

# **MKB Consulting Kft.**

## **General Terms and Conditions (“GTC”)**

### **on project management services**

#### **I. General provisions**

1. The current General Terms and Conditions (hereinafter referred to as “**GTC**”) contains the general provisions of the contract concluded on project management services between the Agent and the Client, as specified below.
2. The current GTC is made available to the public and may be accessed and examined by anyone. The GTC is published on the website of the Agent that is [www.mkbconsulting.hu](http://www.mkbconsulting.hu).
3. Agent reserves the right to unilaterally amend the current GTC. In case of the amendments being unfavourable for the Client, Agent is obliged to inform Client on the amendments of the GTC at least 15 days prior to the changes becoming effective by publishing the amendments on its website.

#### **II. Definitions**

1. The definitions used in the GTC have the same meaning in the contract concluded with Client, unless otherwise stated. The definitions listed below shall have the following meaning in the GTC and the contract concluded with Client, unless otherwise stated:

**Client:** legal entity, unincorporated business association, other economic organization or individual making use of the services provided by Agent pursuant to the provisions of the GTC and the individual contract (hereinafter jointly referred to as “**Contract**”).

**Agent:** MKB Consulting Korlátolt Felelősségű Társaság

**Party:** Agent or Client

**Parties:** Agent and Client jointly

**Project Management Services:** tasks which are performed by Agent on request of Client based on the Contract on behalf and for the sake of Client in the framework of professional consulting services to all recipients of subsidies granted by the award of a call operated by any authorities in connection with the execution of the said calls.

**Fee:** The amount of money Client is obligated to pay to Agent for the services provided.

**Managing Authority:** A body responsible for the management and implementation of an operative programme under the Széchenyi 2020 Programme

**Intermediate Body:** a public or private body or a department acting on behalf of a managing authority vis-à-vis final beneficiaries or bodies and firms implementing actual operations. In case of measures or calls for proposals where no intermediate body was designated, the managing authority is meant to be the intermediate body.

**GINOP:** Economic Development and Innovation Operative Programme

**VP:** Rural Development Programme

**CC:** Act V of 2013 on the Civil Code.

**Application form:** the document corresponding to the formal and format requirements of the relevant call for proposals aiming that the project will be awarded a grant and which includes the project application form and the annexes.

**Grant contract:** the contract by civil law governing the use of the non-refundable grants concluded between the beneficiaries of the grant and the Managing Authority.

**Grant document:** document containing the declaration of intent of the managing authority to conclude legal relationship for grants.

### **III. Rights and duties of the Parties**

1. Agent fulfils his contractual obligations based on the information provided by Client, pursuant to the provisions of the Contract, in good faith and within means of good reason.
2. Agent undertakes to perform his duties with due care.
3. The infrastructure necessary to perform the duties are provided by Agent. Agent performs said duties at its seat and/or other business premises or at the premises of Client and/or the project, if necessary.
4. Agent does not assume responsibility for executive decisions in the name of Client. Agent forms his opinion and offers services based on independent analyses.

5. Client designates its executive employees to perform the duties related to Client and ensures that the work schedule of these employees enables Agent to fulfil his services on time.
6. Within 10 days of signing the Contract Client transfers in one copy or in electronic format all preliminary and available documents and other data required for the performance of the requested Services to Agent with all of these transferred documents.
7. Client is obligated to make available all data and documentation required for the performance of duties to Agent immediately – as per the schedule set forth in the Contract – and to respond to any requests of Agent on the disclosure of information. Lack of said documentation or information may have an influence on the performance of Services by Agent, whereas delays in the provision of such documentation or information may pose a hazard to the schedule and the deadline agreed upon with Client. Agent does not assume responsibility for mistakes resulting from false or incorrect information. Agent does not assume responsibility for the authenticity of any information provided by Client. Agent does not assume responsibility for information provided by Client or a third party unrelated to Agent, but undertakes to verify the authenticity and validity of any such information to his best efforts.

In case of Client transferring requested information to Agent delayed or not according to Contract and Agent called Client's attention to the delay, the deadline of the performance of duties by Agent shall be prolonged by the duration of the delay counted from the actual date of delay. The deadlines set out for Agent shall be prolonged in case of any delay by Client by the actual duration of the delay automatically.

8. Client shall simultaneously with the signing of the Contract appoint the participating employees and experts. The necessary information and documents shall be transferred to them and the necessary briefings be conducted. Client undertakes to ensure that the employees and experts appointed by him will do everything to their best effort to keep deadlines agreed upon in the Contract.
9. Should Agent be forced to carry out excess work due to a delay in the disclosure of information from Client or for any other reason not related to Agent, and the execution of services and tasks agreed upon in the Contract therefore not commence or not be finished on time, Agent shall inform Client about this circumstance and is authorized to suspend the performance of tasks and the Contract unless the reason for delay has been sorted out. Should a delay occur and/or excess work be necessary for the above mentioned reasons (i.e. the deadline set out for Agent cannot be altered despite of a delay from Client), Agent is entitled to receive excess surcharge in the amount of 20.000 HUF per hour (not including VAT) for the excess working hours required to

finish the tasks on time. Agent is obligated to trace any such excess work to Client in writing.

