

[*] 2017

PLEDGE OVER BANK ACCOUNTS AGREEMENT

between

**BKK BUDAPESTI KÖZLEKEDÉSI KÖZPONT ZÁRTKÖRŰEN MŰKÖDŐ
RÉSZVÉNYTÁRSASÁG**
as Security Provider

and

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT
as Security Beneficiary



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THIS PLEDGE OVER BANK ACCOUNTS AGREEMENT (this "**Agreement**") is made in Budapest on [**] 2017 between:

- (1) **BKK BUDAPESTI KÖZLEKEDÉSI KÖZPONT ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG** (registered seat: H-1075 Budapest, Rumbach Sebestyén utca 19-21., Hungary; registration number: Cg. 01-10-046840) as security provider (the "**Security Provider**"); and
- (2) **EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT** (headquarters: One Exchange Square, London, EC2A 2JN, United Kingdom) as security beneficiary (the "**Security Beneficiary**").

The Security Provider and the Security Beneficiary hereinafter each a "**Party**" and together the "**Parties**".

WHEREAS the Parties state that they entered into a pledge over bank accounts agreement on November 6, 2014 that was notarized in the notarial deed no. 11015/Ü/908/2014 (the "**Original Pledge Agreement**"). Since the Security Provider opened new bank accounts where the fare revenues of the Security Provider are collected, the Parties agree to terminate the Original Pledge Agreement and enter into a new pledge agreement in relation to such new bank accounts. The Parties acknowledge that a new first ranking pledge will be created in respect of such new bank accounts with the signing of this Agreement.

The Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Except as otherwise defined herein, all terms defined and rules of interpretation set out in the Loan Agreement, being - as at the date of this Agreement - the meanings and interpretation rules set out in Schedule 1 (*Definitions and interpretation under the Loan Agreement*), shall have the same respective meanings and rules of interpretation when used herein and such terms shall be interpreted in line with the provisions of the Loan Agreement.

1.2 In this Agreement:

Account Holder Bank means any financial institution acceptable to the Security Beneficiary, at which the Security Provider maintains or will maintain any of the Pledged Accounts.

Pledged Accounts means in line with Section 5.12 (a) of the Loan Agreement any current or future bank account where the fare revenues are collected, including any sub-accounts of such accounts (and/or balance of and claims arising under such account, as applicable), other than the DSRA Sub-Account, held with the Account Holder Bank and pledged now or in the future in favour of the Security Beneficiary on the terms of this Agreement. The list of the bank accounts existing at the date of this Agreement is set out in Schedule 3 (*List of the Pledged Accounts*).

Civil Code means Act V of 2013 on the Civil Code of Hungary, as amended or replaced from time to time.

DSRA Sub-Account as defined in the Loan Agreement, means the sub-account of the Security Provider, being a sub-account of the Debt Service Account (as defined in the Loan Agreement).

Event of Default means any event or circumstance specified as such in Article VII (*Events of Default*) of the Loan Agreement, which events and circumstances shall be

interpreted in accordance with the terms of the Loan Agreement and the list of which – as at the date of this Agreement – is set out in Schedule 2 (*List of the Events of Default under the Loan Agreement*).

Money Circulation Services Act	means Act LXXXV of 2009 on money circulation services of Hungary, as amended or replaced from time to time.
NBH Decree	means the decree No. 18/2009 of the National Bank of Hungary on money circulation transactions of Hungary, as amended or replaced from time to time.
Pledge	means the first priority pledge (in Hungarian: <i>zálogjog jogon és követelésen</i>) created and granted over the Receivables by the Security Provider in favour of the Security Beneficiary pursuant to the terms of this Agreement.
Receivables	any and all claims the Security Provider has or might have against the Account Holder Bank in connection with the Pledged Accounts from time to time, in particular any and all of the rights, title and interests of the Security Provider in and to the Pledged Accounts, including the actual balance of funds but excluding any accrued interest credited to the Pledged Accounts from time to time.
Secured Obligations	means collectively, all present and future moneys and liabilities in the currency in which such moneys and liabilities are expressed to be payable, which are now or may, at any time hereafter be due, owing or incurred, which remain outstanding from the Security Provider under and pursuant to the Financing Agreements, being as at the date of this Agreement those, the principal details of which are set out in Clause 3 (<i>Secured Obligations</i>).
Security Interest Register	the security interest register based on Sections 5:112-5:117 of the Civil Code and Act CCXXI of 2013 on the security interest register.
Security Period	means the period commencing on the date of this Agreement and ending on the date on which the Security Beneficiary confirms that it is satisfied that all Secured Obligations have been unconditionally and irrevocably paid and discharged in full and that the Financing Agreements which may give rise to Secured Obligations have been terminated.
Loan Agreement	means the EUR 54,500,000 loan agreement dated 6 September 2013 and made between (1) the European Bank for Reconstruction and Development as lender; and (2) BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság as borrower as amended from time to time.

1.3 The Parties expressly declare and acknowledge that the Schedules of this Agreement form an integral part of this Agreement and, for the purposes of enforcing this Agreement, this Agreement and its Schedules shall be taken together.

2. FINANCING AGREEMENT

This Agreement qualifies as a Financing Agreement.

3. SECURED OBLIGATIONS

3.1 The Pledge created hereby shall serve as security for the payment of the Secured Obligations, including but not limited to:

- (i) the maximum principal amount of the Loan of EUR 54,500,000 (or the equivalent thereof in the Optional Currency),

- (ii) Charges, Commissions and Fees as specified in Section 3.04 of the Loan Agreement,
- (iii) Interest as specified in Section 3.05 of the Loan Agreement

together with all other interest due thereunder and all costs, charges and expenses incurred by the Security Beneficiary in connection with the protection, preservation or enforcement of its rights under each Financing Agreements.

3.2 The Parties expressly declare, acknowledge and accept that:

- (a) the details of the Secured Obligations set out in this Clause 3 is not a comprehensive and exhaustive list of the obligations and liabilities of the Security Provider under the Financing Agreements; and
- (b) the Secured Obligations shall be due and payable in accordance with the terms and conditions of the Financing Agreements.

4. THE PLEDGE

4.1 Creation of the Pledge

- (a) In order to secure the Secured Obligations, the Security Provider hereby irrevocably and unconditionally creates for the benefit of the Security Beneficiary a first priority pledge over the Receivables, for the full amount of the Secured Obligations and any and all accessory costs and expenses that may arise under the Financing Agreements.
- (b) Notwithstanding anything to the contrary herein, the Security Provider agrees with the Security Beneficiary that unless and until the Pledge is enforced, it shall at all times during the Security Period remain liable to perform all the duties and obligations in relation to the Receivables and the Pledged Accounts and the exercise by the Security Beneficiary of any of the rights granted hereunder shall not release the Security Provider from any of its duties or obligations in relation to the Receivables or the Pledged Accounts.
- (c) Since the Security Provider is entitled to dispose over the Pledged Accounts and the Receivables, in addition to the creation and establishment of the Pledge in accordance with Clause 4.1 (a), the registration of the Pledge is required in the Security Interest Register based on Section 5:88 of the Civil Code in order to perfect the Pledge. Therefore, the Security Provider hereby irrevocably and unconditionally agrees (i) to have a first priority pledge over the Receivables registered to the benefit of the Security Beneficiary, for the full amount of the Secured Obligations and any and all accessory costs and expenses that may arise under the Financing Agreements, in the Security Interest Register and (ii) to cooperate with the Security Beneficiary to the fullest possible extent in connection with the registration of the Pledge and (iii) to carry out all actions necessary and required to be carried out by the Security Provider under the Civil Code and Act CCXXI of 2013 for this purpose including its own registration at the Security Interest Register as a user and prompt issuance of the Security Provider's declarations requested in Section 5:114 (2) of the Civil Code per request of the Security Beneficiary.
- (d) The Security Provider shall within five (5) Business Days after signing of this Agreement give notice to the Account Holder Bank on the execution of this Agreement and the creation of the Pledge, substantially in the form of Schedule 4 (*Form of Notice to the Account Holder Bank*) and shall within fifteen (15) Business Days after signing of this Agreement provide the Security Beneficiary with the Confirmation Notice of the Account Holder Bank substantially in the form of Schedule 4 (*Confirmation Notice*).

