

General Terms and Conditions of the Network Access Contract

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Chapter I.

Preamble

With regard to the allocation of capacity of the open access railway network, VPE Rail Capacity Allocation Office (hereafter VPE) shall determine in its notice the infrastructure conditions of the open access railway network in accordance with the provisions of the Network Statement (hereafter NS). This notice of VPE generates an obligation to the infrastructure manager for contracting as regards the allocation of the capacity of the open access railway infrastructure. Accordingly, Infrastructure Business Units of MÁV Zrt and GYSEV Zrt are obliged to sign with the applicant authorised to use the open access railway network and accessories a network access contract in conformity with the content of the notice of VPE.

General terms and conditions for the use of the open access railway infrastructure are laid down in this General Terms and Conditions of Contract.

In issues not regulated by the General Terms and Conditions of the Network Access Contract of the Network Statement and by the Network Access Contract, regulations of Act IV of 1959 on Civil Law (hereafter Civil Law) shall apply.

1.§ Scope of the General Terms and Conditions

General Terms and Conditions of the Network Access Contract (hereafter GTC) is part of each Network Access Contract on the use of the railway track and accessories (hereafter railway infrastructure) used by authorised applicants. Parties may diverge in the Network Access Contract from detailed conditions for the use of the open access railway infrastructure regulated by the Network Statement and from the provisions of this GTC forming a part of the Network Statement in a sense and to a degree preliminary approved by the rail regulatory body.

§ 2 Definitions

To the interpretations and application of this GTC, definitions set out in the Network Statement (Annex 1.10) shall adequately apply.

§ 3 Content and nature of the Network Access Contract

1. By virtue of the notice of VPE on the allocation of rail capacity, infrastructure manager is obliged to conclude with the authorised applicant in accordance with the content of the notice. Network Access Contract shall be concluded in compliance with the provisions of this GTC, and GTC shall form the part of this Contract concluded in the above mentioned way even in absence of any further stipulation or provision.

2. Network Access Contract shall be concluded in writing.
3. In order to ensure rail infrastructure capacity, VPE and authorised applicant may conclude a framework agreement for a period of 5 years - or in exceptional cases for a period not longer than 10 years - (Railway Act § 57) which must be taken into consideration by the parties when they conclude the Network Access Contract.
4. The Performance Regime published separate forms a part of the General Terms and Conditions of the Infrastructure Managers. Accordingly, the conclusion of the Network Access Contract between the parties establishes a legal relationship between them also from the Performance Regime's point of view.

§ 4. Conditions for modification of the Network Access Contract

Parties may modify the Network Access Contract only in writing in mutual agreement with proper signatures.

Changes in the data of the register of the parties, concerning in particular headquarters, representatives, bank account numbers and changes in data of organisations and contact persons exercising activities during contracting and performance, do not count as modification of the contract. Party concerned by changes shall notify the other party about the changes within 10 days after the changes occurred (have been registered). Should the changes be effective by the introduction of changes into the register of firms, notification shall happen within 10 days from the introduction of changes into the register of firms.

Parties may not modify contractual provisions covered by the content of the notice of VPE on infrastructure capacity allocation.

§ 5 Applicable rules and regulations

Parties are obliged to observe any international and Hungarian rules applicable, as well as any instruction, rules and regulations listed in the Network Statement regarding railway traffic.

Chapter II

General obligation for providing information and commercial confidentiality

§ 6. Obligation of parties to inform each other

1. Contractual parties are obliged to immediately inform each other of any important facts, circumstances, data relating to the establishment or execution of the Network Access Contract, which may affect the establishment or execution of the contract or any issues, circumstances with regard to safety.

Special conditions of obligation to provide information are set out in Chapter IV to this GTC.

2. Parties shall pay each other compensation for damages arisen from default of providing information.

§ 7. Harmonisation of measures to prevent wilful damages to railway operation

Contracting parties shall oblige themselves to harmonize measures to be taken in order to prevent wilful damages to railway operation.

§ 8. Contact person

1. Contracting parties shall be bound to name in the Network Access Contract a contact person or one or more persons or organisations who/which are mandated to make decisions on behalf of the contracting parties within the shortest possible time particularly in the case of disturbances in traffic.
2. Communication with regard to the Network Access Contract shall at any case be performed in Hungarian language.