10. Default of Client shall foreclose default of Agent, i.e. in case of overdue and unpaid invoices issued by Agent to Client, Agent is not obligated to fulfil the services set out in the Contract anymore.

In case of Vis Major the deadline set out for Agent is prolonged by the term of the delay to which no Party is accountable for.

11. Pursuant to the Contract the Agent is obligated to perform duties under the instructions of Client. Should Client issue unfeasible or inappropriate instructions, Agent is required to call Clients attention to this. Should Client adhere to the instructions despite of the warnings, any damages resulting from acting under such instructions shall be borne by Client.
12. Agent is obligated to inform Client immediately about any circumstance that could prevent or hamper the performance of duties or the adherence to a deadline.
13. Agent is obligated to inform Client in writing, if he/she:
  - encounters a delay through no fault of his own,
  - gets to know information that may have an influence on the performance of services according to Contract,
  - comes to a conclusion based on his survey that may have an influence on the performance of services according to Contract.
14. Agent ensures that the services provided by him/her fully correspond to the law and the requirements set out by the authorities and that no third party has any claims on them that could limit Agent's rights thereto.
15. Client is required to examine or to approve any documents handed over to him in one copy for these purposes within 3 days upon receipt, and must enable Agent to carry over the dissenting remarks of Client. The handover of the documents may be executed via email, fax or mail. Should Client not request any changes to the documents handed over within 3 days of receipt, the tasks being the subject of the Contract shall be regarded as accomplished by the Agent and the performance accepted by Client.
16. Agent is entitled to appoint those of his employees who shall work together with Client and to determine the composition of the expert's work group assigned to work on the tasks set out for Client.
17. Client is entitled to carry out inspections and request status updates on the tasks performed under the whole duration of the Contract after prior written notification sent at the appropriate time.

18. The language of communication between the Parties and all documents pertained to the performance of tasks and services under the Contract shall be Hungarian.

19. Subcontractor

Agent is entitled to enlist collaborators, fulfilment partners, authorized experts (hereinafter referred to as "Subcontractor"), whilst Client must provide Subcontractor with equal access to information compared to Agent. The expenses related to the appointment of an authorized expert are borne by Agent.

Agent reserves the right to request Client to conclude a separate Contract with Agent's Subcontractor. By signing the Contract, Client consents to conclude a separate Contract with the Subcontractor of Agent's choice, unless the enlisting of such Subcontractor is unreasonable. Should Client enter into a separate Contract with a Subcontractor of Agent's choice, the fee of Subcontractor shall be determined after consulting with Agent. For this instance, the fee of Agent shall be reduced with the fee of subcontractor.

20. Services

20.1. Agent may render Services in writing or in form of verbal consulting confirmed in writing, and may draft a final written report or an oral presentation about the performance of Services and may also compose the surveys or Bids in writing. Prior to performing the Services specified herein, the Agent may render preliminary verbal consultations and draft preliminary Reports or hold presentations, but any written advice and the final written report shall obtain priority. Client shall not rely upon any preliminary or draft report, advice or presentation. In case of Client requesting Agent to render the Services in form of verbal consultations or presentations and plans to rely upon any such verbal consultation or presentation, Client must inform Agent about his intention, whereas Agent must confirm the performance of the Consulting Services with a written document.

20.2. Under no circumstances is Agent required to update any written or oral advice, report, project proposal, study or other document being the product of Services rendered for the reason of events occurred after them having been finalized, no matter if the said products were drafts or final versions, unless Parties otherwise agree.

20.3. Any products resulting from Services being rendered by Agent in whatsoever form may solely be handed over on behalf and for the information of Client and may, without prior written consent of Client, not be copied, referred to or published neither in part, nor as a whole (except internal use of Client). Without prior written consent of Agent,

his name and logo might not be quoted or copied. Client is authorized to share the findings of the products of the Services rendered with legal advisors for the purpose of further advice related to the Services, provided that Agent is informed that without prior consent of Agent the products of the Services rendered may not be published, nor handed over to anyone (except internal use).

20.4. Any liability of Agent to Client is waived, pertaining to any loss or damage suffered by Client as a result of the rendered Services being subject to fraud, deception, withholding of information or any other defect (abuse) in connection with information, may this occur on the side of Client, or any other source of information, except, if any such fraud, deception, withholding of information or any other defect is obviously detected by Agent and no further investigations are required to prove them.

20.5. Client is not allowed to make available, publish or hand over any material drafted by Agent and related to the Services rendered without prior written consent of Agent, except the owners of Client, its supervisory bodies, the authority managing the application documents, the authorities receiving the project proposals or the authorities vested with the authority to inspect the proposals.

20.6. Client must, at the request of Agent or when he considers it to be necessary, take up a position in connection with questions arising during the performance of the Contract.

20.7. Client consents to its name and logo, or other trademark be used on any documents drafted by Agent for the use by Client.

