municipality budgetary organisations of settlements and of the capital
- c) the local nationality self-governments and the country-wide nationality self-government
- d) the local nationality self-government budgetary organisations and the country-wide nationality self-government budgetary organisations
- e) municipality associations
- f) the regional development council
- g) the water utility association.

17. Services subject to these Business Regulations may only be claimed by the Client. Any third party who is not specifically authorized in an agreement relating to a service subject to these Business Regulations may not claim the service stipulated with the agreement.

18. If OTP Bank Plc. agrees on the assumption of liabilities arising from the agreement concluded with the Client with a third party (assumption of obligations), or agrees on the transfer all rights and obligations of OTP Bank Plc. based on the agreement to a third party (transfer of agreement), then the Client shall approve the assumption of obligations or the transfer of agreement in advance and irrevocably by concluding the agreement subject to these Business Regulations. In the above case, the obligors of the securities of the agreement between the Client and OTP Bank Plc. affected by the assumption of obligations or the transfer of agreement, if the security agreements are subject to these Business Regulations, shall approve the assumption of debts or the transfer of agreement in advance and irrevocably by signing the security agreement. The Client and the security obligor agree that if this approval of their contribution require confirmation in any form, they shall provide that to OTP Bank Plc. by the deadline specified by OTP Bank Plc. This point I.1.18. shall apply to agreements concluded as from 15 March 2014, however, its provisions are applicable accordingly to agreements concluded before 15 March 2014.

## **I.2. Liability of OTP Bank Plc.**

1. OTP Bank Plc. shall not be held liable for damages arising from force majeure (vis maior), from decisions of domestic or foreign authorities, from other sources of law, or from obstruction of the operation of OTP Bank Plc. OTP Bank Plc. excludes its liability for events not qualifying as vis maior but obstructing client transaction (e.g. power cut, bursting of water pipes, bomb alert, malfunctions of monetary and capital market system, other computer systems, and other events with similar effects). OTP Bank Plc. shall not be held liable for damages arising from malfunctions of data transfer systems or telephone exchanges outside its scope of interest, or from omissions of an external service provider, nor for damages arising from the use of telephone devices, data transmission networks and computers used by the Client, and shall not be liable for damages caused by the use of information acquired

with wire-tapping of telephone devices or data transmission lines by unauthorised persons, interference thereof, incorrect or erroneous data transmission.

2. The liability of OTP Bank Plc. for damages caused by its breach of agreement to the Client or any third party subject to these Business Regulations (for the purposes of this chapter I.2. of the Business Regulations: eligible party) shall be limited to one year's worth of consideration actually paid by the eligible party to OTP Bank Plc. under the respective agreement (including interest, fees, commissions, but excluding amounts paid as repayment of principal for a loan disbursed, and any amounts with identical purpose). This limitation applies to (i) damages arising in the object of the service, (ii) other damages arising in the wealth of the eligible party, and (iii) also to unrealized profits, provided that within this limit, OTP Bank Plc. shall only be required to compensate for damages defined in subpoint I.2.2.(ii) and (iii) to the extent that the eligible party proves that the damage as a consequence of the breach of agreement could be anticipated by OTP Bank Plc. at the time of concluding the agreement.
3. If OTP Bank Plc. fails to perform any action or issue any necessary statement for the eligible party for performing appropriately under the agreement concluded by it with OTP Bank Plc., the eligible party shall immediately call upon OTP Bank Plc. in writing to perform these actions or make these statements, setting appropriate deadline (of at least 5 working days). If it fails to perform this obligation, then it may not make claims based on default or interim breach of contract by OTP Bank Plc.
4. If the liability of any contributor is limited or excluded by the law, authority resolution or agreement, the liability of OTP Bank Plc. shall adhere to the limited or excluded liability of the contributor.
5. If any of the provisions of these Business Regulations qualifies as limitation or exclusion of the liability of OTP Bank Plc., then this provision shall not apply to the extent that mandatory legal provisions order the limitation or exclusion of liability to be null and void.
6. The eligible party states that where these Business Regulations limits or excludes the liability of OTP Bank Plc. for breach of agreement, detriments caused by it are compensated by appropriate discount of the consideration or other benefits. This point I.2.6 shall apply to agreements concluded before 15 March 2014.

### **I.3. Data processing by OTP Bank Plc.**

1. OTP Bank Plc. undertakes to treat as bank secret all data which became known to it about the personal circumstances, economic situation, business relationships and plans of the Client, as well as all information available any time to OTP Bank Plc. about the Client (including data provided to OTP Bank Plc. in any ways before concluding the agreement relating to the service requested from OTP Bank Plc., even if later the agreement is not concluded) and all documents (irrespective of whether those are data, information or documents accessible by anyone, or qualifying as secret based on any applicable law; hereinafter for the purpose of this chapter collectively: **Data**), it shall only disclose them to third parties, unless the law explicitly provides otherwise, upon written request by the Client, authorization by the Client included in an authentic instrument or a fully attestative private document, or with approval of the Client and only under the authorization thereof, in respect

of the bank secret specified in the authorization, the approval or the legal provision, and/or within the limits specified therein.

2. By accepting these Business Regulations, the Client acknowledges data processing defined herein. The Client states to have reviewed the OTP Bank Plc. General Business Regulations) including the annexes thereof), these Business Regulations, the Supplementary Privacy Statement of the OTP Bank Corporate Division and the provisions of the applicable law, as well as the list of OTP Group members on the OTP Bank website.
3. The Client consents to OTP Bank Plc. transferring to the OTP Group members the Data necessary for realizing the purpose of data processing, and to the OTP Group members processing those in accordance with the purpose of data processing. The consent by the Client shall cover OTP Group members having their registered office abroad, including OTP Group members having their registered office in countries located outside the European Economic Area. Furthermore, the Client consents to OTP Bank Plc. transferring the Data necessary for realizing the purpose of data processing referred to in point I.3.4. h) and i) to the persons specified there, and to the persons specified there processing those in accordance with the purpose of data processing.
4. The purpose of data processing may be as follows:
  - a. risk management, analysis, assessment and mitigation,
  - b. compliance with the requirements of prudent operation, risk taking and capital adequacy applicable to OTP Bank Plc. as a financial institution subject to supervision on a consolidated basis according to Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter: **Hpt.**) and thus to OTP Group members subject to supervision on a consolidated basis, which are to be complied with by the OTP Group as a whole,
  - c. market research, direct marketing and other marketing purposes,
  - d. clearing and certification of contractual or non-contractual obligations and rights, and
  - e. preventing, investigating and detecting payment related fraud, as well as fraud with cash substituting means of payment,
  - f. management of documents generated in connection with enforcement of any receivables, bankruptcy, liquidation or voluntary liquidation procedure, debt settlement procedure, reorganization procedure, as well as court procedures or other authority procedures,
  - g. other data processing purpose as specified in the General Business Regulations,
  - h. In case of suretyship agreements concluded as from 15 March 2014, data transfer to the surety by OTP Bank Plc. as eligible party about the Client as the obligor of an obligation collateralised with the suretyship agreement in order to comply with the information obligation according to the rules of the Civil Code effective as from 15 March 2014, in the scope specified therein;
  - i. transfer of data to the insurance company for the respective insurance agreement, in connection with an insurance purchased by the Client (or other obligor) under these Business Regulations and the related agreements and other documents, in order to exercise the rights of OTP Bank Plc., to the extent necessary for exercising these rights.

5. OTP Bank Plc. and the OTP Group members shall proceed in accordance with the provisions of the applicable law when processing and transferring Data. The rights and remedies of the Client in relation to data processing and data transfer (including prohibiting those) shall be as defined in the applicable law. Further information on processing and forwarding of data is included in the General Business Regulations and the Supplementary Privacy Statements of the OTP Bank Corporate Division. The Privacy Statement is available in the branches and on the [www.otpbank.hu/adatvedelem](http://www.otpbank.hu/adatvedelem) website.
6. The Client (or other obligor) agrees that it shall consent to the insurance company transferring insurance secret to OTP Bank Plc. in order to realize the objective in point I.3.4. i. above, to the extent necessary for realizing the objective.

#### **I.4 International sanctions**

1. For the purposes of these Business Regulations International Sanctions mean financial and material restrictive measures, economic, trade restrictions and embargoes imposed or enforced by the United Nations Security Council, the European Union, the United States Treasury Department's Office of Foreign Assets Control (OFAC), the United States Department of State, the United States Department of Commerce (Bureau of Industry and Security), the competent office of the United Kingdom or any other sanctioning authority concerned.
2. For the purposes of this Section I.4, "Person" means any public or private entity, including, without limitation, any government, individual or legal person or entity without legal personality.
3. For the purposes of these Business Regulations "Person Subject to Restrictive Measures" is an entity/person subject to an International Sanction, including, without limitation:
  - a) Persons subject to a Sanction imposed by a relevant U.S. department or agency (including those on OFAC's "Specially Designated Nationals And Blocked Persons" or "Foreign Sanctions Evaders" lists), or persons owned fifty percent (50%) or more by one or more such Persons; or
  - b) Persons subject to financial and property restrictive measures imposed by the European Union (on the EU Consolidated Sanctions List); or
    - (i) Person(s) owned or controlled<sup>1</sup> by one or more of such Person(s) to the extent of fifty percent (50%) or more, or
    - (ii) any Person acting on behalf of or under the direction of such Person
  - c) Persons under financial and asset restraint measures imposed by the UN Security Council;
  - c) Persons under financial and asset restraint measures imposed by the UK HM Treasury;
  - e) a Person established, licensed or who is a national (resident) of a country or territory subject to comprehensive sanctions (including without limitation Burma / Myanmar, Crimea, Cuba, Iran, North Korea, Sudan, Syria, and Venezuela, but taking into account any changes that may occur over time).

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<sup>1</sup> For the purposes of Section 1.4, the term "control" is as defined in the Council of the European Union Recommendation 5664/18 "Sanctions Guidelines - update", issued on 4 May 2018. <https://data.consilium.europa.eu/doc/document/ST-5664-2018-INIT/en/pdf>

4. The Client represents that neither the Client, nor its owners (including in particular its beneficial owners), its 50% owned or controlled subsidiaries (collectively for the purpose of this Section, the "Entity"), nor any director, officer, employee, agent, subsidiary of any Entity or the Client's representative
  - i) is a Person which Person or Person's owner or controlling beneficiary, is a Person Subject to Restrictive Measures,
  - ii) will deposit in its payment accounts with the Bank or as a fixed-term deposit any amount that is owned or controlled by a Person Subject to Restrictive Measures, or directly or indirectly from a Person Subject to Restrictive Measures, or from a country or territory as defined in Section I.4.3 (e) above that was under a comprehensive International Sanction at the time of the acquisition of the funds.
5. The Client undertakes not to use, lend, pay, contribute or otherwise make available or make accessible, directly or indirectly (in whole or in part), any financing received from the Bank, furthermore it will not give payment orders in respect of its payment accounts held at the Bank
  - a. for the purpose of financing trade or business or other activity involving or for the benefit of any Person who is subject to an International Sanction at the time of such financing or activity and during the period of their contractual relationship with the Bank, or is in or directed toward any country or territory, as defined in Section I.4.3 sub-clause e) which was subject to an International Sanction applicable to such country or territory at the time of such financing or activity and during the period of its contractual relationship with the Bank; or
  - b. in any other manner that results or would result in a violation of an International Sanction, or
  - c. to conduct any transaction that directly or indirectly evades or circumvents any International Sanctions or would directly or indirectly aim to evade or circumvent any International Sanctions (including, without limitation, where the Client (or any related Entity) is acting on behalf of or for any Person Subject to Restrictive Measures).
6. The Client undertakes that if the Bank suffers any damage as a result of any criminal or other official proceedings pending or to be instituted in the future against the Client or a related Entity, the Client shall indemnify the Bank for any damage resulting from such proceedings.
7. The Bank has the right to verify, both before and after the conclusion of the contract, that the Customer complies with the provisions of this Chapter I.4. To facilitate the Bank's right to audit, the Client undertakes to submit all requested instruments and information requested by the Bank (including data and information necessary to assess being subject to International Sanctions, in particular any transactions that may be affected and the participants thereof) within the time limit specified by the Bank.
8. The Bank has the right to terminate with immediate effect the contracts covered by Chapters II, III, IV, V, VI and VIII of these Business Regulations, as well as the loan agreements for the issue of guarantees if any of the Client's representations in relation to International Sanctions, when made or during the term of the agreements concluded between the Client and the Bank is (i) incorrect, (ii) false or (iii) misleading, or if the Client fails to comply with its obligations in relation to an International Sanction (including in

particular but not limited to a breach of its obligation vis-a-vis the Bank to provide information or a failure to exercise the Bank's right to audit).

## **I.5 Provisions on ESG Risk Management** (Applies to agreements concluded from 21 December 2021.)

1. The “Exclusion List” is the following list defined to address sustainable (green) finance, the so-called ESG risks that impact the financial system:
  - a) Transactions and Clients that violate the laws of the country of financing or international law, such as
    - Illegal weapons trade
    - Prohibited gambling
    - Illegal drugs and pharmaceuticals trade
  - b) Transactions and Clients that violate the laws of the country of financing or international law in connection with the following activities
    - Production and trade of products containing PCBs (PCBs – polychlorinated biphenyls are highly toxic compounds whose production is prohibited by the Stockholm Convention on Persistent Organic Pollutants (promulgated by Act V of 2008)
    - Production and trade of medicinal products, insecticides, herbicides and hazardous ingredients subject to international prohibition or phasing-out as defined in Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009
    - Production and trade of chemical ingredients that deplete the ozone layer and are subject to international phase-out under Regulation (EC) No 1005/2009 of the European Parliament and of the Council of 16 September 2009 on substances that deplete the ozone layer
    - Trade in wild animals and their products covered by the CITES Convention (Convention on International Trade in Endangered Species of Wild Fauna and Flora, adopted in Washington on 3 March 1973 and promulgated by Act XXXII of 2003)
    - Transboundary movement and trade of waste prohibited by international legislation, including Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste
  - c) International trade in the absence of valid export/import/transit licences or other official approvals issued by the countries concerned (export, import and transit)
  - d) Activities prohibited by international conventions and local legislation on the conservation of biodiversity and cultural heritage, including, but not limited to, those provided for in Act LXXXI of 1995 on the Proclamation of the Convention on Biological Diversity
  - e) Trawling at sea with nets over 2.5 km in length, including but not limited to those covered by Regulation (EU) 2019/1241 of the European Parliament and of the Council
  - f) The carriage of oil and other hazardous chemicals by (tanker) ships which do not comply with the requirements of the International Maritime Organization (IMO), including but not

- limited to the International Convention for the Safety of Life at Sea, promulgated by Act XI of 2001, and the Protocol of 1978 thereto, done at London on 1 November 1974 ("SOLAS 1974/1978"), the Convention on the International Regulations for Preventing Collisions at Sea, 1972 ("COLREG 1972"), promulgated by Act XXXIV of 2002, and the International Convention for the Prevention of Pollution from Ships, 1973, and the Protocol of 1978 relating thereto ("MARPOL 1973/1978"), promulgated by Act X of 2001
- g) Exploration, extraction, production and processing of shale gas in Europe, as covered by Directive 2011/92/EU of the European Parliament and of the Council
  - h) Open pit coal mining using "Mountain top removal" technology
  - i) Activities related to fur production and animal husbandry primarily for this purpose,
  - j) Production, use and trade of asbestos fibres and products and mixtures containing asbestos fibres as added ingredients under Regulation (EC) No 1907/2006 of the European Parliament and of the Council (REACH) as amended by Regulation (EU) 2016/1005 (concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH))
  - k) Export of mercury and mercury compounds, as well as the production, export and import of products containing added mercury, including but not limited to the provisions of Act CLII of 2016 on the promulgation of the Minamata Convention on Mercury and Regulation (EU) 2017/852 of the European Parliament and of the Council
  - l) of the activities contrary to the provisions of Chapter XXIII of Act C of 2012 on the Criminal Code, environmental damage, damage to nature, violation of the waste management order, or the abuse of ozone-depleting substances, which have been convicted by a court or supervisory authority for such activities or conduct.