§ 9 Duty of commercial confidentiality

1. Contracting parties shall undertake to confidentially handle all facts, data, information, documents which are qualified as confidential by the other party.
2. Contracting parties shall be bound not to give out, publish, or in any other way to make available to third party without the preliminary approval of the other party in writing the Network Access Contract or such part of that Contract, or data, information, documents relating to the Contract which are qualified by the other party as confidential. The contracting party who obtains confidential information from the other party within the framework of negotiations or in the course of fulfilment of the Contract may use the information only for the purpose for which it was provided, so in particular for the purpose of exercising rights and fulfilling obligations arisen from the Network Access Contract. This obligation shall still exist after the

termination of the Network Access Contract, irrespective of the reason for the termination.

3. Without prejudice to confidentiality, both parties are entitled to publish, issue such information obtained regarding the Network Access Contract, the publication, issuing of which is their obligation by the virtue of legal rules, or decisions of the court or authorities, inclusive of particularly the provisions of the Act LXIII of 1992 (Avtv.) on the publicity of public data and the Act XC of 2005 on the freedom of electronic information.
4. Parties shall be liable for damages caused by them by breaking the duty of confidentiality.

Chapter III

Preconditions of Network Access Contract

§ 10 Preconditions for concluding the Network Access Contract with regard to the authorised applicant:

operational licence,
safety certificate/additional safety certificate,
notice of VPE on allocation of train path.

§ 11 Conditions for using the train path:

train path granted by VPE,
conclusion of the Network Access Contract.

§ 12 Specification of the infrastructure used

Specification of the infrastructure to be used by the authorised applicant can be found in the Network Statement. Any other information with regard to the railway infrastructure and the use of it shall be provided to the authorised applicant by the infrastructure managing company.

§ 13 Quality and availability of the railway infrastructure

Infrastructure manager shall ensure that under normal operational conditions the railway infrastructure is in working order and suitable for the operation of train traffic covered by the Contract, and is available in accordance with parameters as provided for by the Network Statement or the Network Access Contract.

§ 14 Use of the railway infrastructure

Authorised applicant is obliged to use the railway infrastructure properly during the train run, to comply with prescriptions set out in the Network Statement and in the Network Access Contract regarding the use of the infrastructure, as well as to observe regulations of the infrastructure manager relating to traffic safety and traffic control, to provide the infrastructure manager with all required information set out in the Network Access Contract regarding used vehicles and traffic.

Parties shall make agreements required to the safe traffic, if necessary within the framework of the Network Access Contract, and shall also herewith regulate further obligations of railway undertakings in relation to the safe traffic.

§ 15 Conditions for running of vehicles on the railway infrastructure

1. Authorised applicant may only run vehicles on the railway infrastructure used which are licensed by competent authorities and comply with specific

requirements stipulated for certain railway infrastructure (e.g. high speed traffic).

2. Railway vehicles licensed to run also in international traffic shall be supplied with such markings which unambiguously show that the vehicle concerned is also authorised to run in international traffic.
3. On request of the infrastructure manager, authorised applicant is obliged to provide evidence of operational licence or any other appropriate certificate. Infrastructure Manager is entitled to check the existence of authority permits of vehicles.
4. Authorised applicant shall ensure to keep its vehicles in excellent state complying with normal regulations in force in the railway traffic.
5. Other vehicles than licensed are not allowed to run on the railway infrastructure.

§ 16 Instructions

Infrastructure manager shall publish in electronic form on its website instructions required to railway operation and set out in point 2.4.1 of the Network Statement. Infrastructure manager shall directly hand over to authorised applicants or staff of the train instructions for the daily operative operation required to run traffic safely in a way as it is regulated by instructions.

Chapter IV

Specific rules of obligation to provide information

§ 17 Information provided by the infrastructure manager operating the railway network

1. As regards changes concerning terms and conditions of access to the network, Infrastructure manager operating the railway network shall be bound to inform authorised applicant at least about data as follows, and at the same time, if necessary, shall be also obliged to initiate the modification of the Network Access Contract:
 - a) 48 hours before the scheduled departure of the train at the latest information in writing about changes in the state of the railway infrastructure to be used by the authorised applicant, in particular changes affecting the safety of traffic and traffic control (construction works, provisional restrictions of speed, etc.),
 - b) on request of the authorised applicant, Information about the position of the train,
 - c) Infrastructure Manager shall immediately inform authorised applicant about non scheduled but urgent works affecting but not hindering access to the network. Infrastructure Manager is obliged to carry out these works in such a way that the influence of such works on authorised applicants will be kept at the minimum.
2. Infrastructure manager is not obliged to inform authorised applicant of changes not affecting the network access.
3. Obligation of the infrastructure manager laid down in § 17 for providing information does not affect its obligations set out in legal rules and in the Network Statement to ensure train runs in accordance with the allocated train paths.