4.2 Priority of the Pledge

Save for the Liens (including authorisations for prompt collection orders) securing a principal amount of Debt of no more than EUR 17,000,000 granted in connection with the TVM Project, no Lien whatsoever shall be constituted over the Receivables and/or the Pledged Accounts other than the Pledge.

4.3 **Nature of the Pledge**

- (a) The Pledge constituted by and pursuant to this Agreement shall:
- (i) be a continuing Lien for the payment, satisfaction and discharge in full of the Secured Obligations;
 - (ii) be in addition to and shall not operate so as in any way to prejudice or affect any Lien, indemnity or other right or remedy which the Security Beneficiary (or any person on its behalf) may now or at any time hereafter hold for or in respect of the Secured Obligations or any part thereof; and
 - (iii) not be prejudiced by any abstention or delay by the Security Beneficiary (or any person on its behalf) in perfecting or enforcing any Lien, indemnity or other rights or remedies that the Security Beneficiary may now or at any time hereafter have from or against the Security Provider.
- (b) The Parties agree and confirm that any person becoming a transferee of any rights and obligations of a lender under and in accordance with the Loan Agreement shall thereupon become entitled to the benefit of the provisions contained herein as if it had originally been a lender.
- (c) The powers conferred by this Agreement on the Security Beneficiary in relation to the Receivables, the Pledged Accounts, the Pledge or any part thereof shall be in addition to and not in substitution for the rights conferred on the Security Beneficiary by applicable law. In case there is any ambiguity or conflict between the rights contained in any such applicable law and those conferred by this Agreement, then the terms of this Agreement shall prevail, to the extent permitted by such applicable law.

4.4 **Bank secrecy**

The Security Provider hereby waives and renounces any rights it may have pursuant to Hungarian bank secrecy regulations or legislation with respect to the disclosure of information in connection with the Pledged Accounts to the Security Beneficiary by the Account Holder Bank, in the manner contemplated by this Agreement.

4.5 **Termination of the Original Pledge Agreement**

The Parties agree to terminate the Original Pledge Agreement as soon as the Pledge granted under this Agreement is duly registered in the Security Interest Register, as the result of which the existing pledge created under the Original Pledge Agreement ceases to exist. As a result the Parties agree to de-register the existing pledge from the Security Interest Register after the Pledge granted by this Agreement is duly registered in the Security Interest Register.

5. **NEW ACCOUNTS**

- (a) The opening of any new bank account where the fare revenues of the Security Provider are collected shall be subject to the prior notification and acknowledgement of the Security Beneficiary.
- (b) The Security Provider undertakes to review the list of the Pledged Accounts set out in Schedule 3 (*List of the Pledged Accounts*) and update it:
- (i) within five (5) days after the opening of any new bank account (or sub-account) where fare revenues are collected; and
 - (ii) following an Event of Default, promptly on the Security Beneficiary's request, by providing a list of all of the bank accounts where the fare revenues are collected and which are held by the Security Provider at such date and, in each case, clearly identifying the new accounts opened by the Security Provider since the date of this Agreement and the last update.

Within ten (10) Business Days of the Security Provider opening any new bank account where fare revenues are collected, the Parties shall - at the request of the Security Beneficiary - enter

into an amendment agreement to this Agreement extending the Pledge to (the Receivables of) such new account of the Security Provider, by supplementing the updated list of the Pledged Accounts set out in Schedule 3 (*List of the Pledged Accounts*). For the avoidance of doubt, the Parties expressly acknowledge and confirm that (the Receivables of) any new bank account of the Security Provider where fare revenues are collected shall be subject to the Pledge, even without entering into any amendment agreement to this Agreement.

The Security Provider shall comply with the provisions of paragraph (c) and (d) of Clause 4.1 (*Creation of the Pledge*) in respect of its future bank accounts, *mutatis mutandis*. The deadlines set out in paragraph (d) of Clause 4.1 (*Creation of the Pledge*) shall start upon the opening of the new bank account.

6. REPRESENTATIONS

6.1 Representations of the Security Provider

In addition and without prejudice to those representations and warranties made by or in respect of the Security Provider in the Loan Agreement or in any other Financing Agreement, the Security Provider hereby represents and warrants to the Security Beneficiary that:

- (a) it has all necessary power, has taken all necessary corporate action, has obtained all necessary consents of all competent authorities (if applicable) and has taken all action necessary or required by the laws and regulations of Hungary or any applicable law to enable it to duly execute this Agreement and to duly perform and/or comply with its obligations arising under this Agreement;
- (b) the entry into and performance by the Security Provider of this Agreement does not and will not conflict in any respect with:
 - (i) any law or regulation applicable to the Security Provider;
 - (ii) the Security Provider's constitutional documents; or
 - (iii) any agreement or other instrument binding upon the Security Provider or any of the Security Provider's assets;
- (c) the Receivables and the Pledged Accounts can be encumbered pursuant to the terms of this Agreement without any restriction save the Liens (including authorisations for prompt collection orders) securing a principal amount of Debt of no more than EUR 17,000,000 granted in connection with the TVM Project;
- (d) save for the Liens (including authorisations for prompt collection orders) securing a principal amount of Debt of no more than EUR 17,000,000 granted in connection with the TVM Project, it is the exclusive beneficiary of the Receivables and the Pledged Accounts, and it has not disposed of or agreed to dispose of any of the Receivables or the Pledged Accounts or any of its rights or benefits in respect of any of the Receivables or the Pledged Accounts or any part thereof, except in accordance with the Financing Agreements; and
- (e) it has received no notice of any claims (adverse or otherwise) by any person claiming any interest in the Receivables or the Pledged Accounts, nor has any acknowledgement whatsoever been given to any person in respect of the Receivables or the Pledged Accounts and no third parties have any right in respect to the Receivables or the Pledged Accounts whether recorded in the Security Interest Register or not (unless agreed otherwise in this Agreement).

6.2 Repetition

The representations made under this Clause 6 shall be repeated in accordance with Section 2.04. (*Acknowledgement and Repetition*) of the Loan Agreement and such repetitions shall be made by reference to the facts and circumstances existing at the time of repetition.

7. UNDERTAKINGS

- (a) In addition and without prejudice to those covenants, undertakings, commitments and obligations undertaken by or in respect of the Security Provider in the Loan Agreement or in

any other Financing Agreement or obliged to comply with on the basis of Section 5:108-5:109 of the Civil Code, the Security Provider undertakes the following covenants:

- (i) not do or permit to be done any act or thing which might have a Material Adverse Effect or otherwise jeopardise any of the rights of the Security Beneficiary in or over the Receivables or the Pledged Accounts;
 - (ii) not take or omit to take any action, the taking or omission of which might result in the alteration or impairment of any rights or benefits of the Security Beneficiary in respect of the Receivables, the Pledge or the Pledged Accounts;
 - (iii) to immediately inform the Security Beneficiary on any event or circumstance, which would jeopardise the right of satisfaction of the Security Beneficiary;
 - (iv) promptly on the Security Beneficiary's request, provide the Security Beneficiary with information on the Receivables and the Pledged Accounts; and
 - (v) immediately credit or transfer all its fare revenues to the Pledged Accounts.
- (b) The undertakings of this Clause 7 shall remain in full force throughout the Security Period.

8. PROTECTION OF THE LIEN

- (a) The Security Provider hereby unconditionally and irrevocably undertakes to execute and do all such acts and things as may be required by any applicable law or as the Security Beneficiary may require from time to time, to create, perfect, protect and - upon the occurrence of an Event of Default - to enforce the Pledge or any part thereof or to facilitate any actions of the Security Beneficiary to which it is entitled under this Agreement.
- (b) By executing this Agreement, the Security Provider hereby unconditionally and irrevocably consents to the Security Beneficiary taking any such action as it in its reasonable discretion thinks necessary or desirable for the purpose of creating, perfecting, protecting or enforcing the Pledge constituted by this Agreement.
- (c) In order to create, perfect, protect or enforce the Pledge, the Security Provider hereby unconditionally appoints the Security Beneficiary to be its attorneys at any time to sign and do all such acts and things which the Security Provider could do or ought to do pursuant to the provisions of this Agreement.
- (d) The Security Beneficiary may at any time and from time to time delegate by power of attorney to any person the power to exercise all or any of the rights which are for the time being exercisable by the Security Beneficiary hereunder in relation to the Receivables, the Pledged Accounts, the Pledge or any part thereof and the Security Beneficiary shall inform the Security Provider of such a delegation or appointment of a delegate.