2. The Client represents that it and its activities do not fall within the scope of clients and activities prohibited by the Exclusion List. This declaration by the Client is deemed as repeated upon signature of the agreements between the Client and the Bank, on the date of issuance of any guarantee statement under the agreements, on each interest payment day and throughout the term of the agreements between the Client and the Bank and after termination thereof until repayment of the debts arising from such agreements to the Bank.

3. To facilitate the Bank's right to audit, the Client undertakes to submit all requested instruments and information requested by the Bank (including data and information necessary to assess being subject to the Exclusion List, in particular any transactions that may be affected and the participants thereof) within the time limit specified by the Bank. The Client is aware and accepts that the Bank has the right, but not the obligation, to exercise this right to audit directly or through an agent.

#### 4. UNDERTAKINGS RELATED TO THE EXCLUSION LIST

4.1. The Client represents and warrants that neither their person nor their activities are covered by the Exclusion List.

4.2. The Client undertakes to notify the Bank in writing without undue delay, but no later than 5 working days after the occurrence of the event, and to provide all information requested by

the Bank in this regard, should the Client, despite its undertaking still be subject to the Exclusion List.

## 5. VIOLATION OF REPRESENTATIONS AND UNDERTAKINGS RELATED TO THE EXCLUSION LIST

The Bank has the right to terminate with immediate effect the contracts covered by Chapters II, III, IV, V, VI and VIII of these Business Regulations, as well as the loan agreements for the issue of guarantees if any of the Client's representations made in these Business Regulations in relation to the Exclusion List, when made or when deemed repeated is (i) incorrect, (ii) false or (iii) misleading, or if the Client fails to comply with its obligations undertaken in these Business Regulations in relation to the Exclusion List (including but not limited to the Client or its activities being subject to the Exclusion List, a breach of its obligation vis-a-vis the Bank to provide information or a failure to exercise the Bank's right to audit).

## II. Special provisions relating to account keeping

### II.1. General definitions

1. "Bank prime interest rate": Interest rate expressed in percentage per annum, determined by and modifiable by OTP Bank Plc. based on the prevailing market circumstances characteristic for each clientele, at its own discretion. OTP Bank Plc. shall determine the bank prime interest rate (for MSE Clients: Prime Rate, for MLE, Public Service and Municipality Clients: OTP applicable interest rate) per clientele, and shall publish the specific rates in its Public Announcements.
2. "Reference Interest Rate": Interest rate expressed in percentage per annum, determined in the agreement concluded with the Client, serving as a basis for determining the contractual interest rate payable on the respective service. Such as: Central bank prime rate, BUBOR, EURIBOR, LIBOR.
3. "BUBOR": Budapest Interbank Offered Rate, determined according to the effective provisions of the relevant regulations of MNB (Central Bank of Hungary) and displayed as an annual percentage rate under the name BUBOR by the Refinitiv/Bloomberg Monitor (or by other official electronic media in the absence thereof). BUBOR rates are publicly available on the MNB website (<https://www.mnb.hu/monetaris-politika/penzpiaci-informaciok>).
4. "EURIBOR": Euro Interbank Offered Rate, determined according to the effective provisions of the relevant regulations of ECB (European Central Bank) and displayed as an annual percentage rate under the name EURIBOR by the Refinitiv/Bloomberg Monitor (or by other official electronic media in the absence thereof). EURIBOR rates are publicly available on the EMMI website (<https://www.emmi-benchmarks.eu/euribor-org/euribor-rates.html>).
5. "LIBOR": London Interbank Offered Rate, determined according to the effective provisions of the relevant regulations of ICE Benchmark Administration Limited and displayed as an annual percentage rate under the name LIBOR by the Refinitiv/Bloomberg Monitor (or by

other official electronic media in the absence thereof). LIBOR rates are publicly available on the ICE website (<https://www.theice.com/marketdata/reports/170>).

6. Central bank prime rate: the interest rate determine as an annual percentage by MNB (National Bank of Hungary). The central bank prime rate is publicly available on the MNB website (<https://www.mnb.hu/monetaris-politika/penzpiaci-informaciok>).
7. “SARON”: Swiss Average Rate Overnight, which is the interbank reference interest rate in Swiss francs (CHF) determined according to the effective provisions of the relevant regulations of SIX (Swiss Exchange Financial Information AG) and displayed as an annual percentage rate under the name SARON by the Refinitiv/Bloomberg Monitors (or by other official electronic media in the absence thereof). The SARON values are available publicly on the SIX website ([https://www.six-group.com/exchanges/indices/data\\_centre/swiss\\_reference\\_rates/reference\\_rates\\_en.html](https://www.six-group.com/exchanges/indices/data_centre/swiss_reference_rates/reference_rates_en.html))
8. “SARON Compound Rates”: SARON Compound Rates, which are the interbank reference interest rate in Swiss francs (CHF) determined according to the effective provisions of the relevant regulations of SIX (Swiss Exchange Financial Information AG) and displayed as an annual percentage rate under the name SARON Compound Rates by the Refinitiv/Bloomberg Monitors – .SAR1MC; .SAR3MC / SARO1MC Index; SARO3MC Index – (or by other official electronic media in the absence thereof). The SARON Compound Rate values are available publicly on the SIX website ([https://www.six-group.com/exchanges/indices/data\\_centre/swiss\\_reference\\_rates/compound\\_rates\\_en.html](https://www.six-group.com/exchanges/indices/data_centre/swiss_reference_rates/compound_rates_en.html))
9. “SOFR”: Secured Overnight Financing Rate, which is the interbank reference interest rate in US dollars (USD) determined according to the effective provisions of the relevant regulations of New York Federal Reserve Bank and displayed as an annual percentage rate under the name SOFR by the Refinitiv/Bloomberg Monitors (or by other official electronic media in the absence thereof). The SOFR values are available publicly on the FED website (<https://www.newyorkfed.org/markets/reference-rates/sofr>)
10. “Term SOFR”: forward SOFR rate, which is the interbank reference interest rate in US dollars (USD) determined according to the effective provisions of the relevant regulations of CME Group Benchmark Administration Limited (CBA) and displayed as an annual percentage rate under the name Term SOFR by the Bloomberg Monitors – SR1M Index; SR3M Index – (or by other official electronic media in the absence thereof). The Term SOFR values are available publicly on the CME Group website (<https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr.html>)
11. “SONIA”: Sterling Overnight Index Average, which is the interbank reference interest rate in British pounds (GBP) determined according to the effective provisions of the relevant regulations of the Bank of England and displayed as an annual percentage rate under the name SONIA by the Refinitiv/Bloomberg Monitors (or by other official electronic media in the absence thereof). The SONIA values are available publicly on the Bank of England website (<https://www.bankofengland.co.uk/markets/sonia-benchmark>)
12. “Term SONIA”: forward SONIA rate, which is the interbank reference interest rate in British pounds (GBP) determined according to the effective provisions of the relevant regulations of Refinitiv and displayed as an annual percentage rate under the name Refinitiv Term SONIA by the Refinitiv Monitors – GBPTRR1M=RFTB; GBPTRR3M=RFTB – (or by other official electronic media in the absence thereof). The Term SONIA values are available publicly on the CME Group website (<https://www.refinitiv.com/en/financial-data/financial-benchmarks/term-sonia-reference-rates>)

13. **“TONA”**: Tokyo Overnight Average Rate, which is the interbank reference interest rate in Japanese yen (JPY) determined according to the effective provisions of the relevant regulations of the Bank of Japan and displayed as an annual percentage rate under the name TONA by the Refinitiv/Bloomberg Monitors (or by other official electronic media in the absence thereof). The TONA values are available publicly on the Bank of Japan website (<https://www.boj.or.jp/en/statistics/market/short/mutan/index.htm/>)

## **II.2. Customs teller desk services**

1. OTP Bank Plc. allows paying customs and non-community taxes, fees (import VAT, registration tax etc.) and other payments to national budget accounts under the competency of the customs authority in cash, to the debit of HUF payment accounts, as well as using bank cards, customs cards and Virtual customs cards in case of internet payment.
2. If at the respective service point the OTP Branch’s Customs System is not available, then certification of disposal to the debit of the payment account is done with an account statement, or at the request of the Client with a bank certificate pertaining to the execution of the transfer, which is provided by OTP Bank Plc. to the Client immediately after the transaction, for extra charge. Since in this case the payment is not effected through the OTP Branch’s Customs Teller Desk system, the customs authority shall only consider it paid when the deposited amount is credited to the national budget account, and it can confirm this in its own systems.
3. With respect to the electronic customs procedure, OTP Bank Plc. also provides customs payment through the internet, which can be used with a Virtual Customs Card and allows Clients to effect payments to the specified national budget accounts without being present in person.
4. In case of using the customs teller desk services, OTP Bank Plc. undertakes to immediately send an electronic notification to the National Tax and Customs Authority (Hungarian abbreviation: “NAV”) on the transfer to the national budget accounts specified by the customs authority (Section 151(3) of Act CLII of 2017 on the implementation of the Union customs legislation).

## **II.3. Lack of funds**

1. For payment of salaries by the municipality or budgetary organs financed by it, OTP Bank Plc. shall transfer funds from the payment/payment account based on authorization by the Client as account holder. Also based on authorisation by the account holder, for performing its salary related payment obligations, it shall transfer the necessary funds from the Budgetary subsidies account in case of lack of funds on the payment account, and in case of lack of funds it may grant salary credit to creditworthy municipalities for a maximum of 30 days subject to the conditions of the relevant separate credit agreement, for which the interest rate shall be specified in the relevant agreement, and its repayment is due also according to the provisions of the agreement.

## II.4. Certificate of security

1. At the request of the municipality account holder, OTP Bank Plc. shall issue a certificate of coverage for one or multiple years, if sufficient funds are available on the payment account and/or the Budgetary subsidies account.
2. In case of a request for certificate of coverage for multiple years, if the funds may not be segregated immediately, OTP Bank Plc. shall not issue a certificate of coverage, but may assume guarantee instead for municipality account holders assessed to be creditworthy, in the framework of a credit approval procedure.

## II.5. Interests, fees, commissions, costs

1.A. For agreements concluded before 1 November 2016, in case of payment accounts specified in the Public Announcement, as from the first day of crediting to the payment account, OTP Bank Plc. shall pay interest to the Client on the deposit existing on the account as receivables. The interest rate payable is contained in the payment account agreement, as well as the effective Public Announcements of OTP Bank Plc. Unless otherwise agreed and without further instructions by the Client, the deposit interest shall be settled and debited in the account keeping currency, at the frequency (due date) according to the effective Public Announcement(s), or on the termination date if the payment account is terminated.

1.B. For agreements concluded as from 1 November 2016, in case of payment accounts specified in the Public Announcement, as from the first day of crediting to the payment account, OTP Bank Plc. shall pay interest to the Client on the deposit existing on the account as receivables, if the interest rate is positive, and shall pay the amount of the deposit as receivables less the amount of the interest, if the interest rate is negative. The interest rate is contained in the payment account agreement, as well as the effective Public Announcements of OTP Bank Plc. Unless otherwise agreed and without further instructions by the Client, the deposit interest shall be settled and debited or debited on the payment account in the account keeping currency, at the frequency (due date) according to the effective Public Announcement(s), or on the termination date if the payment account is terminated.

2. Calculation method of interest on demand deposits

$$\text{Interest amount} = \frac{\text{principal} \times \text{number of calendar days} \times \text{interest rate}}{365 \text{ days} \times 100}$$

3. The interest on condominium HUF and foreign currency demand deposits is subject to personal income tax according to the applicable law. In case of sole traders and other self-employed entrepreneurs (lawyer, notary public, bailiff, private veterinarian, patent agent), the interest income credited to HUF and foreign exchange payment or deposit accounts that do not qualify as cash accounts (e.g. saving accounts) is also subject to tax, however, the interest credited to cash accounts, limited-purpose payment accounts (e.g. security/surety deposit accounts), and technical accounts is not subject to tax. In case of individuals having a tax number (e.g. small-scale agricultural producers), tax on the interest credited to any (non-technical) HUF and foreign exchange account kept on their behalf shall be calculated and deducted. In case the sole trader or other self-employed entrepreneur is temporarily not

active, the interest income generated on the payment account shall become subject to tax from the moment OTP Bank Plc. is notified about the fact until OTP Bank Plc. is notified about said stay being terminated. Interest tax is calculated and withheld by the Bank when the interest is credited/paid. Interest tax is also withheld on the full amount of the interest, if the Client terminates the deposit/payment account.

4. OTP Bank Plc. shall charge fees, commissions and costs on the amounts booked on the payment accounts of the Client, as well as for various services related to account keeping in accordance with the effective Public Announcements and the payment account agreement, and shall recharge to the Client costs charged by other organisations contributing to the service (e.g. post office) to OTP Bank Plc.
5. Unless otherwise agreed and without further instructions by the Client, the fees, commissions and costs shall be settled and debited in the account keeping currency, at the frequency (due date) according to the effective Public Announcement(s), or on the termination date if the payment account is terminated.
6. OTP Bank Plc. may debit the payment account of the Client with the amount of fees, commissions and costs as well as extra charges even if the balance of the payment account will be negative as a result. For payment accounts kept in HUF, if payment orders are/were queued on the account which are required by the law to be kept on hold, then the amount of the above mentioned fees, commissions and costs shall also be queued. Default interest according to the effective Public Announcement shall be charged on the negative balance (for the period of its existence), as well as on the amount of fee, commission and cost items being on hold, as from the time when these are put on hold.  
If, notwithstanding a written notice, the Client does not settle its debt within 30 days of the date of the account statement, then OTP Bank Plc. may terminate the payment account agreement.
7. In case of lack of funds, OTP Bank Plc. may debit with the amount of fees, commissions and costs any payment account of the Client kept with OTP Bank Plc. other than payment accounts segregated for a specific purpose.
8. If the contractual debts of the Client are not settled when due, OTP Bank Plc. may recharge its collection related costs to the Client. The collection related fee items apply to all payment accounts and credits (loans) showing overdue amounts.  
The collection related fee items are published by OTP Bank Plc. in its effective Publications.
9. Subject to the provisions of the "Public Announcement on certain individual conditions concerning certain agreements", OTP Bank Plc. is entitled to modify the interests, fees, commissions, costs charged in relation to payment services, as well as other contractual conditions unilaterally, provided that it is justified by any
  - a) change, introduction, entry into force, entry into effect or repeal of any legislation, other legal measures of state control, legal instrument of the European Union, court or official decision or order, recommendation or guidance containing provisions applicable to the legal relationship of OTP Bank Plc. and the Client (hereinafter: Parties) subject to the Business Regulations (including but not limited to all domestic or foreign legal act listed above which imposes any government tax on the services subject to this Business Regulations), or the official or court interpretation thereof, or

- b) change of law governing or affecting the activity or conditions of operation of OTP Bank Plc., change of central bank regulation or other regulations mandatory for the bank, increasing of public dues (e.g. tax, duty) of the creditor, change of rules on required reserves, or
- c) change of interbank credit interest rates, central bank prime rate, central bank repo and deposit interest rates, consolidated or service-related consumer price index, change of money market fundraising options, change of capital market and money market interest rates, the international and domestic money market foreign currency interest rates, change of yield of securities publicly issued by the creditor bank, unfavorable relative movements of FX SWAP and other yield curves, raise of interest rates of OTP Bank Plc. client term deposits<sup>2</sup>, change of the yield of government securities, of risk factors of investment credit, deferred financial performance and securities lending, of exchange rates applied for settlement of the transaction, of cost of funds for OTP Bank Plc., of costs of account keeping, proven change of costs incurred by OTP Bank Plc. determined by third parties in relation to services provided to the Client.

Interest rates, fees, costs (including specific amounts, lower and upper limits of the respective fees, costs as defined in the agreement), and other contractual conditions related to payment services may only be modified by OTP Bank Plc. unilaterally, to the detriment of the Client, if it is justified by the change of requirements or conditions specified for OTP Bank Plc. in chapter II.5. point 9. of these Business Regulations.

OTP Bank Plc. may also modify unilaterally the conditions of the agreement concluded with the Client, provided that it is not detrimental for the Client.

An agreement may not be modified unilaterally so that any new fee or cost is introduced. The calculation method of the respective interest, fee or cost elements as defined in the agreement may not be modified unilaterally, to the detriment of the Client.