§ 18 Obligation of authorised applicant to provide information about train operation

1. Authorised applicant shall be obliged to provide information to the infrastructure manager at least 30 minutes (in the case of exceptional consignments or dangerous goods 1 hour) before the departure of the train as follows:
 - a) composition of train (type of the traction unit, gross tonnage of wagon, braked weight of wagon, number of wagons, length of train, braked weight of train, type of passenger cars),
 - b) dangerous goods in compliance with RID or Annex 2 of SZMGSZ Agreement,
 - c) exceptional limitations affecting vehicles or load,

- d) facts causing delays (speed limits depending on braked weight percentage, speed limits of traction unit),
 - e) exceptional consignments.
2. Specific obligations for providing information concerning passenger transport

30 minutes (in the case of deviation from SZVÖR 1 hour) before the departure of the train, authorised applicant shall be obliged to provide information to the infrastructure manager in writing arisen in its sphere of interest and concerning also passengers, which the infrastructure manager shall transmit to the passengers via loud speaker installation or in lack of this in any other way.

3. Specific obligations for providing information concerning freight transport

In freight transport authorised applicant shall provide information about wagons used in freight traffic as follows:

- a) sequence of wagons in the train at the time of departure,
 - b) origin and destination station,
 - c) gross tonnage, tare weight, braked weight pro wagons,
 - d) length of wagons,
 - e) speed limits and dangerous goods.
4. Should authorised applicant run rolling stock not bearing RIC or RIV marks, authorised applicant shall apply at the infrastructure manager for approval for exceptional consignment.

Should authorised applicant infringe the obligation for providing information set out in § 18, infrastructure manager is entitled to refuse the running of train applied for by the authorised applicant.

§ 19 Representation of the authorised applicant in train

Authorised applicant shall be bound to ensure staff in every train that may receive information from the infrastructure manager and are entitled to decide in operational issues on behalf of the authorised applicant.

§ 20 Traffic disturbances

Traffic disturbances mean those unforeseeable events, which influence safety, punctuality and the smooth operation of traffic, such as accidents, demonstrations, unforeseeable effects of environmental circumstances, technical failure of railway infrastructure and rolling stock, and other unforeseeable incidents relating to the operation of railway infrastructure and rolling stock.

Parties shall be mutually obliged to inform each other in a justifiable way of every abnormality, modifications to the timetable, disturbances and every other event, which may affect safety, punctuality and running of transport according to plan.

Authorised applicant shall immediately inform the infrastructure manager of disturbances occurred during operation even if they probable will not directly influence safety and the planned operational performances.

§ 21 Measures to restore the normal situation

1. In the event of disturbance parties shall do their utmost to restore the normal operating conditions according to timetable.
2. In the event of disturbances infrastructure manager shall apply rules in force to control traffic. Authorised applicant shall also be informed of these rules, or on its request, infrastructure manager shall make the relevant rules available.

§ 22 Contribution of the authorised applicant to eliminate disturbances

On request of the infrastructure manager and against payment of compensation, authorised applicant is obliged to contribute to eliminate disturbances by making its traction unit or staff available or in any other way, even if other authorised applicants are also affected by the incident.

§ 23 Obligation for providing information in the event of damages to the environment

1. In the event of damages to the environment relating to railway operation, explosions, fire, or in other events risky to the railway operation, authorised applicant is obliged to immediately inform infrastructure manager of the event.
2. The fulfilment of the aforementioned obligation for providing information does not relieve authorised applicant from the fulfilment of other obligations prescribed by legal rules in the event of damages caused to the environment.

Chapter V

Liability for damages caused while using the open access railway infrastructure and for damages arisen through the breach of the contract

§ 24 General rules of liability of parties

Rules of this chapter regulate liability of contracting parties for damages caused during the use of the railway infrastructure.

§ 25 General rules of liability of the infrastructure manager

Infrastructure manager shall be liable in accordance with compensation rule of the Civil Law for all damages caused by him to authorised applicants by breaking the law imputable to the infrastructure manager when making the railway infrastructure available for use and providing services, and if causality between damages and the imputable action (default) is verified.