20.8. After the Services have been fulfilled or the tasks have been accomplished, Client is required to appropriately fill out, sign and return within 10 days of receipt any performance acknowledgements, client satisfaction surveys and the draft reference certificate composed and/or sent by Agent.

#### **IV. Fee**

1. The Fee for the Services rendered shall be determined by waging the working hours applied, the professional knowledge and performed work of any appointed experts, the technology used, the know-how and professional experience and the expenses incurred.
2. Parties agree that Agent shall be granted the Fee agreed upon in the Contract.
3. Parties agree that in case of additional tasks to be accomplished under the duration of the Contract, Agent is permitted to increase the Fee agreed upon in the Contract. Supplementary or excess work is any unforeseeable, but

required work that is necessary to render the Services or to give the Advice requested by Client, or any excess work requested by Client or emerged on the side of Agent that is necessary to perform the Services agreed upon in the Contract. Parties agree that any supplementary or excess work shall be reported immediately and in this instance Parties mutually determine an increased Fee that is sufficient to cover any costs of such excess work.

4. Client acknowledges that the Fees and Costs set out in the Contract are only estimates, therefore these Fees and Costs may deviate depending on the work actually performed. Agent assures to inform Client immediately, should he assume that the Fees and Costs estimated will most likely be exceeded.
5. Client is required to disburse any duly issued invoices by Agent in the amount and in the way as specified in the Contract.
6. The invoice is issued pursuant to the provisions of the Contract. The invoice shall be settled in Hungarian currency (Forint) via bank transfer to the bank account of Agent specified in the invoice within 8 days of the issuance.
7. By settling the invoice the performance covered by the invoice is deemed justified even in the absence of a separate certificate of performance.
8. Client is not entitled to setup against the invoice issued.
9. In case of setting out a success fee Parties agree that in the event of termination of the Contract for any reason the mandate fee under Section 6:276 subsection 2 paragraph 2 CC (proportional remuneration for performed activities) and related costs thereof shall also become due for the Agent even if the Agent is not entitled to other claims for fee or damages for any reason.
10. In case of late or delayed payment Client must pay to the Agent default interest from the 15th day counted from the date of maturity. The default interest rate is the default rate determined in CC. In case of late or delayed payment and provided that from the 15th day counted from the date of maturity the payment is still late or delayed, Client is required to pay to Agent the HUF equivalent of EUR 40 as penalty.
11. Client acknowledges that in case of cancelation of the Contract by Client or the termination of the Contract before the fulfilment of the Agent due to a reason in the sphere of influence of Client or before the result (success) occurs, Agent is not required to refund any payments already received.
12. In case of the Contract being terminated or suspended, Agent is entitled to demand the costs and expenses incurred, and the Fee for the work already performed with the additional taxes (if applicable).

## **V. Cooperation**

1. The rights and duties specified in the Contract shall be exercised based on the principle of equity and good faith, and with the Parties mutually cooperating thereto.
2. With regard to the obligation of cooperation, Client is required to inform Agent on any obstructing circumstances in writing. The lack to do so results in the liability of Client, should any damages occur as a consequence of information not disclosed.

## **VI. Declarations**

1. Parties declare that they are duly registered and operating companies, which may gain rights under their own names, are actionable and are entitled to the claim, are authorized to conclude the Contract and perform the Services therein, whilst no action, nor consent or notification of any third party is required for concluding the Contract and perform the Services therein.
2. Private entrepreneur or private individual Client declares to be an adult Hungarian citizen vested with full legal capacity, whose ability to enter into the Contract is not limited to any extent.
3. Parties declare and ensure that neither Party's entering into a contract violates or will violate any other agreement or obligation Client or Agent being a Party to, or have an adverse effect or result in an obligation pertaining to the assets of any Party.
4. The obligations of Client stipulated in the Contract are valid and legitimate, which are obligatory and enforceable with respect to Client and comply with the Deed of Foundation or Articles of Association of Client and the relevant Hungarian law, whilst Client fully complies with the relevant law and the requirements of applicable permits based on the relevant law.
5. The contracting Parties declare that no bankruptcy, insolvency or dissolution procedures are in force with regard to them, no such requests were submitted pertaining to them and neither of them did commence any such procedure against himself/herself, and further, no Court or official procedure is in progress against any of them, which may render them unable to perform the Contract or to sustain their business activities, or result in a verdict with aforementioned possible effects.
6. Parties ensure to mutually inform each other within 3 days, should any such procedure be initiated against them or be commenced by them against their selves.

7. The declarations made pursuant to Section VI Declarations of the GTC shall be regarded as declarations made with the same content every single day under the duration of the contract.