10. Cases of automatic modification of fees or costs related to payment transaction services:
- a) the fees, costs charged under the agreement (including the minimum and maximum limit of the fees and costs determined as a percentage rate) shall automatically be modified each year by the previous year annual consumer price index (inflation rate) published on the website of KSH (which name is "Központi Statisztikai Hivatal" in Hungarian) as from the 15th day of the month following the publication on the website (considering the mathematical rounding rules).
 

Rounding rules applied by OTP Bank:

    - i. If fees, costs specified in HUF are
      - 1. fixed amounts, including minimum and maximum limits, they shall be rounded to integer,
      - 2. percentage rates, they shall be rounded to three decimal places.
    - ii. If fees, costs specified in foreign currency are
      - 1. fixed amounts, including minimum and maximum limits, they shall be rounded to two decimal places,
      - 2. percentage rates, they shall be rounded to three decimal places.
  - b) If fees or costs of the service, transaction, financial instrument provided to the Client are modified by the third party contributing to performance, the fees and costs (e.g. postal costs) charged by OTP Bank Plc. shall be modified as from the date of the modification.

The rule on the two months and 15 days prior notification of the Client does not apply to automatic modification of the fees or costs relating to payment services. OTP Bank Plc. shall notify Clients of the automatic modification on the date it occurs at the latest, by publishing a publication or a modification of its relevant public announcement, except for changes resulting from the modification of postal charges and of public tariffs of other service providers, about which the Client may obtain information from the prevailing tariffs of the service provider (e.g. postal service) or from subsequent information by OTP Bank Plc.

For business policy reasons, OTP Bank Plc. may deviate from the automatic fee and cost modification, and may apply fees and costs which are more favourable for the Client.

Furthermore, if in any year OTP Bank Plc. did not apply the automatic modification of costs and fees in respect of the Client, it is entitled to apply automatically the unapplied automatic modification of costs and fees in any one subsequent year or several subsequent years (in a cumulative manner) in the existing legal relationships with the Client.

11. OTP Bank Plc. shall notify Clients of any modifications related to the payment services and detrimental for the Client before those take effect,
  - a) at least 2 months in advance for Clients qualifying as micro enterprise according to Act LXXXV of 2009 on the Pursuit of the Business of Payment Services, and for MSE Clients, and
  - b) at least 15 days in advance for other Clients

via Public Announcements posted on premises open for clients (or by other direct means as defined in the agreement).

OTP Bank Plc. shall notify Clients of any modifications beneficial for the Client on the effective date at the latest, via Public Announcements posted on premises open for clients (or by other direct means as defined in the agreement).

This notification obligation does not apply in case of modifying the interest rate or exchange rate if the changes are based on a reference interest rate or reference exchange rate. In this case the provisions of the OTP Bank Plc. Business Regulations on payment services apply to the notification obligation.

12. If OTP Bank Plc. introduces new services, financial instruments, transactions subject to the Business Regulations, which are made available by it to the Client and are explicitly accepted by the Client, this does not qualify as unilateral agreement modification relating to payment services.
13. If the Client does not accept the modification disclosed in the above mentioned Public Announcement(s), it may terminate the agreement with immediate effect (or giving 30 days' notice in case of municipalities) in writing without extra charge, by the day preceding the effective date of the change at the latest.
14. OTP Bank Plc. is entitled to initiate the amendment of the reference interest rate applied in respect of the contract if the reference interest rate is unavailable for any reason, its quotation is terminated or its applicability becomes impossible. OTP Bank Plc. recommends the alternative reference interest rate to be applied as well as the correction interest rate – if it is justified to maintain the economic balance of the contract – to the Client in writing. In case

the Client does not accept the recommendation of OTP Bank Plc, or consultations regarding the alternative reference interest rate are unsuccessful, OTP Bank Plc. is entitled to terminate the contract.

## **II.6. Deposit insurance**

Funds deposited by the Client on the payment account are covered by the insurance of the Hungarian Deposit Insurance Fund as provided for in the Hpt. Detailed provisions regarding deposit insurance are contained in the effective General Business Regulations of OTP Bank Plc.

## **II.7. Miscellaneous provisions**

Regarding payment service related issues not governed herein, the following regulations shall apply: for agreements concluded before 15 March 2014, the Civil Code effective before 15 March 2014, especially the provisions applicable to bank account agreements and mandates; for agreements concluded as from 15 March 2014, the Civil Code effective as from 15 March 2014, especially the provisions applicable to payment account agreements; the effective paying transaction rules, the provisions of the effective OTP Bank Plc. General Business Regulations, Business Regulations on payment services, Business Regulations on OTPdirekt electronic channels, Maintenance Manual, User Manual, the effective Public Announcements, and the effective payment account agreement.

## **III. Term deposit management**

1. Clients may place their free funds up to the amount of the receivables on their payment accounts as term deposits in the account currency based on a specific order, provided that this is allowed by the payment account agreement and/or the Public Announcement on deposit interest rates. For placing HUF or foreign currency term deposits, it is not required to have a HUF or foreign currency payment account kept with OTP Bank Plc., in this case the term deposit may be placed based on a separate agreement.

Clients of OTP Bank Plc. having payment accounts may place their free funds as term deposits with orders submitted via electronic channels, subject to the provisions of the User Manual, Maintenance Manual, as well as the business regulations on electronic channels.

The tie-up of the deposit may be completed when on the date specified in the order for starting the tie-up, sufficient funds are available.

2. The minimum term deposit amounts, the various tie-up terms, the interest rates and method of interest calculation, as well as the conditions of term deposits are published in the effective Public Announcements of OTP Bank Plc.
3. Interest shall be calculated by OTP Bank Plc. as from the date when the deposit amount was placed. The last interest day is the day preceding the maturity/withdrawal of the deposit. Interest on term deposits is settled on the maturity date or the anniversary date, and after 12 months from tie-up for deposits with maturity over a year.

4. The Client may terminate the term deposit before maturity with immediate effect in the branch managing the deposit, or terminate the term deposit with immediate effect via electronic channel with an order aimed at breaking the deposit according to the provisions of the User Manual, the Maintenance Manual or the Business Regulations.
5. For foreign currency term deposits, conversion within the tie-up term also qualifies as termination of the tie-up.
6. In case of terminating or ending a deposit, the total amount of the deposit is terminated or ended.  
In case of ending or terminating a deposit during its term, no interest is paid.
7. Deposit interest is calculated according to the following formula:

$$\text{Interest amount} = \frac{\text{principal} \times \text{term (in calendar days)} \times \text{interest rate}}{365 \text{ days} \times 100}$$

8. According to Government Decree no. 82/2010. (III.25.), the uniform deposit interest rate index (EBKM) applied to deposit agreements is calculated according to the following formulas.

Formula for calculating the EBKM, if term remaining to maturity is less than 365 days:

$$\text{Elhelyezett betét} = \sum_{i=1}^n \frac{(k + bv)i}{1 + r \times (t_i / 365)}$$

where

n: number of interest payments,

r: the EBKM value,

t<sub>i</sub>: days remaining from day of placing the deposit to disbursement no. "i",

(k+bv)<sub>i</sub>: amount of interest disbursed and deposit repaid at disbursement no. "i".

Formula for calculating the EBKM, if term remaining to maturity is at least 365 days:

$$\text{Deposit placed} = \sum_{i=1}^n \frac{(k + bv) i}{(1 + r)^{(t_i / 365)}}$$

where

n: number of interest payments,

r: the EBKM value,

t<sub>i</sub>: days remaining from day of placing the deposit to disbursement no. "i",

(k+bv)<sub>i</sub>: amount of interest disbursed and deposit repaid at disbursement no. "i".

Formula for calculating the EBKM, if the deposit is placed in multiple installments:

$$\sum_{i=1}^n \frac{B_i}{(1+r)^{(t_i/365)}} = \sum_{j=1}^m \frac{K_j}{(1+r)^{(t_j/365)}}$$

- n: number of deposit installments,  
 B<sub>i</sub>: amount of deposit installment no. "i",  
 t<sub>i</sub>: days remaining from day of first deposit placement to deposit placement no. "i",  
 r: the EBKM value,  
 m: number of disbursements,  
 t<sub>j</sub>: days remaining from day of first deposit placement to disbursement no. "j",  
 K<sub>j</sub>: amount of disbursement no. "j".

The specific EBKM value is contained in the effective Public Announcement per scheme.

9. OTP Bank Plc. is entitled to modify the deposit interest rates, fees, costs or conditions of term deposits unilaterally, provided that it is justified by any
- change, introduction, entry into force, entry into effect or repeal of any legislation, other legal measures of state control, legal instrument of the European Union, court or official decision or order, recommendation or guidance containing provisions applicable to the legal relationship of the Parties subject to the Business Regulations (including but not limited to all domestic or foreign legal act listed above which imposes any government tax on the services subject to this Business Regulations), or the official or court interpretation thereof, or
  - change of law governing or affecting the activity or conditions of operation of OTP Bank Plc., change of central bank regulation or other regulations mandatory for the bank, increasing of public dues (e.g. tax, duty) of the creditor, change of rules on required reserves, or
  - change of interbank credit interest rates, central bank prime rate, central bank repo and deposit interest rates, consolidated or service-related consumer price index, change of money market fundraising options, change of capital market and money market interest rates, the international and domestic money market foreign currency interest rates, change of yield of securities publicly issued by the creditor bank, unfavorable relative movements of FX SWAP and other yield curves, change of the yield of government securities, of risk factors of investment credit, deferred financial performance and securities lending, of exchange rates applied for settlement of the transaction, of cost of funds for OTP Bank Plc., of costs of account keeping, proven change of costs incurred by OTP Bank Plc. determined by third parties in relation to services provided to the Client.

Interest rates, fees, costs (including specific amounts, lower and upper limits of the respective fees, costs as defined in the agreement), and other contractual conditions may only be modified by OTP Bank Plc. unilaterally, to the detriment of the Client, if it is justified by the change of requirements or conditions specified for OTP Bank Plc. in point III.9. of these Business Regulations.

OTP Bank Plc. may also modify unilaterally the conditions of the agreement concluded with the Client, provided that it is not detrimental for the Client.

An agreement may not be modified unilaterally so that any new fee or cost is introduced. The calculation method of the respective interest, fee or cost elements as defined in the agreement may not be modified unilaterally, to the detriment of the Client.

10. Cases of automatic modification of fees or costs:

- a) the fees, costs charged under the agreement (including the minimum and maximum limit of the fees and costs determined as a percentage rate) shall automatically be modified each year by the previous year annual consumer price index (inflation rate) published on the website of KSH (which name is "Központi Statisztikai Hivatal" in Hungarian) as from the 15th day of the month following the publication on the website (considering the mathematical rounding rules).

Rounding rules applied by OTP Bank:

- i. If fees, costs specified in HUF are
    - 1. fixed amounts, including minimum and maximum limits, they shall be rounded to integer,
    - 2. percentage rates, they shall be rounded to three decimal places.
  - ii. If fees, costs specified in foreign currency are
    - 1. fixed amounts, including minimum and maximum limits, they shall be rounded to two decimal places,
    - 2. percentage rates, they shall be rounded to three decimal places.
- b) If fees or costs of the service, transaction, financial instrument provided to the Client are modified by the third party contributing to performance, the fees and costs (e.g. postal costs) charged by OTP Bank Plc. shall be modified as from the date of the modification.

The rule on the 15 days prior notification of the Client does not apply to automatic modification of the fees or costs, OTP Bank Plc. shall notify Clients of the automatic modification on the date it occurs at the latest, by publishing a public announcement or a modification of its relevant public announcement.

For business policy reasons, OTP Bank Plc. may deviate from the automatic fee and cost modification, and may apply fees and costs which are more favourable for the Client.

Furthermore, if in any year OTP Bank Plc. did not apply the automatic modification of costs and fees in respect of the Client, it is entitled to apply automatically the unapplied automatic modification of costs and fees in any one subsequent year or several subsequent years (in a cumulative manner) in the existing legal relationships with the Client.

- 11. OTP Bank Plc. shall notify Clients of any modifications 15 days prior to their effective date, via Public Announcements posted on premises open for clients (or by other direct means as defined in the agreement).
- 12. If OTP Bank Plc. introduces new services, financial instruments, transactions subject to the Business Regulations, which are made available by it to the Client and are explicitly accepted by the Client, this does not qualify as unilateral agreement modification.
- 13. If the Client does not accept the notified modification of interest rates, fees or costs, or the modification of the conditions of the deposit scheme, it may terminate the deposit tie-up with immediate effect without extra charge. In case of termination due to interest rate modification,

no interest is paid. In case of termination due to modification of the conditions of deposit tie-up, interest is paid to the Client pro rata temporis.

14. Funds deposited by the Client as deposit are covered by the insurance of the Hungarian Deposit Insurance Fund as provided for in the Hpt. Detailed provisions regarding deposit insurance are contained in the effective General Business Regulations of OTP Bank Plc.
15. According to Section 214/A of the Hpt., sole traders and small-scale agricultural producers are entitled to further compensation in excess of the limit specified in Section 214 (1) of the Hpt., but maximum EUR 50,000, provided that
  - a. the deposit receivables were placed in the three months preceding the start date of indemnification as segregated term deposit, and
  - b. the origin of the deposit is:
    - i. sale of residential property, sale of flat rental or flat use right,
    - ii. remuneration related to termination of employment or retirement,
    - iii. insurance amount, or
    - iv. indemnification for victims of crimes or for persons erroneously convicted.
  - c. and the Client entitled to higher amount of indemnification certifies the origin of the deposit on the date of tying up the segregated deposit with the following document:
    - i. in case of sale of residential property, sale of flat rental or flat use right, with a sale and purchase agreement not older than 30 days, or with copy of another document aiming at transfer of property, rental right or use right,
    - ii. in case of remuneration related to termination of employment or retirement, with a certificate issued by the employer or payer, not older than 30 days,
    - iii. in case of insurance amount, with a certificate issued by the insurance company, not older than 30 days,
    - iv. in case of indemnification for victims of crimes or for persons erroneously convicted, with a court resolution not older than 30 days.
16. The interest on HUF and foreign currency term deposits of condominiums, sole traders, other self-employed entrepreneurs (lawyer, notary public, bailiff, private veterinarian, patent agent), and individuals having a tax number (e.g. small-scale agricultural producers) is subject to personal income tax according to the applicable law. Interest tax is calculated and withheld by the OTP Bank Plc. when the interest is credited/capitalized.

#### **IV. General conditions of granting credit and loans**

##### **IV.A. General conditions of agreements concluded before 15 March 2014**

1. OTP Bank Plc. agrees that based on a credit agreement, for a fee, it shall disburse loans or perform other credit transactions for the Client in HUF or foreign currency, from the date when the credit facility opens to the extent of the amount kept available, provided that the requirements specified in the agreement are met.

OTP Bank Plc. shall provide foreign currency credit in the currencies specified in the Public Announcement, while the disbursement to the Client may occur in HUF or in foreign currency. At the request of Corporate Clients belonging to the MLE clientele, OTP Bank Plc. shall provide multi-currency foreign currency credit, where the credit facility is recorded in one certain currency, while disbursement is possible in currencies specified in the foreign currency credit facility agreement.

Based on a loan agreement, OTP Bank Plc. shall provide a certain amount to the Client, and the Client shall repay the loan and its associated costs as provided for in the agreement.

