



Conditions for Guarantee Business

The Deutsche Bank Europe GmbH Hungary Branch, 1054 Budapest, Hold u. 27., (hereinafter the “Bank”) issues, in accordance with instructions received, guarantees (including bonds and standby letters of credit).

Under Guarantees (c.f. no 1 infra), which the Bank has issued directly in favour of the Beneficiary, the Bank is bound to effect payment without delay, when it receives a demand that complies with the terms of the Guarantee. In case of Guarantees issued by the Bank indirectly by instructing a Second Bank (c.f.no1 infra), including Guarantees and Standby Letters of Credit confirmed by a Second Bank, such Second Bank is entitled to receive guarantee commission, fees and expenses as well as, in case of a demand, reimbursement without delay under the Counter-Guarantee of the Bank. The principal can assert any objections or defenses after payment by the Bank only directly against the Beneficiary at his own risk unless, before payment, he has presented conclusive evidence, or it is obvious, to the Bank and, in case of indirect Guarantees, also to the Second Bank that it is entitled under the applicable law to refuse payment.

Therefore, before giving instructions the Principal should check carefully whether his arrangement with the Beneficiary does require the issuance of a Direct or Indirect Guarantee.

1) Scope of Application and Definitions

These Conditions apply to any instructions of customers (“Principal”) for the issuance of Guarantees (including Bonds and Standby Letters of Credit) in favor of third parties (“Beneficiary”) and to the execution of any such transactions by the Bank.

These undertakings as well as the Counter-Guarantees (as defined in the next sentence) of the Bank are hereinafter called “Guarantees”, unless referred to individually.

Guarantees are issued either by the Bank itself (“Direct Guarantee”) or by transmitting the instructions in its own name (“Indirect Guarantee”) to a “Second Bank” under its corresponding liability (“Counter-Guarantee”).

2) Issuance of a Direct or Indirect Guarantee and Booking Entry

If the Bank agrees to accept the instructions received, it will issue a Direct or Indirect Guarantee in accordance therewith. If, at the time of its acceptance, the Bank is unable to contact the Principal, it may, at its own discretion and having regard to the known interests of the Principal, amend or deviate from the instructions and execute the mandate in a manner which is typical under the known circumstances, provided always, however, that the Principal has not given instructions to the contrary. It will inform the Principal thereof in due course.

Upon the execution of the instructions to issue a Guarantee the Bank will debit the amount of the Guarantee to the Principal’s guarantee-account.



3) Costs, Commissions and out-of-pocket Expenses

As from the debiting of the Guarantee amount to the guarantee account until reversing the same, the Bank will charge the Principal a guarantee commission.

Further, the Bank will charge to the Principal fees for the execution of the Guarantee, for any amendments thereof and/or for each other service the Bank provides in connection with the Guarantee which, under the given circumstances, can be expected only to be provided against remuneration, in the agreed amount or in the amount the Bank may determine as per its official List of Standard Conditions.

The Principal shall also bear all necessary costs and out-of-pocket expenses of the Bank in connection with the Guarantee (including, in case of Indirect Guarantees, all commissions, fees and expenses charged by the Second Bank), and, where applicable, also after the debit entry in the guarantee account has been reversed and/or arising in connection with the assertion of any rights in and out of court at home and abroad.

4) Examination of Documents

Demands, statements and other documents which are to be presented under any Guarantee shall be examined by the Bank with reasonable care to ascertain whether they appear on their face to conform with the terms of the Guarantee and not to be inconsistent with one another. The Bank is entitled to treat documents transmitted by teletransmission as originals.

5) Notice to the Bank and Enquiries

Information available to the Principal which may affect the Guarantee, is (unless otherwise provided in no 7 infra) relevant to the Bank to the extent only that the Principal has provided conclusive evidence to the Bank.

If the Bank asks the Principal for instructions and does not receive, without delay, his response in writing or confirmed in writing, or if the Bank is unable to contact the Principal without delay, then the Bank may act, at its own discretion having regard to the known circumstances and interests of the Principal. It will inform the Principal thereof in due course.