Based on the above, infrastructure manager is liable for all damages resulting from the breach of prescriptions of authorities and technical rules relating to the operation of railway infrastructure, or violation of provisions of the Network Access Contract, if causality between damages and the imputable behaviour of the infrastructure manager exists.

§ 26 Liability of the infrastructure manager for damages resulting from its hazardous operational activity

Infrastructure manager shall particularly but not exclusively be liable for damages in accordance with rules for compensation of damages resulting from the activity of hazardous operation laid down in § 345 of Civil Law in cases if causality exists between the damage and the dangerous operational activity of the infrastructure manager or between the damage and the running of operational (working) trains operated by the infrastructure manager.

Rules for the compensation of damages resulting from the activity of hazardous operation are specified in details by § 28.

§ 27 General rules of liability of the authorised applicant

Authorised applicant shall be liable in accordance with compensation rule of the Civil Law for all damages caused by him to the infrastructure manager by breaking the law imputable to him when using the railway infrastructure, and if the causality between damages and the imputable action (default) is verified.

Based on the above, authorised applicant shall be liable for all damages resulting from the breach of prescriptions of authorities and technical rules relating to the operation of railway infrastructure and accessories, or violation of provisions of the

Network Access Contract, and if the causality between damages and the imputable behaviour of the authorised applicant exists.

Authorised applicant is liable for damages belonging to the hazardous operation liability area and caused by authorised applicant during the use of the railway infrastructure, in accordance with rules for compensation of damages resulting from activity of hazardous operation laid down in § 345 of Civil Law.

Rules for the compensation of damages resulting from activity of hazardous operation are specified in details by § 28.

§ 28 Liability for damages resulting from activities of hazardous operation

If damages resulted from an activity of highly risky operation, the party causing damages shall be obliged to compensate damages resulted from this activity.

Party causing damages shall be relieved of the liability if he can prove that damages were caused by such an inevitable reason which was beyond the scope of activities of high risk.

Damages shall not be compensated if they were caused by behaviour imputable to the party who suffered damages.

If damages were caused by more than one authorised applicant, or authorised applicant and the infrastructure manager caused them commonly due to their activity of high risk, the general rules of liability shall apply to this relation between them.

If damage cannot be imputed to either of the parties but can be attributed to abnormality occurred in the sphere of activity of high risk of one of parties, damages shall be compensated by the latter party.

If damages were caused by abnormality occurred in the sphere of activity of high risk of both parties and if such abnormality cannot be attributed to any of the parties, in lack of imputation both parties shall bear their own damage.

§ 29 Liability of contracting parties in case of damages or operation disturbances resulted from failing to fulfil information obligations

1. Infrastructure manager shall be liable for damages caused by him provably to the authorised applicant by failing to fulfil general and specific obligation for providing information defined in details in Chapter II and Chapter IV of this GTC.
2. Authorised applicant shall be liable for damages caused by him provably to the infrastructure manager by failing to fulfil general and specific obligation for providing information defined in details in Chapter II and Chapter IV of this GTC.
3. Should contracting parties be commonly liable for failing to fulfil certain obligations, damages shall be born in proportion to their liabilities. If the

degree of liability cannot be defined, both railway undertaking and authorised applicant shall bear their own damages.

§ 30 Way of compensation in the event of bodily injuries

1. Regarding bodily injuries, in the event of damages occurring only once, losses in income, compensation shall be paid in one sum within 15 days after the day of making decision on the compensation, or within 15 days after parties could agree in the issue.

2. Compensation defined as allowance shall be paid monthly by the day assigned by the person suffered the injuries, but not later than the tenth of the month due.

3. Judicial or official recourse process initiated in compensation issues defined in point 1 and 2, has no delaying force on the payment of compensation unless otherwise provided by legal rules or a court or an authority.

§ 31 Contribution of party suffered losses

If parties prove that the damage or a part of damage was caused by the contributory negligence of the party suffered losses they shall be relieved of liability in this proportion. .

§ 33 Currency of compensation

Compensation shall be defined and paid in HUF.

§ 34 Liability in the event of force majeure

Parties shall be relieved of legal consequences of breach of the contract if the default in fulfilling obligation can be attributed to force majeure.

Force majeure means any extraordinary, unforeseeable fact, circumstance which is out of the interest sphere of the party being in breach of contract and are unavoidable, so, in particular natural disasters, events of war, movement of military troops ordered for international or national safety reasons, nationwide strike.

Parties are obliged to inform each other of force majeure by telegram or in registered letter. The party whose obligation is to provide information shall be liable for damages caused by failing to provide information.