2. At the written request of the Client, OTP Bank Plc. shall conclude credit (loan) agreements and other permanent credit relationship, provided that OTP Bank Plc. assesses the Client to be creditworthy. Admittance of the request by OTP Bank Plc. shall not be a commitment to conclude the agreement or to disburse the loan, it shall only mean undertaking to proceed with the substantive assessment. Assessment of the credit application of MLE, Public Service and Municipality Clients shall be for a fee, the credit assessment fee shall be paid by the Client when submitting the credit or guarantee application. OTP Bank Plc. shall determine the aspects of assessing the creditworthiness of the Client at its own discretion, for municipality Clients it shall also consider legal regulations applicable to municipalities.
3. In the credit application and its annexes, the MLE, Public Service and Municipality Client shall detail the reasons for the need for credit, data relating to the former and anticipated development of its wealth, liquidity, economic situation, as well as any circumstances (e.g. financial plan, market opportunities, development objectives, etc.) which need to be known by OTP Bank Plc. in order to determine the credit facility, loan amount and the specific agreement conditions.
4. For Municipality Clients, the municipality shall state that concluding the transaction giving rise to debt is not subject to the restriction provided for in Section 10 (3) of Act CXCV of 2011 on the Economic Stability of Hungary, except for loans with maturity within the calendar year.
5. In case of Municipality Clients, the obligation undertaken by the mayor (with the notary countersigning) shall be accepted based on authorization according to a resolution of the city council.
6. A shorter or longer term credit relationship by concluding the credit (loan) agreement may be established if the Client qualifies as creditworthy based on the assessment by OTP Bank Plc.
7. OTP Bank Plc. shall also monitor the creditworthiness of the Client during the contractual relationship on an ongoing basis. For the prior and ongoing assessment of creditworthiness, OTP Bank Plc. shall primarily use the information obtained by it during its business relationship with the Client, numeric and other data submitted to it regularly (financial statements, general ledgers, interim data provision, descriptive information, etc.), data retrievable from account keeping, the credit application and its annexes, as well as experience gained via on-site visits. The bank organisational unit assessing the credit application may request further information before its decision or for adopting its decision.

8. As a prerequisite of establishing the credit relationship, OTP Bank Plc. may require the Client to open a payment account with the bank and achieve a specified level of annual account turnover thereon.

Annual account turnover shall mean in respect of MSE Clients the total amount of items received (credited) to the payment account(s) of the Client in the last 12 months, not including crediting arising from disbursement of credits, book transfers between own accounts (including its securities accounts and savings bank accounts), as well as from transferring back term deposits.

Annual account turnover shall mean in respect of MLE, Public Service and Municipality Clients the total amount of debit transactions subject to commission performed on the payment account/bank accounts of the Client during the 12 months commencing on the date specified in the relevant agreement.

9. The credit (loan) agreement is valid only if it is put down in writing. The agreement shall contain the method and conditions of using the credit. If any material conditions may not be specified when concluding the agreement, the Parties shall specify those in a further credit transaction agreement based on the credit agreement.

OTP Bank Plc. may require the credit (loan) agreement as well as the associated security agreements to be recorded in a notarial document.

10. The credit (loan) agreement comes to existence when it has been signed by both OTP Bank Plc. and the Client in accordance with their representation authority.

11. The Client shall pay commitment fee at the rate specified in the credit (loan) agreement for any amount kept at disposal based on the credit or loan agreement but not used. If the Client waives the further keeping at disposal of the amount in writing, the obligation to pay commitment fee shall cease, effective from the first working day after the waiving statement is received by OTP Bank Plc., to the extent of the amount waived.

12. While the credit is kept at disposal, the Client may use any amount to the extent of the credit (provided that it has fulfilled all disbursement conditions), unless the credit (loan) agreement provides otherwise.

13. For the credit transactions performed under the credit or loan agreement, the Client shall pay interest, fees, commissions and other costs at the rate specified in the agreement, or, if those are not provided for specifically in the agreement, it shall pay the conditions included in the Public Announcements.

14. OTP Bank Plc. is entitled to modify interest rates, fees, costs (including specific amounts, lower and upper limits of the respective fees, costs as defined in the agreement), and other contractual conditions unilaterally, provided that it is justified by any

a) change, introduction, entry into force, entry into effect or repeal of any legislation, other legal measures of state control, legal instrument of the European Union, court or official decision or order, recommendation or guidance containing provisions applicable to the legal relationship of the Parties subject to the Business Regulations (including but not limited to all domestic or foreign legal act listed above which imposes any government tax on the services subject to this Business Regulations), or the official or court interpretation thereof, or

- b) change of law governing or affecting the activity or conditions of operation of OTP Bank Plc., change of central bank regulation or other regulations mandatory for the bank, increasing of public dues (e.g. tax, duty) of the creditor, change of rules on required reserves, or
  - c) change of interbank credit interest rates, central bank prime rate, central bank repo and deposit interest rates, consolidated or service-related consumer price index, change of money market fundraising options, change of capital market and money market interest rates, change of yield of securities publicly issued by the creditor bank, unfavorable relative movements of FX SWAP and other yield curves, raise of interest rates of OTP Bank Plc. client term deposits, change of the yield of government securities, of risk factors of investment credit, deferred financial performance and securities lending, of exchange rates applied for settlement of the transaction, of cost of funds for OTP Bank Plc., of costs of providing credit, proven change of costs incurred by OTP Bank Plc. determined by third parties in relation to services provided to the Client, or
  - d) change of factors of the risk taken for the Client, according to bank client rating, cover assessment and risk taking policies with contents provided for by the law, including change of Client creditworthiness, of collateral value, as well as change of risk factors for certain credit products and of OTP Bank Plc. interest rate risk premium,
  - e) market collapse occurs. Market collapse means any situation when, due to money market disturbances or other reasons not imputable to the bank, the interest base may not be determined, because the interest base is not available on the interest rate quotation date.
15. OTP Bank Plc. is entitled to initiate the amendment of the reference interest rate applied in respect of the contract if the quotation of the reference interest rate will be terminated in the future or its future applicability becomes impossible for any reason. In this case, OTP Bank Plc. recommends the alternative reference interest rate to be applied as well as the alternative margin – if it is justified by the economic balance of the contract – to the Client in writing. In case the Client does not accept the recommendation of OTP Bank Plc, or consultations regarding the alternative reference interest rate and the alternative margin have no result within 60 days upon the day OTP Bank Plc.'s recommendation was sent, OTP Bank Plc. is entitled to terminate the contract within 90 days upon the day OTP Bank Plc.'s recommendation was sent.
16. Interest rates, fees, costs (including specific amounts, lower and upper limits of the respective fees, costs as defined in the agreement), and other contractual conditions may only be modified by OTP Bank Plc. unilaterally, to the detriment of the Client, if it is justified by the change of requirements or conditions specified for OTP Bank Plc. in point IV.A.14. of these Business Regulations.
- The agreement may not be modified unilaterally so that any new fee or cost is introduced. The calculation method of the respective interest, fee or cost elements as defined in the agreement may not be modified unilaterally, to the detriment of the Client.
- OTP Bank Plc. may also modify unilaterally the conditions of the agreement concluded with the Client, provided that it is not detrimental for the Client.
17. Publication of any agreement modifications by OTP Bank Plc. in relation to interest rates, fees, costs or other contractual conditions

- a) OTP Bank Plc. shall publish any modifications according to point IV.A.14. 15 days prior to their effective date at the latest, via Public Announcements posted on premises open for clients.
- b) For business policy reasons, any modification which is favorable for the Client may be made by OTP Bank Plc. to take effect immediately, by publishing in Public Announcements.

#### 18. Automatic modification of fees or costs

a) the fees, costs charged under the agreement (including the minimum and maximum limit of the fees and costs determined as a percentage rate) shall automatically be modified each year by the previous year annual consumer price index (inflation rate) published on the website of KSH (which name is "Központi Statisztikai Hivatal" in Hungarian) as from the 15th day of the month following the publication on the website (considering the mathematical rounding rules).

Rounding rules applied by OTP Bank:

- i. If fees, costs specified in HUF are
  - 1. fixed amounts, including minimum and maximum limits, they shall be rounded to integer,
  - 2. percentage rates, they shall be rounded to three decimal places.
- ii. If fees, costs specified in foreign currency are
  - 1. fixed amounts, including minimum and maximum limits, they shall be rounded to two decimal places,
  - 2. percentage rates, they shall be rounded to three decimal places.

b) If fees or costs of the service, transaction, financial instrument provided to the Client are modified by the third party contributing to performance, the fees and costs (e.g. postal costs) charged by OTP Bank Plc. shall be modified as from the date of the modification.

The rule on the 15 days prior notification of the Client does not apply to automatic modification of the fees or costs, OTP Bank Plc. shall notify Clients of the automatic modification on the date it occurs at the latest, by publishing a public announcement or a modification of its relevant public announcement.

For business policy reasons, OTP Bank Plc. may deviate from the automatic fee and cost modification, and may apply fees and costs which are more favourable for the Client.

Furthermore, if in any year OTP Bank Plc. did not apply the automatic modification of costs and fees in respect of the Client, it is entitled to apply automatically the unapplied automatic modification of costs and fees in any one subsequent year or several subsequent years (in a cumulative manner) in the existing legal relationships with the Client.

OTP Bank Plc. shall notify Clients of any automatic modification of fees or costs via Public Announcements posted on premises open for clients (or by other direct means as defined in the agreement).

19. If OTP Bank Plc. introduces new services, financial instruments, transactions subject to the Business Regulations, which are made available by it to the Client and are explicitly accepted by the Client, this does not qualify as unilateral agreement modification.
20. OTP Bank Plc. shall dispatch written notifications and other documents to the address provided by the Client for this purpose. OTP Bank Plc. shall not be required to dispatch documents for the Client as registered mail or mail with return receipt.
21. If the credit, loan, interest, commissions, fees and other costs are paid late, OTP Bank Plc. may charge default interest as specified in the agreement or the public announcements.
22. Unless the credit or loan agreement provides otherwise, interest, commissions, fees and other costs charged by OTP Bank Plc. shall be due posteriorly, on the last working day of the calendar month, for Municipality Clients on the last day of the calendar quarter.

Start date of charging the interest is the date of disbursement of the loan, last date is the day preceding the crediting of the last repayment installment.

Interest, commitment fee and other fees depending on a time period are calculated based on the following formula:

$$\frac{\text{principal (credit amount)} \times \text{number of calendar days} \times \text{interest rate}}{360 \text{ days}^* \times 100}$$

\*For GBP (English pound) credits, it is calculated with 365-day calendar year, while in other cases with 360-day calendar year.

If the last credit repayment installment is due during the month, settlement of the related interest and other charges shall also be due on the maturity date, unless the credit or loan agreement provides otherwise.

23. If the Client used the loan only partially, and the loan is to be repaid in multiple installments according to the agreement, the unused amount shall be deducted from the last repayment installment(s), unless agreed otherwise.
24. In case of prepayment, the Client shall notify its prepayment intention at least 15 days in advance in writing (precisely specifying the repayment value date and amount) to the branch having provided the credit. Prepayment qualifies as agreement modification, and OTP Bank Plc. may charge agreement modification fee.  
Unless the agreement provides otherwise, the Client may terminate the credit (loan) agreement in writing with 15 days notice, if before the termination it has fulfilled all its obligations to OTP Bank Plc. arising from the credit (loan) agreement.
25. If the amount received on the credit account of the Client via transfer or cash desk payment exceeds the amount of the obligation due from credit or other banking service, OTP Bank Plc. shall record the excess amount until the next due date separately as overpayment, and shall credit that on the credit account on the next due date considering the rules of the Civil Code. The Client may request crediting before the due date in writing, according to the conditions regarding agreement modification and prepayment.

If due to lack of funds on the account designated for fulfilling obligations, OTP Bank Plc. needs to submit collection order based on authorization letter for other account(s), and as a result the collected amount exceeds the amount of obligation due from credit or other banking service, OTP Bank Plc. shall credit the difference in all cases in HUF currency on the payment account of the Client kept with OTP Bank Plc. In the absence of an account kept with OTP Bank Plc., it shall transfer it back to the account kept with another financial service provider, from which the highest amount was collected.

If deposit is received to the already terminated credit account of the Client, after withholding the obligation due from credit or other banking service, OTP Bank Plc. shall credit the remaining amount on the payment account of the Client kept with OTP Bank Plc. In the absence of an account kept with OTP Bank Plc., it shall transfer it back to the account kept with another financial service provider, from which the transfer was received.

26. The Client may request to modify (prolong) the maturity of the loan, if necessitated by the development of its financial situation. Application for the modification shall be submitted sufficient time (minimum 30 working days) before maturity, so that OTP Bank Plc. has sufficient time to assess the feasibility of the application and to adopt a decision. For the prolongation, OTP Bank Plc. may charge the fee shown in the effective Public Announcement applicable to the respective clientele.
27. Upon establishing and during the business relationship, OTP Bank Plc. may at any time and with respect to any of its receivables, irrespective of the conditions and due date of the Client's liabilities, require the Client to provide security or supplement any security already provided to the extent necessary to ensure the recovery of the receivables of OTP Bank Plc. When requiring security, OTP Bank Plc. may decide on the value at which it shall accept each security. The Client shall immediately arrange for the provision of security when prompted by OTP Bank Plc.
28. OTP Bank Plc. may decide at its own discretion, considering also the options available for the Client, what security it requires regarding the respective transaction.

OTP Bank Plc. shall not accept as security:

- a) securities representing shareholder rights, issued by itself,
- b) securities representing shareholder rights, issued by any enterprise being in close relationship with OTP Bank Plc., including shareholding in cooperatives,
- c) in case of OTP Bank Plc. or being subject to supervision on a consolidated basis, shares of companies limited by shares which are under influence ensuring qualifying majority of an enterprise being in close relationship with it, as defined in the Civil Code effective as from 15 March 2014,  
furthermore, for the municipality clientele:
  - d) except for loans with maturity within the calendar year, normative contributions, state subsidy, personal income tax, funds received for operational purposes within the state budget, as well as assets belonging to the a scope of core assets,
  - e) flats transferred from state ownership to municipality ownership.

Acceptance of movable and immovable assets as credit security is subject to value assessment. OTP Jelzálogbank Zrt. shall only make value assessment for immovable

assets; value assessment made by it may be ordered by OTP Bank Plc., the cost of which shall be borne by the Client. During the term of the credit, as well as the loan disbursed or other financial service provided in the framework of the credit, OTP Bank Plc. is entitled to order value assessment from OTP Jelzálogbank Zrt., the cost of which shall be borne by the Client. OTP Bank Plc. may debit the costs of value assessment to the payment account of the Client kept by it.

OTP Bank Plc. requires regular revision of the value of movable and immovable assets during the term of real estate pledge, the cost of which is considered to be associated to credit granting, and shall be reimbursed by the Client to OTP Bank Plc.

The Client shall ensure that all assets, rights and receivables serving as security for OTP Bank Plc. are maintained and their value is preserved; it may and is required to use, manage, operate and safeguard assets which are in use according to their purpose.

If the Client fails to perform the above obligations, then OTP Bank Plc. may act directly instead of the Client, or may initiate the necessary authority or court procedure.

29. For Water utility association credits, primary security shall be the interest contribution, and generally direct suretyship by the municipality.
30. OTP Bank Plc. may investigate acceptance of direct suretyship by the settlement municipality, and may accept direct suretyship if it is in compliance with the applicable law, and if OTP Bank Plc. believes it is also acceptable for risk purposes.
31. For legal security in the municipality clientele, resolution of the city council is also required.
32. OTP Bank Plc. may require resolution by the city council that for the period of repaying the loan, in the years of the term, the requested credit, loan and its charges are scheduled and approved by the municipality in its budget, prior to other development expenses.
33. If the Client fails to perform its obligations when due, OTP Bank Plc. may enforce any of its rights arising from the security in accordance with the applicable law so as it best serves the recovery of banking receivables at the discretion of OTP Bank Plc.; if possible, after consulting with the Client in advance, and considering also the interests of the Client.
34. The Client shall be required to insure in full value the assets pledged as security against all damages, and specify OTP Bank Plc. as beneficiary in the insurance agreement(s) or policy/policies.

While the asset(s) is (are) pledged as security for the liability to OTP Bank Plc., the Client may not modify or terminate the insurance agreement without the approval of OTP Bank Plc. The Client shall pay the insurance premium and shall perform anything that is required to maintain the insurance.

OTP Bank Plc. may (but is not required to) perform this obligation instead of the Client, and subsequently recharge its costs to the account of the Client, or increase the liabilities of the Client.

35. If prompted by OTP Bank Plc., the Client shall immediately present or deliver the insurance policy and the documents certifying payment of the insurance premium to OTP Bank Plc.

36. OTP Bank Plc. may use the compensation amount received to decrease the liability of the Client. The amount of compensation which exceeds the receivables of OTP Bank Plc. shall be provided to the Client.
37. OTP Bank Plc. may release the security if it considers that the security is no longer necessary for securing its receivables.
38. During the term of the credit, the Client shall make available to OTP Bank Plc. a copy of the annual and interim financial statements, journals, general ledgers substituting these etc., shall make available the data and information necessary for verification (including the average headcount of employees), and shall make books, general ledgers etc. available for viewing.