9. THE SECURITY BENEFICIARY'S PROTECTION RIGHT

The Security Provider irrevocably and unconditionally agrees that - in case of any Event of Default under Section 7.01(a) of the Loan Agreement or any other failure of the Security Provider to comply with any of its payment obligation under the Loan Agreement or any other Financing Agreement - the Security Beneficiary, on or after the next Business Day following the due date of any such payment obligation, may instruct the account holder bank of the Pledged Accounts in a (i) SWIFT message or (ii) a letter with notarized signatures and notarial confirmation of the authority of the signatories to represent the Security Beneficiary, in each case with the following text: "With reference to the Notice of Pledge letter dated [--], the European Bank for Reconstruction and Development hereby requests [bank] to block the access of the account holder to its accounts and to deny any and all debit orders of the account holder including any automatic debit required by the cash pool arrangements of the Security Provider, but excluding any debit orders to us. The blocking shall automatically be released if the account is debited to our benefit by an amount equal to EUR [---] representing the outstanding amount of principle, interest and charges of the Secured Obligations based on the

Financing Agreements." After receipt of such notification of the Security Beneficiary by the account keeping bank, the Security Provider shall cease to be entitled to dispose of the Receivables over the Pledged Accounts which shall be blocked on the Pledged Accounts until enforcement pursuant to Section 10 below and Act LIII of 1994 on Judicial Enforcement. Any such right of the Security Beneficiary may be exercised by the Security Beneficiary in accordance with the Money Circulation Services Act, the NBH Decree and in line with Section 5:111 (3) and (5) and 5:139 of the Civil Code. The blocking may not affect payments described in Section 10.3 (b) (ii). The Security Beneficiary shall inform the account holder bank about the satisfaction of its claims and shall withdraw the blocking request without any delay if, after the blocking of the accounts, its claims have been satisfied voluntarily by the Security Provider or by any third person or in the course of a court debt collection procedure and no Default is continuing.

10. ENFORCEMENT OF THE PLEDGE

10.1 Disposal with the Pledged Account

Unless the Security Beneficiary has notified the Security Provider or the Account Holding Bank with a copy to the Security Provider that an Event of Default has occurred, the Security Provider may withdraw and use amounts subject to the Pledge in any of the Pledged Accounts so long as the balance in the DSRA Sub-Account at least equals the Minimum DSRA Balance.

The Security Beneficiary has knowledge of the fact that the Pledged Accounts are subject to a cash-pool operated at the Security Provider. In accordance with the previous paragraph, the Security Beneficiary expressly confirms that unless the Security Beneficiary has notified the Security Provider or the Account Holding Bank with a copy to the Security Provider that an Event of Default has occurred, the Security Provider may transfer the Receivables from any of the Pledged Accounts (other than the DSRA Sub-Account) to the main cash pool account at the end of each day (or at any other intervals defined in the cash pool arrangement) so long as the balance in the DSRA Sub-Account at least equals the Minimum DSRA Balance.

10.2 Opening of the right of satisfaction

- (a) Upon the occurrence of an Event of Default, the Pledge shall become immediately enforceable by the Security Beneficiary and the Security Beneficiary shall become entitled (but not obliged) to exercise all the rights and remedies possessed by it under this Agreement or under applicable law as pledgee. For the avoidance of doubt, the respective deadlines prescribed by applicable law or by this Agreement in respect of the enforcement shall only be deemed to commence upon the issuance of a notice on the exercise of the Pledge by the Security Beneficiary, addressed to the Security Provider.
- (b) Notwithstanding the foregoing, upon the occurrence of a Default the Security Beneficiary shall be entitled to take or to request the Security Provider to take any actions necessary or advisable for the preparation of the exercise of the right of satisfaction under this Agreement.

10.3 Enforcement

- (a) The rights and remedies of the Security Beneficiary under this Agreement in connection with seeking satisfaction from the Receivables include instructing the Account Holder Bank to block each Pledged Account (as a result of which such blocking it is agreed that the blocked funds of the Pledged Accounts shall be separated as described in paragraph (2) of Section 21 of the Money Circulation Services Act and the Receivables standing to the credit of each Pledged Accounts from time to time from the date of blocking shall qualify as funds separated for a specified purpose according to Section (1) a) of 79/D of Act LIII of 1994 on Judicial Enforcement and of which the Security Provider (as the holder of the Pledged Accounts) cannot

dispose freely) and other rights to which the Security Provider is entitled pursuant to applicable laws. Any banking charges and costs in connection with the above shall be borne by the Security Provider. The Parties hereby authorise the Account Holder Bank to take all actions required to effect the above actions on the request of the Security Beneficiary. The blocking cannot apply to the payments described in Section 10.3 (b) (ii).

The Security Beneficiary shall inform the account holder bank about the satisfaction of its claims and shall withdraw the blocking request without any delay if, after the blocking of the accounts, its claims have been satisfied voluntarily by the Security Provider or by any third person or in the course of a court debt collection procedure and no Default is continuing.

- (b) In accordance with Section 5.12 (f) of the Loan Agreement and subject to paragraph (a) of this Clause 10.2, it is agreed that after the Security Beneficiary has notified the Security Provider and the Account Holder Bank that a Default has occurred:
 - (i) the Security Provider shall not effect any withdrawals or transfers to the debit of any Pledged Accounts (or otherwise dispose of to its debit) and its right to withdraw or transfer funds to the debit of any Pledged Accounts shall cease with respect to the Receivables and
 - (ii) any payment to the debit of any Pledged Account can be made (i) to pay the principal, interest and other charges under the Loan Agreement and the other Financing Agreements or (ii) with the prior consent of the Security Beneficiary or (iii) if it does not relate to the Receivables.
- (c) The Security Provider is aware that under Act LIII of 1994 on Judicial Enforcement upon endorsement of the notarial deed with an execution warrant, a direct judicial enforcement may be accomplished.

10.4 **Calculations**

A certificate signed by any duly authorised officer of the Security Beneficiary setting forth the due date and the existence of any amounts due to the Security Beneficiary from the Security Provider in respect of any part of the Secured Obligations, as well as the occurrence of a Default, an Event of Default and the enforceability of the Pledge shall be *prima facie* evidence of the existence of such amount, such due date, the occurrence of such Default or Event of Default and the enforceability of the Pledge against the Security Provider, except in the case of manifest error or fraud on the part of the Security Beneficiary. The Security Provider accepts the Security Beneficiary's certificate as valid and binding upon it for the purposes of the enforcement of the Pledge.

10.5 **Waiver of claims and exclusion of liability**

The Security Provider hereby waives all claims against the Security Beneficiary, and the liability of the Security Beneficiary is hereby excluded, for damages suffered by the Security Provider in connection with the exercise of the Security Beneficiary's rights established hereunder (including the enforcement of the Pledge) or otherwise under or in connection with this Agreement.

For the avoidance of doubt, nothing in this Clause 10.5 shall exclude any liability of the Security Beneficiary for a breach of contract or tort resulting in loss of life, causing harm to physical integrity or health or breach of contract or tort that has been caused willfully by the Security Beneficiary.

10.6 **Interruption of the statute of limitation period**

The Parties agree that, in addition to the provisions of 6:25§ of the Civil Code, a written notice provided by the Security Beneficiary shall interrupt the statute of limitation period under this Agreement.

10.7 Application of proceeds

Any proceeds received by the Security Beneficiary following the enforcement of the Pledge shall be applied in the following order of priority:

- (a) in satisfaction of all fees, costs and expenses incurred by the Security Beneficiary in connection with the enforcement of this Agreement;
- (b) in or towards the discharge of the Secured Obligations in accordance with the Loan Agreement and the other Financing Agreements; and
- (c) in payment of the surplus (if any) to the Security Provider.