The existence of force majeure shall be proved by a legal statement involved in a private deed.

§ 35 Liability for auxiliaries

Infrastructure manager and authorised applicant are liable for damages caused by their auxiliaries participating in the fulfilment of their obligations and employed by them as if damages had been caused by themselves.

Chapter VI

Network access charges and terms and conditions for paying charges

§ 36 Network Access charge

Principle for charging of network access fees shall be published in the Charging Methodology of VPE on its website, while tariffs can be seen in the Network Statement.

§ 37 Terms and conditions of payment

1. Unless otherwise provided in the Network Access Contract, network access charges shall be paid in HUF.
2. Payment of charges shall be on the basis of acknowledged invoice.
3. Parties shall define the deadline for payment in the Network Access Contract on the condition that it may not exceed 30 days.
4. In the event of late payment, infrastructure manager is entitled to levy a late interest as set out in the Civil Law.

Parties shall define payment conditions in such a way that they set out general conditions relating to any authorised applicant and set out condition that are dissimilar for authorised applicant operating trains that provide public services and for authorised applicant operating trains that do not provide public services.

Payment conditions regarding business segments

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Regarding payment, authorised applicants operating trains that provide public service will be ranked in the following categories:

- 1) Authorised applicant shall be qualified as a client paying in accordance with the network access contract on schedule if - within 90 calendar days from the day when the examination started - authorised applicant gets into default at most once that do not exceed 5 calendar days
- 2) Authorised applicant shall be qualified as a client in payment default if - within 90 calendar days from the day when the examination started - authorised applicant gets at least twice in payment default that exceeds 5 calendar days. In the course of this qualification procedure only the fulfilment of obligation originating exclusively from the Network Access Contract shall be examined.

Infrastructure Manager shall inform in writing authorised applicant of his qualification as “client in payment default”. Authorised applicant shall make a

statement in writing about the form of payment guarantee within 5 working days after receiving the notice.

A client in payment default may choose from two possibilities: either provides a payment guaranty or pays in advance. Client shall give information about his choice by a written statement.

Should the authorised applicant fail to make this statement on schedule, or in the case of choosing the possibility of the payment guarantee he fails to provide the payment guarantee within 5 working days after making statement about the provision of a payment guarantee, rules of payment in advance laid down in the network access contract shall automatically apply.

- a) If authorised applicant chooses the possibility of payment guarantee, the total sum of any of the below listed guarantees must continuously figure out a value projected to 2,5 months calculated from the average performance - inclusive of VAT - invoiced to the 2nd, 3rd, 4th months prior to the month under review.

In this case authorised applicant is obliged to provide one of the below mentioned payment guarantees to the infrastructure manager as follows:

- i) Bank guarantee

Bank guaranty shall be handed in to the infrastructure manager. If the payment guarantee is a bank guarantee, text of the bank guarantee must comprise the followings:

- The issuing bank irrevocably undertakes that - without examining the fundamental relationship - it pays the sum of the bank guarantee to the beneficiary within 5 bank working days after receiving by the beneficiary the first notice.

Bank guarantee must come from

- a lending institution holding a public rating of investment grade (BBB or Baa3 or higher ratings) issued by at least one of the credit rating agencies Moody's, Standard&Poor's, Fitch. The lending institution must hold operational licence in any member states of the EU or OECD, or from a subsidiary or branch of this lending institution with the majority ownership of this institution,
- or from a lending institution holding a rating of non investment grade and having a significant market share in Hungary (its balance sheet total assets of the previous closed business year exceed HUF 250 billion).

- ii) Security deposit

Authorised applicant shall pay a security deposit to the infrastructure manager to a bank account assigned by the infrastructure manager.

- iii) Bond issued on the basis of an insurance contract including cash surety

Bonds issued by the insurance company shall arise from

- an insurance company holding a public rating of investment grade (BBB or Baa3 or higher ratings) issued by at least one of the credit rating agencies Moody's, Standard&Poor's, Fitch. The insurance company must hold operational licence in the any member states of the EU or OECD,
- or from a subsidiary of the insurance company with the majority ownership of this company,
- or from a branch of the insurance company,
- or from a subsidiary or branch of the insurance company in majority ownership of a bank holding a public rating of investment grade (BBB or Baa3 or higher ratings) issued by at least one of the credit rating agencies Moody's, Standard&Poor's, Fitch, also holding operational licence in the EU or in any member states of OECD,

iv) guarantee of claim insurance of a credit insurance company undertaken by the insurance company must arise from