The Client agrees to inform OTP Bank Plc. about the initiation of any debt settlement procedure (including the out-of-court debt settlement procedure) according to Act CV of 2015 on the Debt Settlement of Natural Persons, at the time when the related application is submitted.

39. If the Client fails to repay the loan and its charges by the specified deadline, OTP Bank Plc. may exercise its offset right to the extent of its overdue receivables, and debit any account of the Client kept with it or debit any other due receivables of the Client against OTP Bank Plc., including term deposits upon maturity, or may submit a collection order against a payment account of the Client kept with another credit institution based on the respective specific authorization letter with contents accepted by OTP Bank Plc.

To ensure the enforceability of the right of OTP Bank Plc. to submit collection order based on authorization letter, the Client shall certify after concluding the credit or loan agreement, and before the first disbursement, that according to the applicable law on payment transactions, it has registered this right of OTP Bank Plc. in an authorization letter with the account keeping entity. The authorization letter shall contain that the authorization may only be terminated or withdrawn with the written approval of OTP Bank Plc.

40. The loan and its charges are paid so that on the due date OTP Bank Plc. shall debit the amount due to the payment account of the Client kept by it. In the credit or loan agreement, instead of its payment account kept in HUF, the Client may designate its payment account kept with OTP Bank Plc. in foreign currency as account to be debited. The Client shall ensure that the funds necessary to settle the loan amount and its charges are available on the payment account kept in HUF or in foreign currency.

The Client shall indemnify OTP Bank Plc. for damages arising from performance which is not in line with the agreement, including repayment made at a time other than specified in the agreement.

41. OTP Bank Plc. may refuse disbursement of the loan, or may terminate the agreement and loans disbursed under that even with immediate effect, if:
  - a) termination reasons as specified in Section 525 of the Civil Code effective before 15 March 2014 occur, especially if at the discretion of OTP Bank Plc. the Client has used the loan for a purpose other than that specified, and/or if the data considered for determining the amount of the loan according to point IV.A.3., IV.A.6., IV.A.7. and IV.A.27. has significantly and unfavorably changed after concluding the agreement (breach of cooperation, information obligation, conduct aimed at withdrawing securities

etc., or opening or maintaining payment account with another credit institution without prior notification to OTP Bank Plc.)

- b) at the discretion of OTP Bank Plc., the Client has not fulfilled the other conditions prescribed in the specific credit (loan) agreement, or
- c) at the discretion of OTP Bank Plc., other termination reason specified in the specific credit (loan) agreement occurs, or
- d) at the discretion of OTP Bank Plc., a termination reason specified in the specific credit (loan) agreement prevails on the date of disbursement, or
- e) at the discretion of OTP Bank Plc., other conditions prescribed in the specific credit (loan) agreement were not fulfilled on the date of disbursement, or the statements are not true.

OTP Bank Plc. may refuse disbursement of the loan, if any participants of the transaction (Client, co-debtor, surety, guarantor, pledgor, security depositor, owner of the Client with at least 50% ownership share or voting rights, at least 50% ownership share of the Client, legal representative of the enterprise, etc.) is shown in databases available to OTP Bank Plc. (e.g. company information, Central Credit Information System, etc.) with clearly negative information, at the discretion of OTP Bank Plc.

Furthermore, OTP Bank Plc. may refuse disbursement if any debt settlement procedure (including the out-of-court debt settlement procedure) according to Act CV of 2015 on the Debt Settlement of Natural Persons, is initiated by the Client, co-debtor, surety, pledgor or security depositor.

In case of termination with immediate effect, OTP Bank Plc. is entitled to require all its outstanding receivables to be settled immediately, and make any obligation of the Client specified in the agreement fall due immediately.

42. In spite of termination of the credit (loan) agreement, the conditions specified in the agreement shall remain in effect unchanged, until the respective loan and related charges are repaid in full.

43. If the credit (loan) agreement is modified, the agreement modification shall take effect after the following collective conditions for taking effect are also fulfilled, in addition to the conditions for taking effect provided for in the specific credit (loan) agreement:

- a) at the discretion of OTP Bank Plc., the termination reason specified in the specific credit (loan) agreement does not prevail on the date when the other conditions for taking effect are fulfilled;
- b) at the discretion of OTP Bank Plc., the other conditions and statements specified in the specific credit (loan) agreement are sound on the date when the other conditions for taking effect are fulfilled;

44. In case the purpose of the credit is to purchase, build and/or develop a fully or partially Income-Generating Commercial Real Estate, the Client shall inform the Bank about the newly calculated construction and/or development cost (excluding VAT) of the Income-Generating Commercial Real Estate if it changes after the first data is provided to the bank.

If the use of a real estate is mixed, that is, it can be deemed as an Income-Generating Commercial Real Estate or a Residential Real Estate, the Client shall report it as separate pieces of real estate in its data reporting (based on the floor space intended to be used for

each purpose for example), if this breakdown is practicable. In case the breakdown is not practicable for a mixed-use real estate, the Client shall classify it according to its dominant use in its data reporting provided to the Bank. This paragraph shall not affect the Client's obligation to provide data to the Bank only in respect of Income-Generating Commercial Real Estate under these Business Regulations.

All real estate – either existing or under development – shall be deemed Income-Generating Commercial Real Estate if it has been acquired, built, developed or reconstructed by a non-natural person, and

- i. is/was developed for the purpose of selling,
- ii. is used for renting, including rented dwellings and social housing, or
- iii. generates income for its owner by any other direct method, and is not exclusively used for its intended use during the main activity of the owner.

All real estate available for residential purposes – either existing or under development – shall be deemed Residential Real Estate if it has been acquired, built or reconstructed by a natural person, including real estate bought for renting purposes.

Besides those mentioned above, the Client shall provide any other data to the Bank which the Bank requires from the Client for the purposes of its data reporting obligation towards MNB in accordance with the recommendations of the European Systemic Risk Board with respect to real estate.

45. The conditions of providing credit (loan) which are different from the general conditions are contained in the specific credit (loan) agreement.

#### **IV.B. General conditions of agreements concluded as from 15 March 2014**

1. Based on a credit agreement, for a fee, OTP Bank Plc. shall keep a credit facility available to the Client, and it shall conclude loan agreements or perform other credit transactions (e.g. bank guarantee, factoring, letter of credit) in HUF or foreign currency, from the date when the credit facility opens to the extent of the amount kept available, provided that the requirements specified in the credit agreement are met.

Based on the loan agreement, OTP Bank Plc. shall provide the amount specified in the loan agreement, and the Client shall repay the loan on a later date according to the loan agreement, and shall pay interest and other charges. The loan agreement may provide that the loan amount shall be paid within a certain period after the agreement is concluded, or when certain conditions are fulfilled. OTP Bank Plc. shall keep the loan amount at the disposal of the Client until the time specified in the loan agreement expires or condition is met, and the Client shall pay a fee to OTP Bank Plc. on the loan amount kept at its disposal for the period when the loan amount kept at its disposal.

OTP Bank Plc. shall provide foreign currency loan in the currencies specified in the Public Announcement, while the disbursement to the Client may occur in HUF or in foreign currency. At the request of Corporate Clients belonging to the MLE clientele, OTP Bank Plc. shall provide multi-currency foreign currency loan, where the loan is recorded in one certain currency, while disbursement is possible in currencies specified in the foreign currency loan agreement.

2. OTP Bank Plc. shall conclude credit and loan agreements based on the written credit application of the Client (in point IV.B of these Business Regulations, "credit application"

refers to the request relating to both the credit agreement and the loan agreement), provided that OTP Bank Plc. assesses the Client to be creditworthy. Admittance of the credit application by OTP Bank Plc. shall not be a commitment to conclude the credit or loan agreement, to disburse the loan, or to perform credit transactions, it shall only mean undertaking to proceed with the substantive assessment. Assessment of the credit application of MLE, Public Service and Municipality Clients shall be for a fee, the credit assessment fee shall be paid by the Client when submitting the credit application.

OTP Bank Plc. shall determine the aspects of assessing the creditworthiness of the Client at its own discretion, for Municipality Clients it shall also consider legal regulations applicable to municipalities.

3. In the credit application and its annexes, the MLE, Public Service and Municipality Client shall detail the reasons for the need for financing, data relating to the former and anticipated development of its wealth, liquidity, economic situation, as well as any circumstances (e.g. financial plan, market opportunities, development objectives, etc.) which need to be known by OTP Bank Plc. in order to determine the credit transaction amount and the specific contractual conditions.
4. For Municipality Clients, the municipality shall state that concluding the transaction giving rise to debt is not subject to the restriction provided for in Section 10 (3) of Act CXCIV of 2011 on the Economic Stability of Hungary, except for loans with maturity within the calendar year.
5. In case of Municipality Clients, OTP Bank Plc. shall accept the obligation undertaken by the mayor (with financial countersignature of the person authorized by the financial lead or the notary) based on authorization according to a resolution of the city council.
6. The credit agreement or agreement on other credit transaction may be concluded, and a shorter or longer term credit (loan) relationship by concluding the loan contract may be established if the Client qualifies as creditworthy based on the assessment by OTP Bank Plc.
7. OTP Bank Plc. shall also monitor the creditworthiness of the Client during the contractual relationship on an ongoing basis. For the prior and ongoing assessment of creditworthiness, OTP Bank Plc. shall primarily use the information obtained by it during its business relationship with the Client, numeric and other data submitted to it regularly (financial statements, general ledgers, interim data provision, descriptive information, etc.), data retrievable from account keeping, the credit application and its annexes, as well as experience gained via on-site visits. The bank organisational unit assessing the credit application may request further information before its decision or for adopting its decision.
8. As a prerequisite of establishing the credit (loan) relationship, OTP Bank Plc. may require the Client to open a payment account with the bank and achieve a specified level of account turnover thereon.

Account turnover shall mean in respect of MSE Clients the total amount of items received (credited) to the payment accounts/accounts of the Client in the 10 full months from the month after the date of the credit agreement, not including crediting arising from

disbursement of credits, book transfers between own accounts (including its security accounts and savings payment accounts), as well as from transferring back term deposits.

Annual account turnover shall mean in respect of MLE, Public Service and Municipality Clients the total amount of debit transactions subject to commission performed on the payment account(s) of the Client during the 12 months commencing on the date specified in the relevant agreement.

9. The credit agreement or agreement on other credit transaction, or the loan agreement is valid only if it is put down in writing. The agreement shall contain the method and conditions of using the credit or other financial service. If any material conditions may not be specified when concluding the credit agreement, the Parties shall specify those in the loan agreement or in a further credit transaction agreement based on the credit agreement.

OTP Bank Plc. may require the credit (loan) agreement as well as the associated security agreements to be recorded in a notarial document.

10. The credit agreement, loan agreement or credit transaction contract comes to existence when it has been signed by both OTP Bank Plc. and the Client in accordance with their representation authority.
11. The Client shall pay commitment fee at the rate specified in the credit or loan agreement for any amount kept at disposal based on the credit or loan agreement but not used. If the Client waives the further keeping at disposal of the amount in writing, the obligation to pay commitment fee shall cease, effective from the first working day after the waiving statement is received by OTP Bank Plc., to the extent of the amount waived.
12. While the credit is kept at disposal (provided that it fulfilled all (disbursement) conditions), based on the credit agreement and within the amount of the credit facility, the Client may conclude a credit transaction agreement or may use loan amounts based on the loan agreement, unless the credit (loan) agreement provides otherwise.
13. For the credit transactions performed under the credit or loan agreement, the Client shall pay interest, fees, commissions and other costs at the rate specified in the agreement, or, if those are not provided for specifically in the agreement, it shall pay the conditions included in the Public Announcements.
14. OTP Bank Plc. is entitled to modify interest rates, fees, costs (including specific amounts, lower and upper limits of the respective fees, costs as defined in the agreement), and other contractual conditions unilaterally, provided that it is justified by any
  - a) change, introduction, entry into force, entry into effect or repeal of any legislation, other legal measures of state control, legal instrument of the European Union, court or official decision or order, recommendation or guidance containing provisions applicable to the legal relationship of the Parties subject to the Business Regulations (including but not limited to all domestic or foreign legal act listed above which imposes any government tax on the services subject to this Business Regulations), or the official or court interpretation thereof, or
  - b) change of law governing or affecting the activity or conditions of operation of OTP Bank Plc., change of central bank regulation or other regulations mandatory for

the bank, increasing of public dues (e.g. tax, duty) of the creditor, change of rules on required reserves, or

- c) change of interbank credit interest rates, central bank prime rate, central bank repo and deposit interest rates, consolidated or service-related consumer price index, change of money market fundraising options, change of capital market and money market interest rates, change of yield of securities publicly issued by the creditor bank, unfavorable relative movements of FX SWAP and other yield curves, raise of interest rates of OTP Bank Plc. client term deposits, change of the yield of government securities, of risk factors of investment credit, deferred financial performance and securities lending, of exchange rates applied for settlement of the transaction, of cost of funds for OTP Bank Plc., of costs of providing credit, proven change of costs incurred by OTP Bank Plc. determined by third parties in relation to services provided to the Client, or
- d) change of factors of the risk taken for the Client, according to bank client rating, cover assessment and risk taking policies with contents provided for by the law, including change of Client creditworthiness, of collateral value, as well as change of risk factors for certain credit products and of OTP Bank Plc. interest rate risk premium,
- e) market collapse occurs. Market collapse means any situation when, due to money market disturbances or other reasons not imputable to the bank, the interest base may not be determined, because the interest base is not available on the interest rate quotation date.

15. OTP Bank Plc. is entitled to initiate the amendment of the reference interest rate applied in respect of the contract if the quotation of the reference interest rate will be terminated in the future or its future applicability becomes impossible for any reason. In this case, OTP Bank Plc. recommends the alternative reference interest rate to be applied as well as the alternative margin – if it is justified by the economic balance of the contract – to the Client in writing. *In case the Client does not accept the recommendation of OTP Bank Plc, or consultations regarding the alternative reference interest rate and the alternative margin have no result within 60 days upon the day OTP Bank Plc.'s recommendation was sent, OTP Bank Plc. is entitled to terminate the contract within 90 days upon the day OTP Bank Plc.'s recommendation was sent.*

16. Interest rates, fees, costs (including specific amounts, lower and upper limits of the respective fees, costs as defined in the agreement), and other contractual conditions may only be modified by OTP Bank Plc. unilaterally, to the detriment of the Client, if it is justified by the change of requirements or conditions specified for OTP Bank Plc. in point IV.B.14. of these Business Regulations.

The agreement may not be modified unilaterally so that any new fee or cost is introduced. The calculation method of the respective interest, fee or cost elements as defined in the agreement may not be modified unilaterally, to the detriment of the Client.

OTP Bank Plc. may also modify unilaterally the conditions of the agreement concluded with the Client, provided that it is not detrimental for the Client.

17. Publication of any agreement modifications by OTP Bank Plc. in relation to interest rates, fees, costs or other contractual conditions

- a) OTP Bank Plc. shall publish any modifications according to point IV.B.14. 15 days prior to their effective date at the latest, via Public Announcements posted on premises open for clients.
- b) For business policy reasons, any modification which is favorable for the Client may be made by OTP Bank Plc. to take effect immediately, by publishing in Public Announcements.

#### 18. Automatic modification of fees or costs

- a) the fees, costs charged under the agreement (including the minimum and maximum limit of the fees and costs determined as a percentage rate) shall automatically be modified each year by the previous year annual consumer price index (inflation rate) published on the website of KSH (which name is "Központi Statisztikai Hivatal" in Hungarian) as from the 15th day of the month following the publication on the website (considering the mathematical rounding rules).

Rounding rules applied by OTP Bank:

- i. If fees, costs specified in HUF are
    - 1. fixed amounts, including minimum and maximum limits, they shall be rounded to integer,
    - 2. percentage rates, they shall be rounded to three decimal places.
  - ii. If fees, costs specified in foreign currency are
    - 1. fixed amounts, including minimum and maximum limits, they shall be rounded to two decimal places,
    - 2. percentage rates, they shall be rounded to three decimal places.
- b) If fees or costs of the service, transaction, financial instrument provided to the Client are modified by the third party contributing to performance, the fees and costs (e.g. postal costs) charged by OTP Bank Plc. shall be modified as from the date of the modification.