11. COSTS AND EXPENSES

The Security Provider shall, promptly on demand, pay the Security Beneficiary the amount of all costs and expenses (including, but not limited to legal fees and other fees), incurred by the Security Beneficiary in connection with the negotiation, preparation, execution, amendment and/or termination of this Agreement and any other documents referred to in this Agreement, the registration of the Pledge into the Security Interest Register, or in connection with the enforcement of, or the preservation of any rights under this Agreement.

12. AMENDMENTS

The Parties hereby agree that any provisions of this Agreement may only be amended in writing, with the consent of each Party.

13. ENTRY INTO FORCE

This Agreement shall enter into force on the date of its execution.

14. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, Hungarian law.

15. LANGUAGE

This agreement will be executed in English and a Hungarian translation of it will be made. In the case of any inconsistency between the English version and its Hungarian translation, the English version shall prevail.

16. INCORPORATION OF PROVISIONS OF THE LOAN AGREEMENT

Section 8.03. (*Notices*), Section 8.06. (*Rights, remedies, waivers*), Section 8.07. (*Indemnification*), Section 8.09. (*Arbitration and Jurisdiction*), Section 8.10. (*Privileges and Immunities of EBRD*), Section 8.11. (*Waiver of Sovereign Immunity*), Section 8.12. (*Successors and Assigns; Third Party Rights*) and Section 8.13. (*Disclosure*) of the Loan Agreement shall be deemed to be incorporated in this Agreement, mutatis mutandis.

As to Notices and declarations, the declarations necessary for the exercise of rights and fulfillment of obligations deriving from this Agreement are only valid in writing, in the form required by the relevant rules of law, but at least in the form of a private document representing conclusive evidence, or copy thereof certified by a notary public

17. TERMINATION

The Security Provider may from time to time request the Security Beneficiary to confirm whether the conditions to the end of the Security Period have been satisfied, and the Security Beneficiary shall respond to such request with fifteen (15) Business Days of its receipt. Simultaneously with a confirmative response, the Security Beneficiary shall notify the Account Holder Banks on the termination of the Pledge and provide the Security Provider with any other documents that may be necessary to give effect to the release of the Pledge.

SCHEDULE 1

DEFINITIONS AND INTERPRETATION UNDER THE LOAN AGREEMENT

"Affiliate"	means, with respect to any person, any other person, directly or indirectly, controlling, controlled by, or under common control with, such person.
"Auditors"	means such firm of independent accountants as the Borrower may from time to time appoint as its auditors in accordance with Section 5.05.
"Authorisation"	means any consent, registration, filing, agreement, notarisation, certificate, license, approval, permit, authority or exemption from, by or with any Governmental Authority, whether given or withheld by express action or deemed given or withheld by failure to act within any specified time period and all corporate, creditors' and shareholders' approvals or consents.
"Balance Order Agreement"	means the balance order agreement to be entered into by and made between the Borrower, BKÜ and the account holder bank regarding the cash pool from the bank accounts of BKÜ to the bank accounts of the Borrower.
"Bank Account Management Contract"	means the contract to be entered into by and made between the Borrower, BKÜ, EBRD and the account holder bank regarding the management of the Pledged Accounts and the bank accounts of BKÜ.
"Bank Account Pledge"	means the instrument pursuant to which the Borrower grants to EBRD a first ranking security interest in the Pledged Accounts, together with the notices and acknowledgements and consents in the forms attached thereto, which instrument shall be in form and substance satisfactory to EBRD.
"BKK-BKÜ Framework Agreement"	means the Framework Agreement Regarding the Accomplishment of Tasks and Public Services dated 1 May 2017 and made between BKÜ and the Borrower.
"BKÜ"	means Budapesti Közlekedési Ügyfélkapcsolatok Zártkörűen Működő Részvénytársaság (registered seat: H-1075 Budapest, Rumbach Sebestyén utca 19-21.; company registration number: Cg. 01-09-049238), a joint stock company organised and existing under the laws of Hungary and a 100 % Subsidiary of the Borrower.

"BKV"	means Budapesti Közlekedési Zártkörűen Működő Részvénytársaság, a joint stock company organised and existing under the laws of Hungary.
"Borrower's Knowledge"	means any matter that is actually known by, or has been reported to, any member of the Borrower's Board of Directors or any member of the Borrower's senior management, being comprised of the Borrower's General Manager, Deputy General Manager, Directors and other persons of equivalent seniority.
"Business Day"	means a day on which commercial banks are open for the transaction of general business (including dealings in foreign exchange and foreign currency deposits) in London, England and which is a TARGET Day (or, if the Loan Currency is the Forint, which is a day on which commercial banks are open for the transaction of general business (including dealings in foreign exchange and foreign currency deposits) in Budapest, Hungary).
"Cash Available for Debt Service"	<p>means, for any 12 month period, an amount equal to the aggregate of the following (without double counting):</p> <ul style="list-style-type: none"> (a) net cash flows from operating activities as presented in a cash flow statement; (b) net cash flows from investment activities as presented in a cash flow statement, calculated as: <ul style="list-style-type: none"> (1) the aggregate of: <ul style="list-style-type: none"> (i) the proceeds from the disposal of intangible and tangible fixed assets; (ii) the proceeds from the disposal of investments in real property and intangible assets; (iii) inflows from financial assets; and (iv) other inflows from investment activities, less (2) the aggregate of: <ul style="list-style-type: none"> (i) expenditures for the purchase of intangible assets and tangible fixed assets; (ii) investments in real property; (iii) investments in financial assets; and (iv) other outflows from investment activities;

- (c) Disbursements under this Agreement in respect of Project costs;
- (d) Disbursements under other financing agreements permitted under this Agreement;
- (e) all grants received from the European Commission, the European Union, the City, the government in Hungary or any local authority in relation to the financing of the Project;
- (f) all cash balances;
- (g) transfers from the Debt Service Account, as reduced by transfers to the Debt Service Account; and
- (h) realised foreign exchange gains, and minus realised foreign exchange losses, unless already taken into consideration for the net cash flow from operating activities.

"Charter"	means, in respect of any company, corporation, partnership, enterprise or other entity, its charter, founding act, articles of incorporation and bylaws, memorandum and articles of association, statutes or similar instrument.
"City"	means the City of Budapest, Hungary.
"Coercive Practice"	means the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party, as this term is interpreted in accordance with the EBRD Anti-Corruption Guidelines.
"Collusive Practice"	means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party, as this term is interpreted in accordance with the EBRD Anti-Corruption Guidelines.
"Commitment Period"	means the period commencing on the date of this Agreement and terminating on the earliest of the date four years from the date of this Agreement, 30 June 2017 and the date the obligation of EBRD to make Disbursements hereunder terminates in accordance with the terms of this Agreement.
"Corrupt Practice"	means the offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party, as this term is interpreted in accordance with the EBRD Anti-Corruption Guidelines.
"Country of Operation"	means Hungary.

"DBOM Contractors"	means the entity or entities to be selected by the Borrower in one or more competitive tenders as the providers of the supply, installation, back office operation and maintenance services contemplated by the DBOM Contracts, such entity or entities to be satisfactory to EBRD in accordance with EBRD's policies.
"DBOM Contracts"	means the contract or contracts for the supply, installation, back office operation and maintenance of the automated fare collection system constituting the Project to be entered into between the Borrower and the DBOM Contractors, such contract or contracts to be in form and substance satisfactory to EBRD in accordance with EBRD's policies.
"Debt"	<p>means, with respect to any person, all obligations of such person, whether incurred as principal or surety and whether present, future, actual or contingent, for the payment or repayment of money, including:</p> <p>(a) any amounts payable by such person under leases or similar arrangements over their respective periods;</p> <p>(b) any credit to such person from a supplier of goods or under any instalment purchase or other similar arrangement; and</p> <p>(c) any liabilities and obligations of third parties to the extent that they are guaranteed by such person or such person has otherwise assumed or become liable for the payment of such liabilities or obligations or to the extent that they are secured by any Lien upon property owned by such person whether or not such person has assumed or become liable for the payment of such liabilities or obligations.</p>
"Debt Service Account"	means the bank account designated as such in accordance with Section 5.12(b).
"Default"	means any Event of Default or any event which, with the giving of notice, the passage of time or the making of any determination, or any combination thereof, would become an Event of Default.
"Default Interest Determination Date"	means the date two Business Days prior to the first day of the relevant Default Interest Period (or, at EBRD's option, the first day of such Default Interest Period).
"Default Interest Period"	means, with respect to any amount overdue under this Agreement, a period commencing on the day on which such payment becomes due or, as the case may be, on the last day of the previous Default Interest Period with respect to such overdue amount, and ending on a Business Day selected by EBRD.