## **VII. Exclusion and limitation of liability**

1. The liabilities of Agent pertaining to the Services specified herein are subject to the limitations contained in this Section.
2. Any Claims by Client pertaining to the liability of Agent and in any connection to direct or indirect damage (also damage in lost profit) as a result of the Services rendered – whatever the reason for the damage caused, including negligence of Agent, but not including gross negligence fraud or any other deliberate breach of obligation – shall be reported by Client in writing within 3 months of discovery. Should the claim be submitted more than 18 months after the performance of the Services or the handover of a working paper or a partial working paper, Agent cannot be held liable, except for gross negligence, fraud or any other deliberate breach of obligation.
3. Agent shall not be held liable for any claims submitted after the above mentioned time-limits have elapsed.
4. Agent undertakes liability for the damages caused by breach of obligations under this Contract, by his activity carried out or by the event of default. The Agent shall only be liable for the damages caused by breach of contract and the losses occurred in the assets of the other parties, if he has not proceeded in a manner deemed reasonable under the given circumstances. The amount of compensation payable by the Agent is the most the equivalent of the amount of the fee. These limitations shall not apply for the wilful breach of contract as well as such injuring to life, physical integrity, or health, in which events the Agent's liability is in the legal framework unlimited.
5. Third parties

In case of Client breaching any of his contractual obligations and a third party filing a claim against Agent, Client is obligated to indemnify Agent and to reimburse him/her any damage, loss, disbursement or cost that arose from any such breach of obligation. Should Client render payments to Agent pursuant to this clause, Client shall not be entitled to reclaim these payments.

## **VIII. Exclusivity**

1. Client ensures that under the term of the Contract he/she will not assign any another Agent to perform the Services specified herein.

## **IX. Indication of References**

1. Client consents that Agent may, after the successful completion of the Contract, list and publish the name of Client, the date of performance and the transcription of the Services rendered among his references.
2. Client further ensures that he will, in a period of 5 years from the completion of the Contract issue a reference acknowledgement with an authorized signature in the form requested by Agent within 10 working days of receiving the request.

**X. Protected data, data management, confidentiality**

1. Agent is obligated to treat any documents displayed and handed over and any information revealed as business secrets.
2. Parties declare that under the duration of their co-operation under the terms of the Contract any business, professional or institutional information shall be treated as business secret and confidential. The rules of confidentiality must be adhered to by both Parties. The rules of confidentiality applies accordingly also to their employees, hence the Parties shall be liable for obliging their employees and performance assistances to confidentiality in a proper way. This obligation is independent from the existence of the Contract and after its termination it remains applicable for unlimited period.
3. Client declares that any information on business secrets, bank secret, securities secrets revealed during the performance of the Contract shall be kept by him for an unlimited period of time and Client be liable in case of breach of this obligation. Client declares that he is aware of the provisions on bank secrets of Act No. CCXXXVII of 2013 on banks and financial institutions, the provisions on securities secrets of Act No. CXX of 2001 on the Security trading and the provisions on data handling of Act No. CXII of 2011 on information self-determination and freedom of information, and ensures that he/she will adhere to the aforementioned provisions when handling any revealed data. Furthermore, Client may not disclose any data to any unauthorized third party if this disclosure has an adverse effect on Client.
4. Agent declares that any data or information disclosed by Client will only be used to perform the tasks set out in the Contract and will not be used for any other purpose, will be treated as strictly confidential and will not be published. The non-disclosure provision shall apply to any employee of Agent, therefore Agent is required to enforce the adherence of the confidentiality with separate confidentiality agreements concluded with his employees.
5. Should Agent render Services to several Clients at the same time, Agent is required to handle any information, data or knowledge pertaining to rendering such Services separately.

6. Client may only appear in its own name and is not authorized to bear the name of Agent. Any damage incurred through the unauthorized use of the name shall be borne by Client.
7. Client expressly acknowledges, approves and authorizes the Agent to record, manage, store, process and forward in accordance with the laws on bank secrets and data protection provisions and if it is also considered as personal data for data management purpose and duration the information, documents, deed including confidential information, business secret or where applicable data qualified as personal data, as well as any data from which the Agent can draw conclusion to the identity of the Client, its customers, their contact persons, employees, other representatives or which are in any way associated with such.

Purpose of the data management and data transmission is performing Services, customer records, customer relationships, claim enforcement, marketing, organising work. By signing this contract Client gives his explicit and unambiguous consent to the Agent to manage, process, forward the data to certain processors, such as the respective accountant of the Agent, to the entrusted members of the MKB Bank Zrt. and its other agent, subcontractor, performance assistant (all of them collectively, the "**Data Processor**" or "**Data Processors**").

Client acknowledges and agrees that in accordance with applicable law, Agent is authorized to forward information to the Data Processors for the purpose of data processing. The consent given by signing the present declaration is considered as given in possession of the appropriate information. Client agrees that Data Processor is entitled to take other data processor in course of his activities.

Client declares that he forwarded the data of the Client or such of his customers, their contact persons, employees and other representatives to the Agent based on their explicit, unambiguous and voluntary, properly given consent. He acknowledges that if he forwarded relating to the performance of the present consent such information to the Agent which may constitute the personal data, business secret or bank secret of a third party, the Client is obliged and liable to acquire the respective third party's consent to the data transfer as well as for the Agent to learn, manage and forward such information to the Data Processor.