6) Notice to the Principal

The Bank will inform the Principal without delay of any debiting, reduction and reversal of Guarantee amounts on the guarantee account as well as of the receipt of any documents (in particular payment demands) from the Beneficiary or the Second Bank which comply with the terms of the Guarantee and are of relevance to the Principal. The Bank will make available the originals of such documents, upon request, to the Principal to the extent that the Bank does not require them for the preservation of its rights or is not bound to keep them itself.

7) Payment upon Demand

The Bank shall effect payment pursuant to the terms of the Guarantee without delay after receipt of a demand from the Beneficiary or the Second Bank, which on its face appears to be in compliance with the terms specified in the Guarantee, unless the demand is obviously abusive or conclusive evidence is shown thereof.

8) Reversal in the Guarantee Account

In case of Direct Guarantees which, according to their wording, expire without any doubt if no demand has been received by the Bank on or before a definite expiry date, the Bank will, after the expiry date, reverse the entry in the guarantee account. If a claim under such Guarantee is lodged with the Bank thereafter, the Bank shall, in principle, effect payment only, if such payment is authorized by the Principal or ordered by a decision, enforceable in the country where it was rendered.



In case of all other Direct Guarantees and Indirect Guarantees the Bank will reverse the entry in the guarantee account only upon receipt of the Guarantee instrument for discharge from the Beneficiary, or upon being unconditionally discharged in writing from any respective liability by the Beneficiary or the Second Bank, or upon the Bank having paid the amount available under the Guarantee. If the Bank has been prevented from effecting such payment without delay, the reversal in the guarantee account is subject to any assertion of damages on account of delay by the Beneficiary or the Second Bank.

The Principal shall do everything necessary for such reversal in the guarantee account.

9) Reduction

Reductions of the Guarantee will be considered by the Bank in respect of the debit entry in the guarantee account and of the charging of the guarantee commission, if the terms and conditions of any reduction clause of a Direct Guarantee are, without any doubt, complied with or if the Beneficiary or the Second Bank has certified in writing and unconditionally the reduction of the Guarantee or if the Bank has effected partial payment pursuant to a demand.

10) Bank's Right to be Released

The Principal is bound, upon the request of the Bank, to cause, at his choice, either the release of the Bank or appropriate collateralization, if there has occurred a relevant event (inter alia deterioration of the financial situation of the Principal, a change of the residence/place of business of the Principal which materially impedes any litigation, delays in payments by the Principal or decision to pay under the Guarantee).

Provided the bank pays to a third party on the strength of a Guarantee, the Principal is obliged to restore said amount to the Bank upon first demand. Provided the Principal will not, or will only with delay, fulfil its obligation the Bank is entitled to charge twice the rate of the Base Rate of the MNB as delayed interest or otherwise to make a claim on collateral.

11) Uniform Rules for Demand Guarantees

In case the Bank is instructed, and prepared to execute the instructions, that either a Direct Guarantee or a Counter-Guarantee together with the Guarantee of the Second Bank be expressly subject to the Uniform Rules for Demand Guarantees of the International Chamber of Commerce in Paris, then the latter apply with respect to reversals in the guarantee account and otherwise only to the extent that they do not deviate from these Conditions. Unless otherwise stipulated in the Guarantee, the Bank may then in case of an "extend or pay" demand effect payment 10 calendar days after giving notice thereof to the Principal, unless the Principal has instructed the Bank beforehand to extend the Guarantee and the Bank has accepted such instructions.

12) Standby Letters of Credit

The Bank issues standby letters of credit expressly subject to the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce in Paris. The same apply as between the Principal and the Bank with respect to the reversal in the guarantee account in case of expiry of standby letters of credit which are not available at a Second Bank. In all other respects the same apply only to the extent that they do not deviate from these Conditions.

The General Business Conditions of the Bank, which can be inspected at the Bank and which will be sent upon request, shall apply in addition hereto.