"Designated Performance Requirements"	means Performance Requirements 1 through 8 and 10 (or, as the context may require, any one of such Performance Requirements) of the Performance Requirements dated May 2008 and related to EBRD's Environmental and Social Policy dated May 2008.
"Disbursement"	means the disbursement of any portion of the Loan from time to time pursuant to Section 3.02 or, as the context may require, the principal amount thereof from time to time outstanding.
"DSRA Sub-Account"	means the sub-account of the Debt Service Account designated at such in accordance with Section 5.12(c).
"EBRD Anti-Corruption Guidelines"	means EBRD's Definitions and Guidelines for Private Sector Operations (Fraud and Corruption) attached hereto as Schedule 1.
"EBRD Project"	means any activity or project which EBRD has financed or committed to finance.
"Environmental and Social Action Plan"	means the plan of environmental and social mitigation and improvement measures a copy of which is attached hereto as Schedule 2, as such plan may be amended from time to time with the prior written consent of EBRD in accordance with Section 5.03(c).
"Environmental and Social Law"	means any applicable law or regulation which relates to: <ul style="list-style-type: none"> (a) pollution or protection of the environment, including related laws or regulations relating to public access to information and participation in decision-making; (b) labour and employment conditions; (c) occupational health and safety; (d) public health, safety and security; (e) indigenous peoples; (f) cultural heritage; or (g) resettlement or economic displacement of persons.
"Environmental and Social Matter"	means any matter that is the subject of any Environmental and Social Law, any Designated Performance Requirement or the Environmental and Social Action Plan.

"Escrow Agreement"	means the escrow agreement to be entered into by and made between the Borrower, BKÜ, EBRD and the account holder bank regarding the bank accounts of BKÜ in which the Borrower's fare revenues will be collected.
"Euro", "EUR" or "€"	means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty Establishing the European Community, as amended by the Treaty on European Union and the Treaty of Amsterdam.
"Event of Default"	means any one of the events or occurrences specified in Section 7.01.
"Financial Debt"	<p>means, with respect to any person, any Debt of such person for or in respect of:</p> <ul style="list-style-type: none"> (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit facility; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would in accordance with Generally Accepted Accounting Principles, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

"Financial Statements"	means the consolidated financial statements (including balance sheet, income statement, statement of changes in equity, cash flow statement and notes, comprising a summary of significant accounting policies and other explanatory notes) of the Borrower and its Subsidiaries (other than, in the case of the financial statements for the 2013 Financial Year, Budapest Szíve Városfejlesztő Nonprofit Korlátolt Felelősségű Társaság and BKK Közút Zártkörűen Működő Részvénytársaság) prepared in accordance with Generally Accepted Accounting Principles.
"Financial Year"	means the period commencing each year on 1 January and ending on the following 31 December, or such other period as the Borrower may, with EBRD's consent, from time to time designate as the accounting year of the Borrower.
"Financing Agreements"	means: <ul style="list-style-type: none"> (a) this Agreement, (b) the Security Documents, (c) the Municipal Support Agreement, (d) the Letter of Information, (e) the Disbursement applications referred to in Section 3.02, and (f) any other agreements entered into between the Borrower or any other party and EBRD and notices, certificates and applications issued by the Borrower or any other party to EBRD in each case in connection with this Agreement or the transactions contemplated by this Agreement.
"Financing Plan"	means the plan for financing the Project as set forth in Section 2.01(c).
"Forints" or "HUF"	means the lawful currency of Hungary.
"Framework Agreement"	means the Framework Agreement Regarding the Accomplishment of Tasks and Public Services dated 1 April 2016 between the City and the Borrower, as amended by various amendments through and including Amendment No. 3 that entered into effect on 12 April 2017.
"Fraudulent Practice"	means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation, as this term is interpreted in accordance with the EBRD Anti-Corruption Guidelines.
"Generally Accepted	

Accounting Principles"	means accounting principles generally accepted in Hungary and consistently applied.
"Governmental Authority"	means the government of any country, or of any political subdivision thereof, whether state, regional or local, and any agency, authority, branch, department, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government or any subdivision thereof (including any supra-national bodies), and all officials, agents and representatives of each of the foregoing.
"Human Resources Management Plan"	means the Borrower's plan of labour mitigation and improvement measures, in particular with regard to the Borrower's existing employees whose positions will be affected by the Project, a copy of which is attached hereto as Schedule 3, as such plan may be amended from time to time with the prior written consent of EBRD in accordance with Section 5.03(c).
"Immaterial Modification"	<p>means any change to the Framework Agreement that is permitted by the terms of the Municipal Support Agreement and does not:</p> <ul style="list-style-type: none"> (a) affect the ability of the Borrower to comply with its obligation under this Agreement, (b) result in any increase of costs, or decrease of revenues, of the Borrower or result in the net financial effect of the services delivered by the Borrower under the Framework Agreement or the Public Service Contract not being compensated in full, (c) change the duration of or the rules for terminating or amending the Framework Agreement or the Public Service Contract, (d) change the definitions under the Framework Agreement or the Public Service Contract or the mechanism of calculating and establishing the remuneration to the Borrower under the Framework Agreement or the Public Service Contract or the amount or the way compensation under the Framework Agreement or the Public Service Contract is calculated or due from the City or the terms or times of any payments with respect to the above, or (e) change the rules relating to the effect of a material adverse event or force majeure under the Framework Agreement or the Public Service Contract.
"Insurance Assignment"	means the instrument pursuant to which the Borrower assigns to EBRD all of its rights, interests and benefits under all insurance now or hereafter maintained by the Borrower relating to the

Project (other than liability insurance), together with the notices and acknowledgements and consents in the forms attached thereto, which instrument shall be in form and substance satisfactory to EBRD.

"Interbank Rate"

means:

(a) for the first Interest Period of each Disbursement, the offered rate per annum for deposits in the Loan Currency which appears on the relevant Reference Page as of 11:00 a.m., Brussels time (or, if the Loan Currency is the Forint, as of 11:00 a.m., Budapest time), on the relevant Interest Determination Date for the period which equals the duration of such Interest Period (or if no such rate appears on the relevant Reference Page for a period equal to the duration of such Interest Period but rates ("Reference Rates") do appear on the relevant Reference Page both for a period that is shorter than and for a period that is longer than the duration of such Interest Period, the Interbank Rate shall be the rate (rounded upward, if necessary, to four decimal places) that would be applicable for a period equal to the duration of such Interest Period as determined through the use of straight-line interpolation by reference to the Reference Rate that appears on the relevant Reference Page for the period that is the next shorter in length than the duration of such Interest Period and the Reference Rate that appears on the relevant Reference Page for the period that is the next longer in length than the duration of such Interest Period); and

(b) for each subsequent Interest Period, the offered rate per annum for deposits in the Loan Currency which appears on the relevant Reference Page as of 11:00 a.m., Brussels time (or, if the Loan Currency is the Forint, as of 11:00 a.m., Budapest time), on the relevant Interest Determination Date for the period which is closest to the duration of such Interest Period (or, if two periods are equally close to the duration of such Interest Period, the average of the two relevant rates);

provided that if, for any reason, the Interbank Rate cannot be determined at such time by reference to the relevant Reference Page, the Interbank Rate for such Interest Period shall be the rate per annum which EBRD determines to be the arithmetic mean (rounded upward, if necessary, to four decimal places) of the offered rates per annum for deposits in the Loan Currency in an amount comparable to the portion of the Loan scheduled to be outstanding during such Interest Period for a period equal to such Interest Period which are quoted to leading banks in the Euro-zone interbank market (or, if the Loan Currency is the Forint, the Budapest interbank market) as advised to EBRD by at least two major banks active in the Euro-zone interbank market (or, if the Loan Currency is the Forint, by at least three major banks active in the Budapest interbank market) selected by EBRD and provided further that if pursuant to the above the Interbank Rate would be below zero, the Interbank Rate will be deemed to be zero.