By signing the Contract Client releases Agent and its Data Processors from the provisions on confidential information, business secret and he gives his consent to the Agent and his Data Processors to get acquainted with the entirety and whole content of the confidential information, business secret, information, documents to the Agent.

Client agrees that based on his voluntary explicit and unambiguous consent that Agent, the member of the Agent, the MKB Bank Zrt. can send invitations, additional materials regarding the professional events organised by him or with his assistance and from this purpose he can manage, record the name, phone number, e-mail address, company name and position of the respective persons.

#### **XI. Intellectual products created during the performance**

1. Agent retains any copyrights and other valuable rights and interests pertained to intellectual products – systems, methods, documents, know-how – created as a result of the performance of the Contract. Agent also retains any copyrights and other valuable rights and interests on reports, written advice or other material handed over to Client.
2. Documents composed by Agent during the performance of the Contract are the intellectual products of Agent and may only be utilized by Agent. These intellectual products are protected by copyrights. Agent grants permission to Client to utilize said intellectual products on a single occasion under the duration of the Contract, to the extent necessary to realize the project specified in the Contract.
3. Further, any subsequent use of the above documents or portions of them may only be conducted with a prior written consent of Agent and when properly referring to the copyrights of Agent.
4. The experience and know-how gained from and developed while performing the Services to Client under the terms of the Contract may be shared, developed and utilized by Agent and any of his Colleagues as long as the provisions pertaining to confidentiality are adhered to.

#### **XII. Contacts and Notifications**

1. Orders, requests, comments or information delivered verbally or in writing may only be accepted from individuals by Agent, if Agent knows or reasonably assumes that the individual is authorized to maintain contact with Agent (hereinafter referred to as “Authorized individual”).
2. Agent shall also maintain contacts with Client on e-mail to which Client gives its approval. Additionally, Client accepts the risks pertaining to e-mail communication (delay of such communication channels, unauthorized access, technical setbacks as a result of computer viruses and other security threats) and ensures to scan for viruses.
3. Parties declare that they are aware of the risks pertained to the exchange of data and documents through electronic channels, especially e-mails. The threat of unauthorized access by third parties, those manipulating data and the recipient of the e-mails receiving falsified, incomplete, delayed or no

data/documents at all may especially not be ruled out. Forwarded electronic documents may contain viruses or other content that may harm the proper function of personal computers.

4. Acknowledging the risks and threats pertaining to the said communication channels, Client hereby accepts that information and documents may be forwarded to Client and other interested parties via electronic communication channels (e-mail). Agent does not accept responsibility under the duration of the Contract for any damage sustained by Client or interested third party as a result of using electronic communication, except for gross negligence or deliberate intent by Agent.
5. Agent's prior written consent is required for forwarding amended documents electronically to third parties, as well as to forwarding any documents in general. Client receives certain documents both in electronic as well as in printed form. With respect to this there might exist different versions of one document in the very same design state. In case of different versions existing in the same design state, the version printed and handed over to Client shall prevail.
6. Client is obligated to inform Agent should he not be requiring the forwarding of information and documents electronically.
7. All notifications, offers, orders or other messages (hereinafter referred to as "Notification") shall be communicated in writing and delivered to Client's address by means of personal delivery, mail, fax, electronically or any other related form of communication. Receipt of Notifications delivered by fax must be confirmed on phone or in e-mail.
8. In case of the Notification by mail being returned to sender with the mail being marked as "recipient declined acceptance of delivery" or "recipient unknown", the Notification shall be regarded as delivered 5 days after dispatching, irrespective of the fact that the Notification was actually delivered to recipient or not. Notifications sent by fax shall be regarded as delivered if the return receipt of the fax was received and the receipt of the Notification be confirmed in an email or via phone. Notifications sent by email shall be regarded as delivered if the automated return receipt was received. Notifications delivered in person are confirmed by the receiving Party's signature on a delivery report. In case of it being proven that the signing is executed by an employee of the Party or a relative of the representative of Client, the Notification is to be regarded as delivered.
9. Client – with regard to the rules pertaining to Notifications and their delivery determined above – is obligated to provide that a representative authorized to receive any delivery is always present at the delivery address under the duration of the Contract. Failure to appoint a representative results in the Client not being entitled to rely on this lack for his advantage. Any damage or loss

resulting from Client disclosing a wrong delivery address is to be covered by Client and falls due immediately. In communications with Client via phone, fax or electronically, Agent shall not be held liable for any damage or loss incurred due to mistakes, misunderstandings or other flaws, except the damage evidentially be caused by Agent.

10. Parties agree that any change of or to their seat, tax number, personal tax exemption, bank account number, persons entitled to sign on their behalf, contact persons, Authorized Individuals, regularly used phone- and fax-number, e-mail address shall be reported prior to the changes occurring in writing, if feasible, but no later than 3 business days after the changes.
11. Client expressly requests and permits the Agent to send newsletters, information, commercial statements and advertisements via email to the managing director(s) and contact person(s) of the Client defined by the Client during the effect of the Contract and afterwards, until the permit is expressly withdrawn.