The rule on the 15 days prior notification of the Client does not apply to automatic modification of the fees or costs, OTP Bank Plc. shall notify Clients of the automatic modification on the date it occurs at the latest, by publishing a public announcement or a modification of its relevant public announcement.

For business policy reasons, OTP Bank Plc. may deviate from the automatic fee and cost modification, and may apply fees and costs which are more favourable for the Client.

Furthermore, if in any year OTP Bank Plc. did not apply the automatic modification of costs and fees in respect of the Client, it is entitled to apply automatically the unapplied automatic modification of costs and fees in any one subsequent year or several subsequent years (in a cumulative manner) in the existing legal relationships with the Client.

OTP Bank Plc. shall notify Clients of any automatic modification of fees or costs via Public Announcements posted on premises open for clients (or by other direct means as defined in the agreement).

- 19. If OTP Bank Plc. introduces new services, financial instruments, transactions subject to the Business Regulations, which are made available by it to the Client and are explicitly accepted by the Client, this does not qualify as unilateral agreement modification.

20. OTP Bank Plc. shall dispatch written notifications and other documents to the address provided by the Client for this purpose. OTP Bank Plc. shall not be required to dispatch documents for the Client as registered mail or mail with return receipt.
21. If the credit, loan, interest, commissions, fees and other costs are paid late, OTP Bank Plc. may charge default interest as specified in the agreement or the public announcements.
22. Unless the credit or loan agreement provides otherwise, interest, commissions, fees and other costs charged by OTP Bank Plc. shall be due posteriorly, on the last working day of the calendar month.

Start date of charging the interest is the date of disbursement of the loan (other credit), last date is the day preceding the crediting of the last repayment installment.

Interest, commitment fee and other fees depending on a time period are calculated based on the following formula:

$$\frac{\text{principal (credit (loan) amount) x number of calendar days x interest rate}}{360 \text{ days}^* \times 100}$$

\*For GBP (English pound) credits, it is calculated with 365-day calendar year, while in other cases with 360-day calendar year.

If the last repayment installment is due during the month, settlement of the related interest and other charges shall also be due on the maturity date, unless the credit or loan agreement provides otherwise.

23. If the Client used the loan only partially, and the loan is to be repaid in multiple installments according to the agreement, the unused amount shall be deducted from the last repayment installment(s), unless agreed otherwise.
24. In case of prepayment, the Client shall notify its prepayment intention at least 15 days in advance in writing (precisely specifying the repayment value date and amount) to the branch having provided the credit. Prepayment qualifies as agreement modification, and OTP Bank Plc. may charge agreement modification fee.  
 Unless the agreement provides otherwise, the Client may terminate the credit agreement concluded for an indefinite term in writing with 15 days notice. Such termination of the credit agreement shall not terminate the agreements concluded based on the credit agreement, but the obligation of OTP Bank Plc. to keep a credit facility at disposal shall cease. A credit agreement concluded for a definite term may be terminated by the Client and the Bank with mutual agreement.  
 Unless the agreement provides otherwise, the Client may terminate the loan agreement in writing with 15 days notice, if before the termination it has fulfilled all its obligations to OTP Bank Plc. arising from the loan agreement.
25. If the amount received on the credit account of the Client via transfer or cash desk payment exceeds the amount of the obligation due from credit or other banking service, OTP Bank Plc. shall record the excess amount until the next due date separately as overpayment, and shall credit that on the credit account on the next due date considering the rules of the Civil

Code. The Client may request crediting before the due date in writing, according to the conditions regarding agreement modification and prepayment.

If due to lack of funds on the account designated for fulfilling obligations, OTP Bank Plc. needs to submit collection order based on authorization letter for other account(s), and as a result the collected amount exceeds the amount of obligation due from credit or other banking service, OTP Bank Plc. shall credit the difference in all cases in HUF currency on the payment account of the Client kept with OTP Bank Plc. In the absence of an account kept with OTP Bank Plc., it shall transfer it back to the account kept with another financial service provider, from which the highest amount was collected.

If deposit is received to the already terminated credit account of the Client, after withholding the obligation due from credit or other banking service, OTP Bank Plc. shall credit the remaining amount on the payment account of the Client kept with OTP Bank Plc. In the absence of an account kept with OTP Bank Plc., it shall transfer it back to the account kept with another financial service provider, from which the transfer was received.

26. The Client may request to modify (prolong) the maturity of the loan, if necessitated by the development of its financial situation. Application for the modification shall be submitted sufficient time (minimum 30 working days) before maturity, so that OTP Bank Plc. has sufficient time to assess the feasibility of the application and to adopt a decision. For the prolongation, OTP Bank Plc. may charge the fee shown in the effective Public Announcement applicable to the respective clientele.

27. Upon establishing and during the business relationship, OTP Bank Plc. may at any time and with respect to any of its receivables, irrespective of the conditions and due date of the Client's liabilities, require the Client to provide security or supplement any security already provided to the extent necessary to ensure the recovery of the receivables of OTP Bank Plc. When requiring security, OTP Bank Plc. may decide on the value at which it shall accept each security. The Client shall immediately arrange for the provision of security when prompted by OTP Bank Plc.

28. Types of securities, provisions regarding value assessment

28.1 OTP Bank Plc. may decide at its own discretion, considering also the options available for the Client, the securities it requires regarding the respective transaction.

28.2 OTP Bank Plc. shall not accept as security:

- a) securities representing shareholder rights, issued by itself,
- b) securities representing shareholder rights, issued by any enterprise being in close relationship with OTP Bank Plc., including shareholding in cooperatives,
- c) in case of OTP Bank Plc. or being subject to supervision on a consolidated basis, shares of companies limited by shares which are under influence ensuring qualifying majority of an enterprise being in close relationship with it, as defined in the Civil Code effective as from 15 March 2014,

furthermore, for the Municipality Client:

- d) except for transactions resulting in debt with maturity within the calendar year, normative contributions, state subsidy, personal income tax, funds received for

operational purposes within the state budget, as well as assets belonging to the a scope of core assets,

- e) flats transferred from state ownership to municipality ownership.

### 28.3

Acceptance of movable and immovable assets as credit security is subject to value assessment. OTP Bank Plc. may order value assessment for immovable assets from OTP Jelzálogbank Zrt., the cost of which shall be borne by the Client. OTP Bank Plc. may debit the costs of value assessment to the payment account of the Client kept by it.

The value assessment cost is contained in the effective Public Announcement of OTP Bank Plc.

### 28.4

OTP Bank Plc. shall only accept any value assessment prepared by third party valuers other than OTP Jelzálogbank Zrt. after naturalization by OTP Jelzálogbank Zrt.

Instead of value assessment or naturalization, the Client may request the validation of the value assessment prepared by a third party valuator, in which case it agrees that the valuation/value established based on the validation may influence the amount and/or conditions of risk assumed by the Bank.

The market value and credit collateral value of the real estate considered to be authoritative by OTP Bank Plc. is the value assessed during validation/naturalization by OTP Jelzálogbank Zrt. If OTP Jelzálogbank Zrt. does not consider the value assessment prepared by a third party valuator to be appropriate for using it for validation/naturalization, then a new value assessment shall be prepared which is done by OTP Jelzálogbank Zrt.

Naturalization is a full scope professional valuation opinion prepared by OTP Jelzálogbank Zrt. with the application of on-site inspection, using a value assessment prepared by a third party valuator other than OTP Jelzálogbank Zrt.

Validation is commenting in a simplified procedure by OTP Jelzálogbank Zrt. on a value assessment prepared by a third party valuator other than OTP Jelzálogbank Zrt. without the application of on-site inspection. The naturalization / validation cost shall be borne by the Client, and is contained in the effective Public Announcement of OTP Bank Plc. OTP Bank Plc. may debit the naturalization / validation costs to the payment account of the Client kept by it.

### 28.5

Updating the value assessment for residential real estate:

Residential real estate is a real estate (or ownership thereof) established for flat and registered or pending to be registered as residential house or flat in the land registry, with the associated parcel of land, provided that a use permit has been issued for it.

**For residential real estate**, OTP Bank Plc. shall accept value assessment in case of

- a) assumption of new risk,
- b) inclusion of supplementary security,
- c) exchange of security, and
- d) release of security

within 90 days from the date of the on-site inspection.

An exception to this rule is the financing for purchase of real estate sold at an auction, in which case OTP Bank Plc. shall accept the value assessment for 12 months.

If 90 days have elapsed from the date of the on-site inspection performed during the value assessment, and subsequently

- a) the pledge agreement regarding the security is concluded between the Client and OTP Bank Plc.,
  - b) the valuated supplementary security is included,
  - c) the valuated securities are exchanged, released,
- then prior to these events OTP Bank Plc. may require the value assessment to be updated by OTP Jelzálogbank Zrt. The cost of updating shall be borne by the Client.

If the Client and OTP Bank Plc. conclude another transaction with inclusion of the valuated real estate as security after 90 days have elapsed from the date of the on-site inspection performed during the value assessment, but within 12 months, then OTP Bank Plc. may require the value assessment to be updated by OTP Jelzálogbank Zrt. prior to concluding the transaction. The cost of updating shall be borne by the Client. *When assessing the assumption of new risk, an existing comprehensive value assessment can be accepted for 12 months from the date the document was issued in case of credit transactions for the sale of agricultural land.*

If the value assessment is not updated within 12 months from the date of the on-site inspection performed during the value assessment (or, in case of auctioned real estate, the related value assessment is older than 12 months), then afterwards OTP Bank Plc. shall not accept either the original value assessment or its update, but shall require performance of a new, full scope value assessment. The cost of this shall be borne by the Client.

The cost of updating is contained in the effective Public Announcement of OTP Bank Plc. OTP Bank Plc. may debit the cost of updating to the payment account of the Client kept by it.

## 28.6

Updating the value assessment for commercial real estate:

Commercial real estate are real estate which do not qualify as residential real estate, since they do not meet the above definition of residential real estate.

**For commercial real estate**, OTP Bank Plc. shall accept value assessment in case of

- a) assumption of new risk,
- b) inclusion of supplementary security,
- c) exchange of security, and
- d) release of security

within 12 months from the date of the on-site inspection.

If 12 months have elapsed from the date of the on-site inspection performed during the value assessment, and subsequently

- a/ the pledge agreement regarding the security is concluded between the Client and OTP Bank Plc.,
- b/ the valuated supplementary security is included,
- c/ the valuated securities are exchanged, released,

then prior to these events OTP Bank Plc. may require the value assessment to be updated by OTP Jelzálogbank Zrt. The cost of updating of the value assessment shall be borne by the Client.

If the Client and OTP Bank Plc. conclude another transaction with inclusion of the valued real estate as security after 12 months have elapsed from the date of the on-site inspection performed during the value assessment, but within 36 months, then OTP Bank Plc. may require the value assessment to be updated by OTP Jelzálogbank Zrt. prior to concluding the transaction. The cost of updating of the value assessment shall be borne by the Client.

If the value assessment is not updated within 36 months from the date of the on-site inspection performed during the value assessment, then afterwards OTP Bank Plc. shall not accept either the original value assessment or its update, but shall require performance of a new, full scope value assessment, the cost of which shall be borne by the Client.

The cost of updating is contained in the effective Public Announcement of OTP Bank Plc. OTP Bank Plc. may debit the cost of updating to the payment account of the Client kept by it.

28.7 OTP Bank Plc. requires revision of the value of immovable assets during the term of real estate pledge (monitoring). For commercial real estate, revision of the value assessment (monitoring) shall mean, as considered from the date of the on-site inspection,

- a) simplified revision performed annually,
- b) full scope revision performed every three years,
- c) as well as extraordinary comprehensive revision performed in extraordinary cases (including without limitation the situation when significant changes occur on the real estate market, or when based on information available to OTP Bank Plc. the value of the real estate has decreased significantly as compared to the average market price)

in respect of the real estate.

The annual revision of the value of commercial real estate is performed in a value assessment based on a simplified on-site inspection, while full scope revisions means that the original value assessment is repeated completely. OTP Bank Plc. may order the revision of the value assessment (monitoring) from OTP Jelzálogbank Zrt.

For real estate pledge agreements concluded after 1 April 2017, the cost of revision of the value assessment (monitoring) shall be borne by the Client, unless provided otherwise by the real estate pledge agreement. In the cases outlined above, OTP Bank Plc. may debit the cost of revision of the value assessment (monitoring) to the payment account of the Client kept by it. The cost of revision of the value assessment (monitoring) is contained in the effective Public Announcements of OTP Bank Plc.

28.8. Default cost shall be charged if the on-site inspection arranged in advance does not take place due to the fault of the Client. The default cost shall be borne by the Client. The default cost is contained in the effective Public Announcements of OTP Bank Plc. OTP Bank Plc. may debit the default cost to the payment account of the Client kept by it.

28.9 OTP Bank Plc. requires regular revision of the value of movable assets during the term of commitment, as well as extraordinary comprehensive revision performed in extraordinary cases (including without limitation the situation when significant changes occur on the market, or when based on information available to OTP Bank Plc. the value of the movable asset has decreased significantly as compared to the average market price).

The cost of the revision shall be borne by the Client.

If the costs were paid by OTP Bank Plc. to the person performing the revision, OTP Bank Plc. may debit the cost of the revision to the payment account of the Client kept by it.

28.10 The Client shall ensure that all assets, rights and receivables serving as security for OTP Bank Plc. are maintained and their value is preserved; it may and is required to use, manage, operate and safeguard assets which are in use according to their purpose.

If the Client fails to perform the above obligations, then OTP Bank Plc. may act directly instead of the Client, or may initiate the necessary authority or court procedure.

29. For Water utility association credits, primary security shall be the interest contribution, and generally direct suretyship by the municipality.

30. OTP Bank Plc. may investigate acceptance of direct suretyship by the settlement municipality, and may accept direct suretyship if it is in compliance with the applicable law, and if OTP Bank Plc. believes it is also acceptable for risk purposes.

31. For legal security in the Municipality Clientele, resolution of the city council is also required.

32. OTP Bank Plc. may require resolution by the city council that for the period of repaying the loan, in the years of the term, the requested credit, loan and its charges are scheduled and approved by the municipality in its budget, prior to other development expenses.

33. If the Client fails to perform its obligations when due, OTP Bank Plc. may enforce any of its rights arising from the security in accordance with the applicable law so as it best serves the recovery of banking receivables at the discretion of OTP Bank Plc.; if possible, after consulting with the Client in advance, and considering also the interests of the Client.

34. The Client shall be required to insure in full value the assets pledged as security against all damages.

While the asset(s) is (are) pledged as security for the liability to OTP Bank Plc., the Client may not modify or terminate the insurance agreement without the approval of OTP Bank Plc. The Client and shall pay the insurance premium and shall perform anything that is required to maintain the insurance.

OTP Bank Plc. may (but is not required to) perform this obligation instead of the Client, and subsequently recharge its costs to the account of the Client, or increase the liabilities of the Client.

35. For an asset encumbered with pledge to the benefit of OTP Bank Plc. as pledgee, according to the provisions of the Civil Code as effective from 15 March 2014, in case of impairment or loss of the pledge object the insurance amount, indemnification or other value, as well as receivables in their respect shall replace the pledge object or shall supplement the security.

Unless the relevant agreement provides otherwise, the Client shall inform the insurance company that the asset is encumbered with pledge, and shall authorise the insurance company to record the insurance related rights of OTP Bank Plc. on the insurance

agreement. The Client shall instruct the insurance company in the relevant statement that unless the relevant agreement provides otherwise, in case of an event of damage, it should contact OTP Bank Plc. before disbursement and proceed with payments in accordance with points IV.B.38-39.

Furthermore, upon the request of OTP Bank Plc., the Client shall instruct the insurance company to provide data to OTP Bank Plc. regarding the insurance in the scope as specified by OTP Bank Plc.