- "Interest Determination Date" means, for any Interest Period, the date two Business Days prior to the first day of such Interest Period.
- "Interest Payment Date" means any day which is 20 March or 20 September in any year; provided, however, that, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be changed to the next succeeding Business Day in the same calendar month or, if there is no succeeding Business Day in the same calendar month, the immediately preceding Business Day.
- "Interest Period" means, for any Disbursement, the period commencing on the date of such Disbursement and ending on the next Interest Payment Date and each period of six months thereafter commencing on an Interest Payment Date and ending on the next Interest Payment Date; provided that, if such Disbursement is made less than 15 Business Days prior to the next Interest Payment Date, the first Interest Period for such Disbursement shall commence on the date of such Disbursement and end on the Interest Payment Date following the next Interest Payment Date.
- "Letter of Information" means the letter dated 27 June 2013 from the Borrower to EBRD containing the Borrower's representations regarding all material facts concerning the use of the Disbursements, the organisation, status, operations, affiliations, liabilities and assets of the Borrower and other matters incident to the transactions contemplated by this Agreement, and any amendment or supplement so such letter which is accepted by EBRD.
- "Lien" means any mortgage, pledge, charge, privilege, priority, hypothecation, encumbrance, assignment, lien, attachment, set-off or other security interest of any kind or any other agreement

or arrangement having the effect of conferring security upon or with respect to, or any segregation of or other preferential arrangement with respect to, any present or future assets, revenues or rights, including, any designation of loss payees or beneficiaries or any similar arrangement under any insurance policy.

"Loan" means the maximum principal amount of the loan provided for in Section 3.01 or, as the context may require, the principal amount thereof from time to time outstanding.

"Loan Currency" means the currency in which the relevant Disbursement or the relevant amount payable by the Borrower under this Agreement is denominated.

"Long-term Debt" means, as of any date with respect to any person, any Financial Debt of such person all or part of which, or the final payment of which, is due more than one year after such date.

"Margin" means:

(a) prior to the Project Milestone Date,

(i) for the portion of the Loan denominated in Euros, 3.3% per annum, and

(ii) for the portion of the Loan denominated in Forints, 3.1% per annum; and

(b) on and after the Project Milestone Date,

(i) for the portion of the Loan denominated in Euros, 2.9% per annum, and

(ii) for the portion of the Loan denominated in Forints, 2.7% per annum,

provided that, if following the Project Milestone Date a Default shall occur then commencing with the next Interest Payment Date the Margin shall be as described in (a) above.

"Market Disruption Event" means:

(a) on the Interest Determination Date for the relevant Interest Period or the Default Interest Determination Date for the relevant Default Interest Period, the Reference Page is not available and none or only one of the major banks active in the Euro-zone interbank market (or, if the Loan Currency is the Forint, the Budapest interbank market) supplies a rate to EBRD to determine the Interbank Rate for the Loan Currency for the relevant Interest Period or the default interest rate for the Loan Currency for the relevant Default Interest Period, as the case may be; or

(b) before close of business in London on the Interest Determination Date for the relevant Interest Period or the Default Interest Determination Date for the relevant Default Interest Period, (1) EBRD determines that the cost to EBRD or (2) EBRD receives notification from one or more Participants whose aggregate participations in the Loan exceed 35% of the Loan that the cost to such Participant(s), as the case may be, of obtaining matching deposits in the Euro-zone interbank market (or, if the Loan Currency is the Forint, the Budapest interbank market) would be in excess of the Interbank Rate.

"Material Adverse Effect"	means a material adverse effect on: <ul style="list-style-type: none">(a) the ability of the Borrower, to perform or comply with any of its obligations under any Financing Agreement;(b) the rights and remedies of EBRD in respect of any Security;(c) the legality, validity, enforceability and binding nature of any Financing Agreement or Project Agreement or the legal rights, remedies and priorities of EBRD under any of the Financing Agreements;(d) the Borrower's ability to implement or operate the Project substantially in the manner contemplated by the Financing Agreements and the Project Agreements; or(e) the Borrower's business, transport organisation operations, financial condition or prospects.
"Minimum DSRA Balance"	means, at any date, the equivalent in Forints of the sum of all payments of principal, interest and other charges on the Loan that will be due and payable during the six months following such date.
"Municipal Support Agreement"	means the Project support agreement to be entered into among the Borrower, the City and EBRD, which agreement shall be in form and substance satisfactory to EBRD.
"Optional Currency"	means the Forint.
"Participant"	means a person from whom EBRD receives a formal commitment to acquire a Participation through the execution of, or the accession to, a participation agreement with EBRD.
"Participation"	means a participation in the Loan or, as the context may require, in a Disbursement.

"Permitted Capital Expenditures"

means:

- (a) capital expenditures required for carrying out the Project;
- (b) capital expenditures for maintenance, repairs or replacements essential to the operation of the Project;
- (c) capital expenditures for the investment program described in the Letter of Information; and
- (d) capital expenditures financed by committed funding obtained by the Borrower from the City, the Hungarian state or European Union grants, in each case for the purpose of such capital expenditures.

"Permitted Investments"

means:

- (a) the Subsidiaries listed in the Letter of Information;
- (b) investments and Subsidiaries financed by committed funding obtained by the Borrower from the City, the Hungarian state or European Union grants, in each case for the purpose of such investments or Subsidiaries;
- (c) investments in short-term investment grade marketable securities solely to give temporary employment to the Borrower's idle resources; and
- (d) BKÜ.

"Permitted Liens"

means:

- (a) the Security;
- (b) Liens (including authorisations for prompt collection orders) securing a principal amount of Debt of no more than EUR 17,000,000 granted in connection with the TVM Project;
- (c) Liens securing an overdraft financing facilities in an aggregate principal amount of no more than EUR 7,000,000; and
- (d) any Tax or other non-consensual Lien arising by operation of law or other statutory Lien arising in the ordinary course of business, provided that such Lien (other than a Lien for a sum which is not yet delinquent) is discharged within 30 days after the date it is created or, if the validity or amount of such Lien or the sum secured by such Lien is being contested in good faith and by proper proceedings and adequate reserves have been set aside for the payment of such sum, within 30 days after final adjudication.

"Pledged Accounts"	means the accounts referred to in Section 5.12(a) that collect the Borrower's fare revenues.
"Procurement Policies and Rules"	means the procurement rules for public sector operations under the Procurement Policies and Rules for Projects Financed by the European Bank for Reconstruction and Development, as amended from time to time.
"Prohibited Practice"	means any Corrupt Practice, Fraudulent Practice, Coercive Practice or Collusive Practice.
"Project"	means the development, supply, installation, operation and maintenance of an automated fare collection system for public transport in the City of Budapest.
"Project Agreements"	means: <ul style="list-style-type: none"> (a) the Framework Agreement, (b) the Public Service Contract, (c) the DBOM Contracts, (d) the BKK-BKÜ Framework Agreement, (e) the Balance Order Agreement, and (f) any other agreements entered between the Borrower and any other party in connection with the Project and designated as a Project Agreement by EBRD and the Borrower.
"Project Milestone Date"	means the date on which all of the following have occurred: <ul style="list-style-type: none"> (a) the Borrower shall have delivered to EBRD a notice, in form and substance satisfactory to EBRD, signed by an authorised representative of the Borrower, certifying that the Project shall have been completed substantially in the manner set out in the DBOM Contracts; (b) the Borrower shall have delivered to EBRD a notice, in form and substance satisfactory to EBRD, signed by an authorised representative of the Borrower, certifying that at least EUR 100 million (or the equivalent in Forints) of ticket revenues have been collected in a 12 month period by the Project's automated fare collection system; and (c) the Borrower shall have delivered to EBRD a notice, in form and substance satisfactory to EBRD, signed by an authorised representative of the Borrower, certifying that the Borrower is in compliance with the covenants contained in Section 5.11 and Section 5.12 and will continue to be in

compliance with such covenants on the proposed Project Milestone Date;

(d) EBRD shall have delivered to the Borrower a notice confirming that EBRD is satisfied that all of the above requirements have been fulfilled.