### **XIII. Limitations**

1. Agent ensures to fulfil his contractual obligations as an independent contractor and that its owner (shareholder) and its employees are not in any kind of employment relationship with Client.
2. Parties accept that during the performance of the tasks specified in the Contract and within 12 months of the termination of the Contract (termination shall be the date of final invoice) no job offer may be made by any Party to an employee of the other Party, who participated in the performance of the Contract and made acquaintance of Party pertaining hereto, without prior consent of said Party. In case of any Party breaching this obligation he/she shall pay a contractual penalty to the other Party amounting to 400% of the last full salary received by the employee.

### **XIV. Duration, termination**

1. The Contract is concluded for an indefinite term.
2. Any Party is entitled to terminate or suspend the Contract in writing at any time with a 60-day notice. The termination or suspension of this Subsection shall not affect any rights gained prior to the termination or suspension, and any Fees fall due at with the termination or suspension becoming effective. Should the Contract be terminated by Client, he is obligated to reimburse to Agent any costs and damage already incurred pertaining to the performance of the Contract.

3. Any Party is entitled to terminate the Contract with immediate effect, should the other contracting Party become unable to pay or insolvency or bankruptcy procedures be initiated against him or in case of serious breach of Contract. Parties consider to be serious breach of Contract, among others, the following:
  - any Party violating his confidentiality obligation,
  - any Party repeatedly being in default with the performance of the Contract due to his/her attributable negligence,
  - Client repeatedly violating his obligation to disclose information.
4. Should the Contract be terminated by Agent due to a serious breach of Contract by Client, as specified in Clause XIV.3 of the Contract, Client is obligated to reimburse to Agent any cost and damage incurred pertaining to the performance of the Contract.

**XV. Special terms and conditions pertaining to project management services**

1. The provisions of the current GTC shall be applied pertaining to specific project management services, as set forth in the current Section No. XV. In case of contradictions between the provisions of the GTC and the current section, the stipulations set forth in the current Section shall apply.
  - 1.1. Client is obligated to submit the project management documentation prepared by Agent as per agreement and delivered to Client on time within the given deadline. It is the responsibility of Client to submit such documents according to the content specified by and the written advice and professional guidance provided by Agent. Should Client not adhere to this obligation and the documentation be rejected as a result, all responsibility is to be borne by Client. Agent may submit the documentation within the given deadline on behalf of Client, if authorised to do so.
  - 1.2. Client is obliged to follow the mails received by post on the mailing address determined in the Grant Contract or Grant Document, any notification, mail, information, request, appeal or any other document (especially any document connecting to the Grant Contract, calls for completion of documents or unravelling questions etc.) received by post from the intermediate body or the managing authority being liable for the calls for applications, shall be forwarded to the Agent via email in a scanned form within 1 working day from the acceptance thereof.

If the Agent is named as contact person in the Project Proposal, Agent is obliged to manage, follow the Development Policy Database and Information System in case of a GINOP-application as well as the Unified Agricultural Client Database System in case of a VP-application and to open formal notices which came in via said systems. In this regard Agent is obliged on each working day after concluding the grant contract to follow the incoming emails related to the Project Proposal in the mailbox

determined in the Project Proposal. If an email related to the Project Proposal is received, the Agent is obliged to inform the Client without delay, but not later than on the next working day from the acceptance thereof.

If the Client is named as contact person in the Project Proposal, Client is obliged on each working day after the signing of the Grant Contract to follow the incoming emails related to the Project Proposal in the mailbox determined in the Project Proposal. If an email related to the Project Proposal is received, the Client is obliged to inform the Agent without delay but not later than the next working day from the acceptance thereof. After the signing of the Grant Contract, the Agent may initiate at the Client, if such possibility is given by the given Intermediate Body, that the data of the Agent shall be provided as second contact, or the Agent shall be nominated as contact instead of the Client.

Before opening the notices coming from the Development Policy Database and Information System in case of a GINOP-application and from the Unified Agricultural Client Database System in case of a VP-application, the Parties consult by phone if possible, and the notification shall be opened only after the consultation.

- 1.3. Parties agree that by signing the Contract Client authorizes Agent to represent and act on behalf of Client in front of the Managing Authority or the Intermediate Body.
- 1.4. Further obligations of Agent after the grant being awarded:
  - assistance in connection with concluding and incidentally amending the Grant Contract,
  - preparing Client's employees for the cooperation,
  - proposing plans on workflow and work-schedule,
  - proposing ways of documentation of project implementation,
  - maintaining contacts with the Managing Authority and/or Intermediate Body. Representing the beneficiary pertaining to any questions thereto in front of the Managing Authority, the Intermediate Body and other relevant authorities and requesting information from them,
  - preparing payment requests based on the information received (contracts, orders, invoices, performance acknowledgements, technical supervisor's reports etc.) from Client (see in detail Section 1.6.3, Preparing payment requests),
  - drafting progress reports and the final report based on the information/documents sent by Client, and its submission after Client's approval,
  - preparing corrections with regard to reporting within the given deadlines, and its submission after Client's approval,
  - attendance at site inspections,
  - following changes to the relevant operative programme that may have an effect on the implementation of the project,