36. If prompted by OTP Bank Plc., the Client shall immediately present or deliver the insurance policy and the documents certifying payment of the insurance premium to OTP Bank Plc., and shall certify compliance with point IV.B.35. to OTP Bank Plc.
37. OTP Bank Plc. may release the security if it considers that the security is no longer necessary for securing its receivables.
38. In case of an event of damage occurring during the period of risk taking, unless the relevant agreement provides otherwise, if the insurance amount does not exceed HUF 300,000, indemnification shall be transferred by the insurance company directly to the Client, and the Client shall use that for restoring the pledge object. In the insurance amount exceeds HUF 300,000, the indemnification shall be transferred to the technical account specified by OTP Bank Plc. The Client and OTP Bank Plc. shall decide with mutual agreement on using the indemnification either for restoring the pledge object or for decreasing the collateralised receivable.
39. Upon opening of the enforcement right in respect of the pledge object (upon terminating the loan agreement), unless the relevant agreement provides otherwise, the insurance company shall transfer the insurance amount to OTP Bank Plc., and OTP Bank Plc. may use the insurance amount to decrease the liabilities of the Client.
40. Upon the request of OTP Bank Plc., the Client, shall establish pledge on its receivables under the insurance agreement in favour of OTP Bank Plc., and shall take the steps necessary for the registration thereof into the collateral register and the notification of the insurance company.
41. During the term of the credit or loan, the Client shall make available to OTP Bank Plc. a copy of the annual and interim financial statements, journals, general ledgers substituting these etc., in case of Municipality Client a copy of the budget and its modifications, budget and final account orders, MÁK forms etc., shall make available the data and information necessary for verification (including the average headcount of employees), and shall make books, general ledgers etc. available for viewing.
42. If the Client fails to repay the loan and its charges, or any other liability by the specified deadline, OTP Bank Plc. may exercise its offset right to the extent of its overdue receivables, and debit any account of the Client kept with it or debit any other due receivables of the Client against OTP Bank Plc., including term deposits upon maturity, or may submit a collection order against a payment account of the Client kept with another credit institution based on the respective specific authorization letter with contents accepted by OTP Bank Plc.

To ensure the enforceability of the right of OTP Bank Plc. to submit a collection order based on a letter of authorisation, the Client shall certify after concluding the credit or loan agreement, and before the first disbursement, that according to the applicable law on payment transactions, it has registered this right of OTP Bank Plc. in an authorization letter with the account keeping entity. The authorization letter shall contain that the authorization may only be terminated or withdrawn with the written approval of OTP Bank Plc.

43. At its choice, OTP Bank Plc. may refuse concluding the agreement related to performance of credit transaction, may make receivables arising from credit agreement and from agreement related to performance of credit transaction fall due, and/or may terminate the credit agreement, if
- a) at the discretion of OTP Bank Plc., significant unfavorable change has occurred in the circumstances of the Client, and the Client fails to provide appropriate security in spite of being prompted by OTP Bank Plc.;
  - b) the Client has deceived OTP Bank Plc., and at the discretion of OTP Bank Plc. this has influenced concluding the credit agreement or the contents thereof; or
  - c) the conduct of the Client aimed at withdrawing securities would, at the discretion of OTP Bank Plc., jeopardize the performance of the agreement concluded based on the credit agreement.
  - d) at the discretion of OTP Bank Plc., the Client has not fulfilled the other conditions prescribed in the specific credit agreement, or
  - e) at the discretion of OTP Bank Plc., other termination reason specified in the specific credit agreement occurs, or
  - f) at the discretion of OTP Bank Plc., a termination reason specified in the specific credit agreement prevails on the date of concluding the agreement related to performance of credit transaction, or
  - g) at the discretion of OTP Bank Plc., other conditions prescribed in the specific credit agreement were not fulfilled on the date of concluding the agreement related to performance of credit transaction, or the statements are not true.

OTP Bank Plc. may terminate the credit agreement without prompting the Client to provide appropriate security, if at the discretion of OTP Bank Plc. it is obvious that the Client is unable to provide appropriate security. Furthermore, OTP Bank Plc. may refuse disbursement if any debt settlement procedure (including the out-of-court debt settlement procedure) according to Act CV of 2015 on the Debt Settlement of Natural Persons, is initiated by the Client, co-debtor, surety, pledgor, security depositor.

Such termination of the credit agreement shall not terminate the agreements concluded based on the credit agreement, but the obligation of OTP Bank Plc. to keep a credit facility at disposal or to conclude the agreement related to performance of credit transaction shall cease.

44. OTP Bank Plc. may refuse disbursement of the loan, in addition to the reasons included in Section 6:384 of the Civil Code effective from 15 March 2014, or may terminate the agreement and loans disbursed under that even with immediate effect, if:
- a) termination reasons as specified in Section 6:387 of the Civil Code effective from 15 March 2014 occur, especially if at the discretion of OTP Bank Plc. the Client has used the loan for a purpose other than that specified, and/or if the data considered for

determining the amount of the loan according to point IV.B.3., IV.B.6., IV.B.7. and IV.B.27. has significantly and unfavorably changed after concluding the loan agreement (breach of cooperation, information obligation, conduct aimed at withdrawing securities etc., termination of payment account agreement or opening or maintaining bank account with another credit institution or payment service provider without prior notification to OTP Bank Plc.), or if

- b) at the discretion of OTP Bank Plc., the Client has not fulfilled the other conditions prescribed in the specific loan agreement, or
- c) at the discretion of OTP Bank Plc., other termination reason specified in the specific loan agreement occurs, or
- d) at the discretion of OTP Bank Plc., a termination reason specified in the specific credit (loan) agreement prevails on the date of disbursement, or
- e) at the discretion of OTP Bank Plc., other conditions prescribed in the specific loan agreement were not fulfilled on the date of disbursement, or the statements are not true.

OTP Bank Plc. may refuse disbursement of the loan, if any participants of the transaction (Client, co-debtor, surety, guarantor, pledgor, security depositor, owner of the Client with at least 50% ownership share or voting rights, at least 50% ownership share of the Client, legal representative of the enterprise, etc.) is shown in databases available to OTP Bank Plc. (e.g. company information, Central Credit Information System, etc.) with clearly negative information, at the discretion of OTP Bank Plc.

Furthermore, OTP Bank Plc. may refuse disbursement if any debt settlement procedure (including the out-of-court debt settlement procedure) according to Act CV of 2015 on the Debt Settlement of Natural Persons, is initiated by the Client, co-debtor, surety, pledgor or security depositor.

In case of termination with immediate effect, or upon the expiry of the notice period, OTP Bank Plc. is entitled to require all its outstanding receivables to be settled immediately, and make any obligation of the Client specified in the agreement fall due immediately, and enforce any securities.

45. In spite of termination of the credit or loan agreement, the conditions specified in the agreement shall remain in effect unchanged, until the respective loan, liability arising from the credit transaction and the related charges are repaid in full.

46. If the credit or loan agreement is modified, the agreement modification shall take effect after the following collective conditions for taking effect are also fulfilled, in addition to the conditions for taking effect provided for in the specific credit or loan agreement:

- a) at the discretion of OTP Bank Plc., the termination reason specified in the specific credit or loan agreement and in these Business Regulations does not prevail on the date when the other conditions for taking effect are fulfilled;
- b) at the discretion of OTP Bank Plc., the other conditions and statements specified in the specific credit or loan agreement are sound on the date when the other conditions for taking effect are fulfilled;

47. For credit and loan agreements concluded on or after 1 July 2021, in case the purpose of the credit is to purchase, build and/or develop a fully or partially Income-Generating Commercial Real Estate, the Client shall provide the Bank with the following data:

A) Cost data:

- a) when providing the credit or loan: the construction and/or development costs of the Income-Generating Commercial Real Estate (excluding VAT),
- b) immediately after the costs detailed in item a) change: the newly calculated construction and/or development costs of the Income-Generating Commercial Real Estate (excluding VAT).

B) Income data:

- c) when providing the credit or loan: the annual rental income from letting the Income-Generating Commercial Real Estate to tenants or the annual cash flow generated by the owners of the real estate from realising the business objective, the intended use or the activity, after deducting taxes, operating costs intended to maintain the value of the real estate and – in case of cash flow – other costs and benefits directly related to the use of the real estate,
- d) annually: the data specified in item c) regarding the current year, with the condition that the Client shall provide the Bank with
  - iii. the data related to the gross income in case the data for calculating the net income is unavailable,
  - iv. the planned income data in case the actual income data is unavailable .

For credit and loan agreements concluded before 1 July 2021, in case the purpose of the credit is to purchase, build and/or develop a fully or partially Income-Generating Commercial Real Estate, the Client shall immediately inform the Bank about the newly calculated construction and/or development cost (excluding VAT) of the Income-Generating Commercial Real Estate if it changes after previous data is provided to the bank.

If the use of a real estate is mixed, that is, it can be deemed as an Income-Generating Commercial Real Estate or a Residential Real Estate, the Client shall report it as separate pieces of real estate in its data reporting (based on the floor space intended to be used for each purpose for example), if this breakdown is practicable. In case the breakdown is not practicable for a mixed-use real estate, the Client shall classify it according to its dominant use in its data reporting provided to the Bank. This paragraph shall not affect the Client's obligation to provide data to the Bank only in respect of Income-Generating Commercial Real Estate under these Business Regulations.

All real estate – either existing or under development – shall be deemed Income-Generating Commercial Real Estate if it has been acquired, built, developed or reconstructed by a non-natural person, and

- iv. is/was developed for the purpose of selling,
- v. is used for renting, including rented dwellings and social housing, or
- vi. generates income for its owner by any other direct method, and is not exclusively used for its intended use during the main activity of the owner.

All real estate available for residential purposes – either existing or under development – shall be deemed Residential Real Estate if it has been acquired, built or reconstructed by a natural person, including real estate bought for renting purposes.

Besides those mentioned above, the Client shall provide any other data to the Bank which the Bank requires from the Client for the purposes of its data reporting obligation towards

*MNB in accordance with the recommendations of the European Systemic Risk Board with respect to real estate.*

48. The conditions of providing credit or loan which are different from the general conditions are contained in the specific credit or loan agreement.

**V. Additional terms and conditions of overdraft facility**

**V. A. General conditions of agreements concluded before 15 March 2014**

1. At the request of the Client, OTP Bank Plc. may keep a credit facility available on its payment account kept by OTP Bank Plc. in the amount specified in a separate overdraft facility agreement in HUF or (except for Municipality Clients) in foreign currency.
2. The amount of the credit facility is influenced by the proven turnover of the Client with OTP Bank Plc. or another credit institution, its creditworthiness, as well as the legal securities offered.
3. Maximum 30 days are available for the Client to fulfill the disbursement conditions specified in the overdraft facility agreement. If the disbursement conditions are not fulfilled within the specified deadline, OTP Bank Plc. may terminate the agreement with unilateral declaration.
4. During the term of the overdraft facility agreement, without further instructions by the Client, OTP Bank Plc. shall execute to the debit of the credit facility those payment orders for which sufficient funds are not available on the payment account of the Client. Amounts credited on the account are used by OTP Bank Plc. to repay the loan taken, if those exceed the amount of payment orders to be executed on the current day.
5. The Client shall pay commitment fee on the unused portion of the credit facility, and interest and other charges (administration cost, etc.) on the amount used, according to the effective provisions. OTP Bank Plc. may modify the interest rate, fees, commissions and other costs, as well as other conditions of its credit scheme based on the conditions in chapter IV.A. point 14-19.
6. The Client may apply for the prolongation of the maturity date of the credit facility at least 60 working days before the maturity of the overdraft facility by submitting the documents necessary for credit assessment. If the application is rejected by OTP Bank Plc. then the maturity of the overdraft facility shall be the original date.
7. The maturity date of the overdraft facility may be the date as specified in the agreement, or as terminated by the Client or OTP Bank Plc. according to the general rules of granting credit (loan). If the loan is terminated by the Client, then this qualifies as modification of the agreement, and OTP Bank Plc. may charge agreement modification fee.

**V. B. General conditions of agreements concluded as from 15 March 2014**

1. At the request of the Client, OTP Bank Plc. may keep a loan available on its payment account kept by OTP Bank Plc. in the amount specified in a separate overdraft facility agreement in HUF or (except for Municipality Clients) in foreign currency. The rules of loan agreements shall apply accordingly to the overdraft facility agreement.
2. The loan amount is influenced by the proven turnover of the Client with OTP Bank Plc. or another credit institution, its creditworthiness, as well as the legal securities offered.
3. Maximum 30 days are available for the Client to fulfill the disbursement conditions specified in the overdraft facility agreement. If the disbursement conditions are not fulfilled within the specified deadline, OTP Bank Plc. may terminate the agreement with unilateral declaration.
4. During the term of the overdraft facility agreement, without further instructions by the Client, OTP Bank Plc. shall execute using loans those payment orders for which sufficient funds are not available on the payment account of the Client. Amounts credited on the account are used by OTP Bank Plc. to repay the loan taken, if those exceed the amount of payment orders to be executed on the current day.
5. The Client shall pay commitment fee on the unused portion of the loan, and interest and other charges (administration cost, etc.) on the loan amount used, according to the effective provisions. OTP Bank Plc. may modify the interest rate, fees, commissions and other costs, as well as other conditions of its credit scheme based on the conditions in chapter IV.B. point 14-19.
6. The Client may apply for the prolongation of the maturity date of the loan at least 60 working days before the maturity of the loan by submitting the documents necessary for credit assessment. If the application is rejected by OTP Bank Plc. then the maturity of the loan shall be the original date. Overdraft facility agreements of indefinite term are not subject to provisions in this point
7. The maturity date of the loan may be the date as specified in the agreement, or as terminated by the Client or OTP Bank Plc. according to the general rules of granting loan. If the loan is terminated by the Client, then this qualifies as modification of the agreement, and OTP Bank Plc. may charge agreement modification fee.

## **VI. Purchase of receivables and factoring**

### **VI.A. General conditions of agreements concluded before 15 March 2014**

1. Based on a Factoring or Receivables sale and purchase Master Agreement, OTP Bank Plc., subject to inspection of the creditworthiness of the obligor as well as the underlying transaction, shall purchase the receivables of the Client arising from supply of goods or services, agreement or the law, falling due within one year, and subject to the provisions of the respective agreement shall record and enforce the receivables henceforward.
2. The subject of a factoring/receivables purchase agreement may only be receivables which do not qualify as overdue, doubtful, disputed or litigated, and the transfer of which is not obstructed by law, third party's right of disposal or pledge.

3. Unless the agreement provides otherwise, a prerequisite of paying the financing amount specified in the agreement is that the Client notifies the obligor(s) of the assignment, and the obligor(s) confirm that they acknowledge the assignment and agree to pay the receivable to the account specified by OTP Bank Plc. and designated in the notification.
4. In order to enforce the claims, if required by OTP Bank Plc., the Client shall assist with providing data, transferring documents relating to the receivables, allowing access to the accounting records and by all other means as necessary.
5. If the obligor fulfills its payment obligation in error to the benefit of the Client, the Client shall transfer that, on the first banking day after crediting, to the account (settlement account) designated in the factoring / receivable purchase agreement for the purpose of payment by the obligor, and shall designate in the comment section the name of the obligor and the account identification number.
6. The Client shall perform its obligations towards the obligors of the transferred receivables with such care as not to compromise the payment of the receivables even in the slightest way, and shall inform OTP Bank Plc. of any circumstances known to it which affect either the existence or the enforceability of the receivables.
7. The Client acknowledges that the assignment of the receivables to OTP Bank Plc. shall not affect its liabilities existing towards the obligors of the assigned receivables, or arising later on.
8. As from the conclusion of the factoring / receivables purchase agreement, only OTP Bank Plc. is entitled to make a legal statement regarding the receivables or dispose over the receivables towards the obligor.
9. OTP Bank Plc. shall inform the Client without delay if the obligor refuses to pay. OTP Bank Plc. shall act in cooperation with the Client in enforcing the receivables. The Client is entitled to pay instead of the obligor at any stage of the enforcement of the receivables. In this case, OTP Bank Plc. shall be required to return the receivables and all the related documents in its possession to the Client.
10. In respect of the factoring / receivables purchase transaction, OTP Bank Plc. may charge credit assessment fee, agreement award fee, limit setting fee, factor fee or collection fee, handling fee, agreement modification fee, commitment fee, factoring turnover fee, data provision fee, interest, as well as payment transaction fees and commissions arising in connection with payments. OTP Bank Plc. may modify the interest rate, fees, commissions and other costs, as well as other conditions of the scheme based on the conditions in chapter IV.A. points 14, 15, 16, 17, 18 and 19., as well as chapter IX. point 2.