"Public Service Contract"	means the Public Service Contract dated 28 April 2012 between the Borrower and BKV, as service provider.
"Reference Page"	means the display of Euro-zone interbank offered rates for deposits in the Loan Currency designated as page EURIBOR01 on Reuters services (or such other page as may replace page EURIBOR01 on Reuters services for the purpose of displaying Euro-zone interbank offered rates for deposits in the Loan Currency) or, if the Loan Currency is the Forint, the display of Forint interbank offered rates of major banks for deposits in Forints designated as page BUBOR = on Reuters services (or such other page as may replace page BUBOR = on Reuters services for the purpose of displaying Forint interbank offered rates for deposits in Forints).
"Security"	means the security created, expressed to be created or agreed to be created pursuant to any of the Security Documents to secure all amounts owing to EBRD under the Financing Agreements.
"Security Deposit"	means the instrument pursuant to which the Borrower grants to EBRD a security interest in the form of a security deposit over the DSRA Sub-Account, together with the notices and acknowledgements and consents in the forms attached thereto, which instrument shall be in form and substance satisfactory to EBRD.
"Security Documents"	means the Bank Account Pledge, the Security Deposit, the Bank Account Management Contract, the Escrow Agreement and the Insurance Assignment.
"Short-term Debt"	means, with respect to any person, any Financial Debt of such person other than Long-term Debt.
"Stakeholder Engagement Plan"	means the Borrower's plan of stakeholder engagement, including public consultation and resolution of grievances a copy of which is attached hereto as Schedule 4, as such plan may be amended from time to time with the prior written consent of EBRD in accordance with Section 5.03(c).
"Subsidiary"	means, with respect to any entity, any other entity over 50% of whose capital is owned, directly or indirectly, by such entity or which is otherwise effectively controlled by such entity.

"TARGET Day"	means any day on which the Trans-European Automated Real-time Gross Settlement Payment System (TARGET) is open for the settlement of payments in Euro.
"Tax" or "Taxes"	means any tax, royalty, stamp or other duty, assessment, levy, charge, value added tax, or impost of any nature whatsoever (including any related penalty or interest) imposed under any law.
"TVM Project"	means the Borrower's project for the procurement and full-scale operation of approximately 300 new ticket vending machines, such project to be financed by the contractor.

SCHEDULE 2

LIST OF THE EVENTS OF DEFAULT UNDER THE LOAN AGREEMENT

Section 7.01. Events of Default

Each of the following events and occurrences shall constitute an Event of Default under this Agreement:

(a) **Payments.** The Borrower fails to pay when due any principal of, or interest on, the Loan as required by this Agreement, except where both of the following conditions apply:

- (1) the failure to pay is due to an administrative error of an account bank, other than an error caused by the negligence or wilful misconduct of the Borrower; and
- (2) within three Business Days after the due date full payment of the same is made in accordance with this Agreement.

(b) **Covenants.** The Borrower or any other party (other than EBRD) fails to comply with any of its obligations under any Financing Agreement or any other agreement between the Borrower and EBRD, the failure to comply with such obligation is not referred to elsewhere in this Section 7.01 and, if capable of remedy, such failure to comply is not remedied within 30 days of the earlier of (1) EBRD giving notice thereof to the Borrower and (2) such failure to comply becoming part of the Borrower's Knowledge.

(c) **Project Agreements.** Any party (other than EBRD) fails to comply with any of its obligations under any Project Agreement, the failure to comply with such obligation is not referred to elsewhere in this Section 7.01 and, if capable of remedy, such failure to comply is not remedied within 30 days of the earlier of (1) EBRD giving notice thereof to the Borrower and (2) such failure to comply becoming part of the Borrower's Knowledge except to the extent such failure to comply would not have a Material Adverse Effect.

(d) **Representations.** Any representation or warranty made or confirmed by the Borrower, BKÜ or the City in any Financing Agreement or Project Agreement was false or misleading in any material respect when made or repeated.

(e) **Nationalisation.** Any Governmental Authority condemns, nationalises, seizes or otherwise expropriates all or any substantial part of the property or other assets of the Borrower or BKÜ, or assumes custody or control of such property or other assets or of the business or operations of the Borrower or BKÜ or takes any action for the dissolution or disestablishment of the Borrower or BKÜ or any action that would prevent the Borrower or BKÜ or their officers from carrying on the business or operations of the Borrower or BKÜ or a substantial part of either thereof.

(f) **Bankruptcy.** A decree or order by a court is entered against the Borrower or BKÜ adjudging the Borrower or BKÜ bankrupt or insolvent or ordering the winding up or liquidation of the affairs of the Borrower or BKÜ; or a petition is filed seeking reorganisation, administration, arrangement, adjustment, composition or liquidation of or in respect of the Borrower or BKÜ under any applicable law (except for any petition which is frivolous or vexatious and which is settled or discharged within ten days or in the reasonable opinion of EBRD is being contested diligently and in good faith by the Borrower or BKÜ, as the case may be); or a receiver, administrator, liquidator, assignee, trustee, sequestrator,

secured creditor or other similar official is appointed over or in respect of the Borrower or BKÜ or any substantial part of the property or assets of the Borrower or BKÜ; or the Borrower or BKÜ institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it, or files a petition or answer or consent seeking reorganisation, administration, relief or liquidation under any applicable law, or consents to the filing of any such petition or to the appointment of a receiver, administrator, liquidator, assignee, trustee, sequestrator, secured creditor or other similar official of the Borrower or BKÜ or of any substantial part of the property of the Borrower or BKÜ, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due; or any other event occurs which under any applicable law would have an effect analogous to any of the events listed in this paragraph.

(g) **Financial Debt.** Any payment on any Financial Debt of the Borrower (other than the Loan) is not paid when due; or any payment under any agreement evidencing Financial Debt of the City having a principal amount (or, in the case of a derivative transaction, a calculation amount or notional amount) in excess of EUR 10,000,000 (or the equivalent in other currencies) is not paid when due; or a default of any nature not otherwise provided for in this paragraph occurs under any agreement evidencing any such Financial Debt of the Borrower or any such Financial Debt of the City and such default continues beyond any applicable period of grace; or any such Financial Debt of the Borrower or any such Financial Debt of the City becomes prematurely due and payable or is placed on demand.

(h) **Ineligibility for EBRD Financing.** In accordance with EBRD's Enforcement Policy and Procedures, EBRD shall have determined that the Borrower or an Affiliate of the Borrower has engaged in a Prohibited Practice in relation to an EBRD Project and the Borrower shall be included on EBRD's list of persons or entities ineligible to be awarded an EBRD-financed contract or for EBRD funding, as such list may be found on EBRD's website.

(i) **Material Adverse Effect.** Any circumstance or event occurs which, in the reasonable opinion of EBRD, is likely to have a Material Adverse Effect.

Section 7.02. Consequences of Default

If an Event of Default occurs and is continuing, then EBRD may at its option, by notice to the Borrower, declare all or any portion of the principal of, and accrued interest on, the Loan (together with any other amounts accrued or payable under this Agreement) to be, and the same shall thereupon become (anything in this Agreement to the contrary notwithstanding), either:

- (1) due and payable on demand; or
- (2) immediately due and payable without any further notice and without any presentment, demand or protest of any kind, all of which are hereby expressly waived by the Borrower.

SCHEDULE 3

LIST OF THE PLEDGED ACCOUNTS

- (a) Account Holder Bank: [*]
Account number: [*]
Currency: [*]
IBAN number: [*]
Swift code: [*]

- (b) Account Holder Bank: [*]
Account number: [*]
Sub-account number: [*]
Currency: [*]
IBAN number: [*]
Swift code: [*]

- (c) Account Holder Bank: [*]
Account number: [*]
Sub-account number: [*]
Currency: [*]
IBAN number: [*]
Swift code: [*]

- (d) Account Holder Bank: [*]
Account number: [*]
Sub-account number: [*]
Currency: [*]
IBAN number: [*]
Swift code: [*]

- (e) Account Holder Bank: [*]
Account number: [*]
Sub-account number: [*]
Currency: [*]
IBAN number: [*]
Swift code: [*]

SCHEDULE 4

FORM OF NOTICE TO THE ACCOUNT HOLDER BANK

NOTICE OF PLEDGE

ÉRTEŚÍTÉS ZÁLOGRÓL

Dated: [*]

Kelt: [*]

To: [Account Holder Bank]

[Számlavezető Bank] részére

Dear Sirs,

Tisztelt Uraim!