- carrying out administrative duties in connection with disbursing the grants awarded, pursuant to the provisions of the Grant Contract and the applicable Hungarian and EU law.
- 1.5. In order to Agent fully performing the necessary administrative duties set forth in the Grant Contract with regard to the disbursement of the grants awarded, Agent's further duties are as follows:
- consulting with Client on the status of the implementation of financial, technical, public relations and horizontal tasks on a regular basis. In this respect Agent will propose possible interventions whenever necessary,
  - monitoring the progress of the project by reporting to Client, further, monitoring the performance of service, works and supply contracts,
  - participates in the preparation of decisions in connection with the implementation of the project,
  - participates in resolving any conflicts arising during the whole duration of the project,
  - monitors the progress of communication activities pertaining to the project based on the information provided by Client,
  - monitors the progress of publicity and dissemination activities pertaining to the project based on the information provided by Client,
  - monitors the performance of horizontal tasks pertaining to the project based on the information provided by Client.
- 1.6. Parties may agree on the performance of limited Project management services, which includes from the activities specified under section 1.1.-1.5. exclusively the following tasks:
1. Finalization of project documentation and the financial tables necessary for the conclusion of the Grant Contract.
  2. Assisting in-house project managers of Client in financial implementation activities and in the meeting of accounting requirements related to the project.
  3. Preparing payment requests
    - Disbursement of advance payment: The requests on advance payments shall be carried out pursuant to the provisions of the Government decree No. 272/2014 (XI.05.) and its amendments on the order of use of grants from EU funds in the 2014-2020 programming period. Agent accepts to prepare necessary documents on the request of advance payments.
    - Set-off of the advance payments: Agent undertakes to prepare for the schedule of the set-off of any advance payments received, pursuant to the applicable law.
    - Disbursing advance payments to pre-finance VAT: Agent – if relevant – participates in preparing the necessary amendments to the Grant Contract for the purpose of accessing possible VAT advance payments.
    - Submission on request of interim payment: Agent participates in the preparation of the request and the review and classification of the

invoices and documents to be issued prior to them being added to the connected report documentation. In order to ensure meeting all formal requirements, Agent checks back with Client and the invoicing party electronically prior to the issue of the invoices and performance acknowledgements. The payment request will be drafted in the possession of the aforementioned documents. The documents to be submitted with the payment request are included in the checklist on the interim payment request documentation, and uploads to the online surface of the Development Policy Database and Information System in case of a GINOP-application as well as such of the Unified Agricultural Client Database System in case of a VP-application.

- Preparing the final payment request: Agent submits in the final payment request within the given deadline any invoices pertaining to the project but not submitted for set-off so far.
4. Preparing Progress Reports (PR) Interim Reports (IR), the Final Progress Report (FPR) and the Final Report (FR): According to the proposal structure, Agent participates in drafting and preparing the final, period and the interim Project progress reports and the review and classification of the documents pertaining thereto. The progress reports will be drafted in the possession the aforementioned documents. The documents required to be submitted along with the PR, IR, FPR and FR are collected pursuant to the relevant guidelines and Agent will propose corrections to them if necessary. After preparing the PR, IR, FPR and FR, Agent provides further advice pertaining to formal requirements of the submission of the said documents. After this he uploads the documents to the electronic application surface.
  5. Corrections: Agent participates in correcting any defects pertaining to formalities or content of the submitted payment requests and Project progress reports.
  6. Reporting of changes, amendment of Grant Contract: Agent participates in the preparation of reporting of changes and the amendment of the Grant Contract.
  7. Site inspections: Agent attends site inspections during the implementation of the Project, should the inspection be connected to the financial progress of the Project.

**In case of applying Subsections 1.4 and 1.5, the provisions of Subsection 1.6 (with the exception of Subsection 1.6.3) in case of applying Subsection 1.6 the provisions of Subsections 1.4 and 1.5 shall not be applicable.**

- 1.7. The Preparation of the maintenance reports is not part of the Project management services, unless otherwise stated in the Contract.

- 1.8. Client shall perform the financial project management services by using the online application to be found in case of a GINOP-application on the Development Policy Database and Information System and in case of a VP-application on the Unified Agricultural Client Database System, hence the accounting shall be done electronically and submitted to the Managing Authority. Client provides Agent with identification number and password of the proposal in order to make use of the electronic surface.
- 1.9. Agent performs the tasks stipulated herein at its own seat or subsidiary or branch office. The fee for the conclusion of the Grant Contract, the site inspections, the drafting of the payment requests and progress reports includes one man-day of work each to be performed at Client's seat own or subsidiary or branch office (or at the project site). Client is obligated to prepare any documents necessary and requested by Agent for the accomplishment of any related tasks, should these tasks be executed outside of the premises or subsidiary or branch office of Agent.
- 1.10. Client is required to provide Agent with all necessary data and information pertaining to preparing and drafting of the requests on payment and progress reports at least 15 days ahead of the deadline of their submission as stipulated in the Grant Contract. Agent will hand over to Client the prepared documentation at least 3 days prior to the deadline of their submission for review. In case of the date of submission of the payment request not being specified, Client is obligated to inform Agent of the date determined by Client at least 30 days ahead of the said date.
- 1.11. Client is required to forward to Agent one copy of every progress report, final report, payment request and their annexes submitted to the Management Authority and to the Intermediate Body immediately within their submission, but no later than 3 business days.