#### **VI.B. General conditions of agreements concluded as from 15 March 2014**

1. Based on a Factoring or Receivables sale and purchase Master Agreement, OTP Bank Plc., subject to inspection of the creditworthiness of the obligor as well as the underlying transaction, shall factor or purchase the receivables of the Client arising from supply of goods or services, agreement or the law, falling due within one year, and subject to the provisions of the respective agreement shall record and enforce the receivables henceforward.

2. The subject of a factoring / receivable purchase agreement may only be receivables which do not qualify as overdue, doubtful, disputed or litigated, and the transfer of which is not obstructed by law, third party's right of disposal or pledge.
3. Unless the agreement provides otherwise, a prerequisite of paying the amount specified in the agreement or the purchase price is that the Client notifies the obligor(s) of the assignment (and gives instructions for execution), and the obligor(s) confirm that they acknowledge the assignment and agree to pay the receivable to the account specified by OTP Bank Plc. and designated in the notification.
4. In order to enforce the claims, if required by OTP Bank Plc., the Client shall assist with providing data, transferring documents relating to the receivables, allowing access to the accounting records and by all other means as necessary.
5. If the obligor fulfills its payment obligation in error to the benefit of the Client, the Client shall transfer that, on the first banking day after crediting, to the account (settlement account) designated in the factoring / receivable purchase agreement for the purpose of payment by the obligor, and shall designate in the comment section the name of the obligor and the account identification number.
6. The Client shall perform its obligations towards the obligors of the transferred receivables with such care as not to compromise the payment of the receivables even in the slightest way, and shall inform OTP Bank Plc. of any circumstances known to it which affect either the existence or the enforceability of the receivables.
7. The Client acknowledges that the assignment of the receivables to OTP Bank Plc. (factoring or sale and purchase) shall not affect its liabilities existing towards the obligors of the assigned receivables, or arising later on.
8. As from the conclusion of the factoring / receivables purchase agreement (that is, from the assignment of the receivables to OTP Bank Plc.), only OTP Bank Plc. is entitled to make a legal statement regarding the receivables or dispose over the receivables towards the obligor.
9. Factoring Master Agreement:
  - 9.1. Factoring Master Agreement: In the Factoring Master Agreement the Client shall assign to OTP Bank Plc. its receivables existing or arising in the future towards the obligor specified in the Factoring Master Agreement, while OTP Bank Plc. shall pay the factoring amount provided that the conditions specified in the Factoring Master Agreement are fulfilled, based on Section 6:405 of the Civil Code effective from 15 March 2014. OTP Bank Plc. is entitled to provide under the Factoring Master Agreement the specific services specified in the Hpt. as part of the purchase of receivables.
  - 9.2. The Civil Code effective from 15 March 2014 requires the registration of factoring in the credit collateral register.
  - 9.3. In order to be eligible for registration in the collateral register, the Client is obliged to register as a user in the collateral register.

- 9.4. The Client grants its unconditional and irrevocable consent to OTP Bank Plc. making a factor declaration in the collateral register in respect of the Client regarding the factoring of the assigned receivables to OTP Bank Plc. per obligor.
- 9.5. The Client undertakes to cooperate with OTP Bank Plc. and to make all declarations and to take all steps necessary for the registration in the credit collateral register, or for the amendment or modification thereof if it should become necessary.
- 9.6. The Client undertakes to repay the factoring amount plus default interest and the costs paid for the enforcement of the assigned receivables to OTP Bank Plc. (together with its other payment obligations under the Factoring Master Agreement) if performance by the obligor fails for any reason. The same obligation shall apply if OTP Bank Plc. terminates the Factoring Master Agreement for reasons specified in the Factoring Master Agreement.
- 9.7. OTP Bank Plc. shall inform the Client without delay if the obligor refuses to pay. OTP Bank Plc. shall act in cooperation with the Client in enforcing the receivables. The Client is entitled to pay instead of the obligor at any stage of the enforcement of the receivables. In this case, OTP Bank Plc. shall be required to return the receivables and all the related documents in its possession to the Client.
- 9.8. In respect of the factoring transaction, OTP Bank Plc. may charge credit assessment fee, agreement award fee, limitation fee, factor fee or collection fee, handling fee, agreement modification fee, commitment fee, factoring turnover fee, data provision fee, interest, as well as payment transaction fees and commissions arising in connection with payments. OTP Bank Plc. may modify the interest rate, fees, commissions and other costs, as well as other conditions of the scheme based on the conditions in chapter IV.B. points 14, 15, 16, 17, 18 and 19., as well as chapter IX. point 2.
10. Receivables sale and purchase Master Agreement: Based on the receivables sale and purchase agreement, the Client as seller shall sell, and OTP Bank Plc. as buyer shall purchase receivables and accessories thereof in respect of specific obligors, arising from an existing agreement or included in an invoice or other document issued based on performance recognized by the debtor, and verified, for the purchase price specified in the Master Agreement. All rights and obligations of OTP Bank Plc. and the Client related to the purchase of receivables are included in the Receivable sale and Factoring Master Agreement.
11. The Client acknowledges and accepts that, in the case of certain factoring and receivable sale and purchase agreements, the service to be performed by the Customer may partly or completely precede the provision of cash service by OTP Bank Plc., and considering this, if the Client would legitimately exercise an extraordinary right of termination in respect of the service preceding the cash service pursuant to the provisions of the Civil Code effective from 15 March 2014, OTP Bank Plc. shall not be obliged to perform its cash service falling due in this way, but shall instead assign the receivables back to the Client in consideration for the cash service already paid by OTP Bank Plc. and for other payment obligation by the Client, which is expressly accepted by the Client. OTP Bank Plc. is not obliged to provide security.

## **VII. Special conditions of international and domestic guarantee**

### **VII. A. General conditions of agreements concluded before 15 March 2014**

1. Under a contract concluded with the Client, OTP Bank Plc. may make a commitment in HUF or in foreign currency that if the conditions specified in the bank guarantee letter are fulfilled (especially, if certain events occur or fail to occur, or if certain documents are presented), and within a specified deadline, it shall make payment to the beneficiary up to the specified amount.
2. OTP Bank Plc. may undertake guarantee for its creditworthy Clients within its scope of account keeping for a specified period of time, and may require provision of legal security.
3. The wording of bank guarantees and suretyship documents related to customs administration procedures was agreed upon with the customs authorities in the entire network of OTP Bank Plc., so these may be used to obtain licenses related to customs administration procedures.
4. OTP Bank Plc. shall make a decision on the granting of the bank guarantee in the framework of credit assessment, and shall charge a credit assessment fee upon submitting the application documentation. For the provision of the guarantee, the Client giving the mandate shall pay a guarantee fee. The guarantee fee shall not include fees for any other credit or payment transaction related to the provision of the guarantee, if any, as well as the one-off issuance fee of the foreign currency guarantee and the guarantee drawdown handling commission specified in the effective Public Announcement of OTP Bank Plc. relating to any drawdown. OTP Bank Plc. may modify the fees, commissions and other costs, as well as other conditions of the scheme based on the conditions in chapter IV.A. points 14, 15, 16, 17, 18 and 19., as well as chapter IX. point 2.  
The start date for the charging of the guarantee fee is the date of issue of the guarantee statement, the end date is the guarantee expiration date, calculated as determined for the calculation of credit interests.
5. If OTP Bank Plc. should be obliged to pay instead of the Client, the amount of the money paid by it shall be immediately due, unless otherwise agreed. On the drawn-down bank guarantee, the Client shall pay redemption interest until the receivables cease, according to the Publication of OTP Bank OTP Bank Plc.

### **VII. B. General conditions of agreements concluded as from 15 March 2014**

1. Under a credit agreement concluded with the Client, OTP Bank Plc. may make a commitment in HUF or in foreign currency that if the conditions specified in the guarantee statement (guarantee agreement) are fulfilled, and within a specified deadline, it shall make payment to the eligible person (beneficiary) up to the amount specified in the guarantee statement (guarantee agreement).
2. OTP Bank Plc. may undertake guarantee for its creditworthy Clients within its scope of account keeping for a specified period of time, and may require provision of security.

3. The wording of guarantees and suretyship documents related to customs administration procedures was agreed upon with the customs authorities in the entire network of OTP Bank Plc., so these may be used to obtain licenses related to customs administration procedures.
4. OTP Bank Plc. shall make a decision on the granting of the guarantee in the framework of credit assessment, and shall charge a credit assessment fee upon submitting the application documentation. For the provision of the guarantee, the Client giving the mandate shall pay a guarantee fee. The guarantee fee shall not include fees for any other credit or payment transaction related to the provision of the guarantee, if any, as well as the one-off issuance fee of the foreign currency guarantee and the guarantee drawdown handling commission specified in the effective Public Announcement of OTP Bank Plc. relating to any drawdown. OTP Bank Plc. may modify the fees, commissions and other costs, as well as other conditions of the scheme based on the conditions in chapter IV.B. points 14, 15, 16, 17, 18 and 19., as well as chapter IX. point 2.  
The start date for the charging of the guarantee fee is the date of issue of the guarantee statement, the end date is the guarantee expiration date, calculated as determined for the calculation of credit interests.
5. If OTP Bank Plc. makes payment to the beneficiary (eligible) based on the guarantee, then the amount paid by OTP Bank Plc. shall be repaid (reimbursed) by the Client to OTP Bank Plc. (as loan disbursed), so that unless otherwise agreed, the reimbursement obligation shall become due immediately upon performance of the guarantee by OTP Bank Plc. without any further notification. On the drawn-down guarantee, the Client shall pay redemption interest until the receivables cease, according to the Public Announcement of OTP Bank Plc. To the legal relationship between the Parties on the basis of the reimbursement obligation, as a loan disbursed, the rules set out in chapter IV.B. shall apply *mutatis mutandis*.
6. OTP Bank Plc. shall be entitled to determine in the guarantee statement (guarantee agreement) the manner in which and by what date the eligible person may designate the person to whom the guarantor is obliged to make the payment, or shall be entitled to exclude this.
7. OTP Bank Plc. shall be entitled to determine in the guarantee statement (guarantee agreement) the manner in which and by what date any legal succession occurring in respect of the eligible person shall be certified to OTP Bank Plc.
8. OTP Bank Plc. shall notify the Client of the receipt of any payment order from the beneficiary, of the performance or of denial of the performance within the time specified by OTP Bank Plc. Failure to notify shall not affect the performance of the obligations of the Client provided for in point VII.B.5.
9. On the question of whether the beneficiary (eligible person) has obviously acted in abusive manner or in bad faith when exercising the drawdown right, the position of OTP Bank Plc. taken on the basis of the information set out in the guarantee documents (guarantee agreement), as available when assessing the merits of drawdown, shall be authoritative. The Client shall cooperate and provide all the documents requested by OTP Bank Plc. to OTP Bank Plc. which are necessary for OTP Bank Plc. to determine whether the beneficiary (eligible person) has obviously acted in abusive manner or in bad faith when exercising the drawdown right. Failure to do so or delay shall result in the Client having no claim or objection to OTP Bank Plc. if it performs based on the warranty in spite of an obviously abusive or bad

faith drawdown. OTP Bank Plc. may request the cooperation of the Client (e.g. documents) at its own discretion, but is under no obligation to do so, and the Client may not make any claim or may not raise any objection against OTP Bank Plc. for failure to do so.

10. On the basis of the credit agreement OTP Bank Plc. undertakes to issue a guarantee with wording specified by it, provided that the conditions for disbursement (issue of guarantee) are met. If the Client requests OTP Bank Plc. to issue a guarantee with wording other than as defined by OTP Bank Plc., OTP Bank Plc. may refuse to issue the guarantee or may make it subject to the condition that the Client shall make available to OTP Bank Plc. an exemption statement or agreement as defined by OTP Bank Plc.

#### **VII.C. Common provisions for agreements subject to subchapters VII.A. and VII.B. (guarantees)**

1. OTP Bank Plc. as a guarantor shall not assume any liability to either the eligible person (beneficiary) or the Client
  - a) for the genuineness, authenticity and validity of the documents submitted to it based on the guarantee declaration (guarantee agreement), and
  - b) for any act of any signatory to any document submitted to him or for any act of any other actor, and
  - c) for defects or damages resulting from the translation or interpretation of the warranty statement (warranty contract) or of the documents submitted based thereon.

#### **VIII. Further conditions for water utility company credits**

1. OTP Bank Plc. may provide credit for investments of water utility companies registered by a company registry court, established with the cooperation of the population, municipalities and other legal entities.
2. For water utility company credits, a prerequisite is the resolution of the members' meeting of the company on the borrowing.
3. For investments of water utility companies, the central budget shall reimburse to OTP Bank Plc. instead of the company the interest of the credit granted to pre-finance the interest contribution of the population, up to 70% of the interest (but of maximum 1.3 times the semiannual average, for the half year preceding 1 January of the current year, of the reference yield of a one-year government bond) in the first five years of repayment, and up to 35% thereof in the second five years.
4. During the term of the agreement, the company may only open a payment account, borrow a loan, or enter into a agreement imposing other commitments with another credit institution subject to the prior notification of OTP Bank Plc.
5. The household interest contribution of the water utility company may be financed by water utility company credit, which may also be covered by a housing savings deposit agreement.
6. If during the term of the loan the company, or after termination of the company the municipality fails to meet its obligation to repay the principal falling due by the deadline, then

in case of citizens having concluded a housing savings agreement with a housing savings institution, OTP Bank Plc. is entitled to directly enforce the household interest contribution from the amount assigned to the company or to the municipality.

## **IX. Modification of the Terms of Business**

1. Subject to the provisions of the "Public Announcement on certain individual conditions concerning certain agreements", OTP Bank Plc. is entitled to modify the business regulations unilaterally, provided that it is justified by any
  - a. change, introduction, entry into force, entry into effect or repeal of any legislation, other legal measures of state control, legal instrument of the European Union, court or official decision or order, recommendation or guidance containing provisions applicable to the legal relationship of the Parties subject to the Business Regulations, or the official or court interpretation thereof, or
  - b. change of law governing or affecting the activity or conditions of operation of OTP Bank Plc., change of central bank regulation or other regulations mandatory for the bank, increasing of public dues (e.g. tax) of the creditor, change of rules on required reserves, or
  - c. change of interbank credit interest rates, central bank prime rate, central bank repo and deposit interest rates, consolidated or service-related consumer price index, change of money market fundraising options, change of capital market and money market interest rates, the international and domestic money market foreign currency interest rates, change of yield of securities publicly issued by the creditor bank, unfavorable relative movements of FX SWAP and other yield curves, raise of interest rates of OTP Bank Plc. client term deposits, change of the yield of government securities, of risk factors of investment credit, deferred financial performance and securities lending, of exchange rates applied for settlement of the transaction, of cost of funds for OTP Bank Plc., of costs of account keeping, proven change of costs incurred by OTP Bank Plc. determined by third parties in relation to services provided to the Client.

Interest rates, fees, costs and other contractual conditions may only be modified by OTP Bank Plc. unilaterally, to the detriment of the Client, if it is justified by the change of requirements or conditions specified for OTP Bank Plc. in point IX/1. of these Business Regulations.

2. OTP Bank Plc. shall notify Clients of any modifications 15 days prior to their effective date, via Public Announcement posted on premises open for clients (or by other direct means as defined in the agreement).
3. If OTP Bank Plc. amends the Business Regulations with newly introduced services, financial instruments, transactions subject to the Business Regulations, which are made available by it to the Client and are explicitly accepted by the Client, this does not qualify as unilateral agreement modification.

4. If the Client makes no observations or raises no objections within 15 days of posting the notice, they shall be deemed to have accepted the modification.
5. If, due to the modification of the Business Regulations, the Client no longer wishes to use the services of OTP Bank Plc., they may terminate the agreement with immediate effect before the effective date, or in case of Municipality Clients with 30 days notice as of the first day of any month, unless the agreement concluded with OTP Bank Plc. or the law provides otherwise.