We refer to a bank account agreement dated [insert signing date of relevant bank account agreement] and made between: (1) BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság; and (2) [insert name of relevant Account Holder Bank] (the "**Bank Account Agreement**").

Hivatkozunk egy bankszámla szerződésre, mely [a szerződés dátuma beillesztendő] napján (1) a BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság; és (2) a [a Számlavezető Bank neve beillesztendő] között jött létre (a "**Bankszámla Szerződés**").

We hereby give notice (this "**Notice**") that pursuant to a pledge over bank accounts agreement dated [*] 2014 and made between: (1) BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság as security provider (the "**Security Provider**"); and (2) the European Bank for Reconstruction and Development as security beneficiary (the "**Security Beneficiary**") (the "**Pledge Over Bank Accounts Agreement**"), the Security Provider has pledged to the Security Beneficiary all amounts (excluding interest) held on the account(s) opened according to the Bank Account Agreement, being at the time of the execution of the Pledge Over Bank Accounts Agreement:

Ezúton értesítjük Önöket (az "**Értesítés**"), hogy a [*]. napján kelt, (1) a BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság mint biztosítéki kötelezett (a "**Biztosítéki Kötelezett**"); és (2) a European Bank for Reconstruction and Development mint biztosítéki jogosult (a "**Biztosítéki Jogosult**") között létrejött bankszámlát terhelő zálogszerződés (a "**Bankszámlát Terhelő Zálogszerződés**") alapján a Biztosítéki Kötelezett a Bankszámla Szerződés alapján megnyitott bankszámlákon (melyek a Bankszámlát Terhelő Zálogszerződés megkötésének időpontjában az alább felsorolt számlák) lévő minden összeget (a kamatok kivételével) a Biztosítéki Jogosult javára elzálogosította.

(a) Account Holder Bank / Számlavezető Bank: [*]
Account number / Számlaszám: [*]
Currency / Devizanem: [*]
IBAN number / IBAN szám: [*]
Swift code / SWIFT kód: [*]
[*]

(b) Account Holder Bank / Számlavezető Bank: [*]
Account number / Számlaszám: [*]
Currency / Devizanem: [*]
IBAN number / IBAN szám: [*]
Swift code / SWIFT kód: [*]
[*]

(together the "**Bank Accounts**").

(együttesen a "**Bankszámlák**").

The Security Beneficiary may, in accordance with the terms of the Pledge Over Bank Accounts Agreement and after submission of the necessary

A Biztosítéki Jogosult, a Bankszámlát Terhelő Zálogszerződés rendelkezéseivel összhangban, a vonatkozó jogszabályok, illetve a Számlavezető

documents required by the relevant regulations on money circulation and the relevant general business conditions of the Account Holder Bank:

- (i) request the blocking or separation of the pledged amounts on any or all Bank Accounts (if not already blocked); and/or
- (ii) dispose of the pledged amounts on the Bank Accounts.

Bank üzletszabályzata által megkövetelt dokumentumok beadását követően jogosult:

- (i) végrehajtás céljára valamely vagy minden Bankszámlán zároltatni vagy elkülöníteni az elzálogosított összegeket (amennyiben az még nem került zárolásra illetve elkülönítésre); illetve
- (ii) rendelkezni a Bankszámlákon lévő elzálogosított összegekkel.

Kindly acknowledge receipt of this Notice by signing the two copies of the confirmation notice (the "**Confirmation Notice**") attached to this Notice, returning one copy addressed to European Bank for Reconstruction and Development as Security Beneficiary and the other copy addressed to BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság as Security Provider.

Kérjük, hogy a jelen Értesítéshez csatolt átvételi elismervény (az "**Átvételi Elismervény**") két példányban történő aláírásával ismerjék el a jelen Értesítés átvételét és küldjék vissza a European Bank for Reconstruction and Development mint Biztosítéki Jogosult, illetve a BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság mint Biztosítéki Kötelezett számára.

Yours sincerely,

Tisztelettel:

for and on behalf of **BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság**
/ a **BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság** nevében
as Security Provider / mint Biztosítéki Kötelezett

Print name(s) / Név (Nevek) (nyomtatott betűkkel): _____
Print title(s) / Beosztás(ok) (nyomtatott betűkkel): _____

for and on behalf of **European Bank for Reconstruction and Development**
/ az **European Bank for Reconstruction and Development** nevében
as Security Beneficiary / mint Biztosítéki Jogosult

Print name(s) / Név (Nevek) (nyomtatott betűkkel): _____
Print title(s) / Beosztás(ok) (nyomtatott betűkkel): _____

CONFIRMATION NOTICE

ÁTVÉTELI ELISMERVÉNY

To:
European Bank for Reconstruction and
Development / BKK Budapesti Közlekedési
Központ Zártkörűen Működő Részvénytársaság

European Bank for Reconstruction and Development
/ BKK Budapesti Közlekedési Központ Zártkörűen
Működő Részvénytársaság
részére

[Address]
Attention of: [*]

[Cím]
[*] figyelmébe

Dear Sirs,

Tisztelt Uraim!

We refer to a bank account agreement dated [*insert signing date of relevant bank account agreement*] and made between: (1) BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság; and (2) [*insert name of relevant Account Holder Bank*] (the "**Bank Account Agreement**").

Hivatkozunk egy bankszámla szerződésre, mely [*a szerződés dátuma beillesztendő*] napján (1) a BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság; és (2) a [*a Számlavezető Bank neve beillesztendő*] között jött létre (a "**Bankszámla Szerződés**").

We hereby acknowledge receipt of the Notice and unconditionally acknowledge and consent to the bank account pledge referred to in the Notice. We confirm that we have not received any other notice of bank account pledge relating to the Bank Accounts.

Ezennel elismerjük az Értesítés kézhezvételét, és az Értesítésben hivatkozott bankszámlát terhelő zálogjogot feltétel nélkül elismerjük és ahhoz visszavonhatatlanul és feltétel nélkül hozzájárulunk. Megerősítjük, hogy a Bankszámlákkal kapcsolatban semmilyen egyéb zálogjogról szóló értesítést nem kaptunk.

After the Security Beneficiary has informed us that its right to satisfaction under the pledge has opened and upon the submission of the necessary documents required by the relevant regulations on money circulation and the relevant general business conditions of the Bank, the Security Beneficiaries shall be entitled to give instruction to block the pledged amounts on the Bank Accounts and dispose over the blocked amounts.

Amennyiben a Biztosítéki Jogosulttól értesítést kapunk arról, hogy a zálogból való kielégítési joga megnyílt, a vonatkozó jogszabályok, illetve Bankunk üzletszabályzata által megkövetelt dokumentumok beadását követően a Biztosítéki Jogosult jogosult utasítást adni a Bankszámlák zárolására és rendelkezni a Bankszámlákon lévő zárolt összegek felett.

We hereby undertake:

- (a) to rely on any instruction received from or originated by the Security Beneficiary;
- (b) to comply with the instruction received from or originated by the Security Beneficiary; and
- (c) disregard any objection from the Security Provider relating to any instruction received from or originated by the Security Beneficiary.

Ezennel kötelezettséget vállalunk, hogy

- (a) a Biztosítéki Jogosulttól kapott vagy tőle származó utasításokban megbízunk;
- (b) a Biztosítéki Jogosulttól kapott vagy tőle származó utasításoknak megfelelően járunk el;
- (c) figyelmen kívül hagyjuk a Biztosítéki Kötelezettnek a Biztosítéki Jogosulttól kapott vagy tőle származó utasításra vonatkozó tiltakozását.

Yours sincerely,

Tisztelettel:

for and on behalf of [*insert name and address of Account Holder Bank*] /
[*a Számlavezető Bank neve beillesztendő*] nevében

Print name(s) / Név (Nevék) (nyomatott betűkkel): _____

Print title(s) / Beosztás(ok) (nyomatott betűkkel): _____

Dated / Dátum:

SIGNATORIES

The Security Provider

for and on behalf of BKK Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság

Print name(s):

Print title(s):

The Security Beneficiary

for and on behalf of European Bank for Reconstruction and Development

Print name(s):

Print title(s):