1.12. Fees

The fee is a blended fee. Agent is entitled to receive fees and issue invoices, if the Management Authority or the Intermediate Body does not approve the progress report, the final report or the payment request submitted by Client, in case of the approval not being given is a result of Client not fulfilling the requirements set out in the Grant Contract (pertaining to output indicators and/or result indicators) and not a result of defective performance of Agent. Apart from the tasks specified in the Contract any subsequent consultation required by Client shall be remunerated at a standard hourly rate of 20,000 HUF. The detailed list of subsequent consultations shall be proven by Agent with timesheets on the expended working hours.

1.13. Termination, suspension

In case of Client withdrawing or cancelling the Contract prior to the Project being completed, Client must reimburse to Agent any costs, expenses and damage. According to this Client is obliged to pay on the day of termination of the Contract 50% of the total fee under the Contract which has not been invoiced to the Agent t as penalty

## **XVI. Miscellaneous**

### **1. Full Agreement**

The Contract and the current GTC shall embody the full and final agreement with regard to the subject of the Contract between the Parties. Any other agreement/contract concluded between the Parties earlier shall become ineffective with the signing of the Contract by both Parties. Matters not regulated in the Contract shall be governed by the content of Agents offer to Client and any such provisions of the offer shall be mandatory during the performance of the Contract. In case of any conflicts between the provisions of the Contract and the content of the offer, the provisions of the Contract shall govern. In case of any conflicts between the GTC and the Contract or the Contract stipulating certain matters differently from the GTC, the provisions of the Contract shall govern. Any amendments to the Contract must be done in writing and being signed by the authorized representatives of the Parties.

### **2. In case of Agent not exercising any rights he/she is entitled to, pursuant to the provisions of the Contract, or exercises any such rights belatedly, or exercises any such rights partially only, this shall not be regarded as Agent ceding any of his stipulated rights. Pursuant to the provisions of the Contract any rights stipulated therein shall complement any other rights Agent being entitled to pursuant to the governing law.**

### **3. Illegality**

Illegality shall persist if, at any time, Client's or Agent's acts pertaining to the performance of the Contract or any rights exercised thereof are conflictive with the law or any obligation or right of Client or Agent becoming invalid or non-actionable pursuant to governing law. In case of observing illegality, Parties shall jointly exercise every reasonable act to minimize the damage or adverse effects resulting thereof.

### **4. Any Chapter, Section, Subsection, Clause or any other part of the Contract becoming conflictive to the law, invalid or non-actionable shall be deleted from the Contract and regarded as null and void to the extent of the said sections, but this shall not affect the Chapters, Sections, Subsections, Clauses or other part of the Contract not pertained, which shall be applied separately of the aforementioned, illegal Sections.**

5. In case of the Contract being drafted in foreign language versions and there be any conflicts pertaining to the interpretation of the Contract, the Hungarian version shall prevail.
6. Client authorizes Agent to administrate and forward to third parties any personal data or special personal data disclosed by Client to Agent in connection with the performance of the Services. Agent accepts to administrate any such data pursuant to the provisions of the Act No. CXII of 2011 on information self-determination and freedom of information, which also provides for the possibilities of legal remedies.
7. Parties agree that any matters not regulated herein shall be governed by the stipulations set forth in the Civil Code and other civil law related law, further Parties resolve to settle any disputes pertained to the Contract by way of negotiations.
8. Any dispute which may arise from or in connection with the Contract, with its breach, termination, validity or relating to its interpretation, without excluding the competence of other Hungarian courts, the parties submit themselves to the decision of the Permanent Court of Arbitration, Budapest attached to the Hungarian Chamber of Commerce and Industry so that the Arbitration Court acts according to its own Rules of Procedure.

The number of proceeding arbitrator(s) is: one. During the procedure, the Hungarian language should be used. During the procedure the sub rules on accelerated procedure (Section 45 of the Rules of Procedure) shall apply. The Parties agree that they appoint dr. Andrea Csécsy as arbitrator.

The Parties agree that the Agent is entitled to initiate a process for issuance of payment order, and that, if as a result of Client's objection the process develops into a lawsuit, the Agent shall be entitled to launch the arbitration procedure after the termination of the trial. The above alternative arbitration clause does not preclude either Party to enforce his claim arising from the legal dispute affected by the arbitration clause through payment order.

## **XVII. Final provisions**

1. The provisions set forth in the present GTC shall be regarded as part of the Contract concluded between the Parties.
2. The present GTC shall become effective as of 19 April 2016.

**MKB Consulting Kft.**