- credit insurance company holding a public rating of investment grade (BBB or Baa3 or higher ratings) issued by at least one of the credit rating agencies Moody's, Standard&Poor's, Fitch. The credit insurance company must hold operational licence in the EU or in any member states of OECD
- or from a subsidiary of the credit insurance company with the majority ownership of this company,
- or from a branch of the credit insurance company
- or from a subsidiary or branch of the credit insurance company in majority ownership of a bank holding a public rating of investment grade (BBB or Baa3 or higher ratings) issued by at least one of the credit rating agencies Moody's, Standard&Poor's, Fitch, also holding operational licence in the EU or in any member states of OECD,

b) payment in advance: should the authorised applicant choose none of the payment guarantees listed under point a), authorised applicant is obliged to pay in advance the charges of services provided by the infrastructure manager or the charges of other services the infrastructure manager may provide.

3). Authorised applicant shall be considered to be a new client if authorised applicant and infrastructure manager do not have any contractual relation with each other, and thus infrastructure manager does not have any direct data about the credit solvency of the authorised applicant. If, when concluding the network access contract, infrastructure manager has information about the payment discipline of the authorised applicant on the basis of any other legal relation established with the authorised applicant, rating shall be based on these data.

In case of a new client, if - within a 90-calendar-day period after signing the network access contract - authorised applicant has got only once into default in paying that does not exceed 5 calendar days, authorised applicant shall be rated as a client paying in accordance with the network access contract on schedule. In this period accounting shall happen in compliance with conditions applying to clients who pay in accordance with the network access contract on schedule. After the

period of 90 calendar days following the conclusion of the network access contract, authorised applicant shall be rated either as a client paying in accordance with the network access contract on schedule or as a client in default. Authorised applicant shall be noticed if his payment discipline rating has changed.

If the authorised applicant had already a business contact earlier with the infrastructure manager or with an economic company owned in majority by the authorised applicant, and an expired debt has resulted from this contact over the past 365 calendar days at least twice, authorised applicant shall be rated as a client in default.

In the event if authorised applicant does not operate trains providing public service, general rules are as follows:

When qualifying the client, infrastructure manager also examines whether the client had meet conditions for payment of invoices and partial invoices on schedule regarding the services provided by the infrastructure manager and other services infrastructure manager may provide.

Infrastructure manager shall treat the authorised applicant fairly while changing the qualification of an authorised applicant to the qualification of a client in default if the total sum of invoices affected by late payment is not as high as 1% of turnover of the authorised applicant defined in the signed performance acknowledgement document of the previous half year, or not as high as 50 000 HUF. Should the debt of the authorised applicant exceed this sum of money he must be rated as a client in default.

Authorised applicant rated as a client in default may request the review of its qualification as a client in default and may also request the changing of this status to the status of a client paying in accordance with the network access contract on schedule if authorised applicant, over 365 calendar days, has got into default only once with payment that did not exceed 5 calendar days. Infrastructure manager is obliged to review the request of the authorised applicant with the status of a client in default for revising his status within 15 calendar days after the day receiving the request, and shall notify in writing the authorised applicant of the result of the review within 15 calendar days after the review has been completed. When judging the request, infrastructure manager shall examine besides the payment discipline also the last documents of the authorised applicant submitted as prescribed by the infrastructure manager. If authorised applicant corresponds to all requirements he can be rated again as a client paying in accordance with the network access contract on schedule.

Infrastructure manager requires the same solvency information as follows from the client paying in accordance with the network access contract on schedule, from the client in default and from the new client:

- annual report as defined in the Decree No 45/2006. (VII.11.)GKM Annex 2 point a), that must be submitted to the infrastructure manager until 15 July of the year following the actual year,

- a statement from the head of the company that authorised applicant does not have any overdue public debts, does not have acknowledged overdue debt that expired more than 60 calendar days ago. The statement must be submitted to the infrastructure manager quarterly until the 15th calendar day of the month following the actual quarter.

Above this, infrastructure manager requires that new clients make the following documents available until the day at the latest when the network access contract enters into force:

- if the organisation is in operation, a business plan as defined in the Decree 45/2006. (VII.11.)GKM Annex 2, point c),
- if the organisation has newly been established, a business plan defined in the Decree 45/2006. (VII.11.)GKM Annex 2. point c),
- statement from the head of the authorised applicant on the volume of the turnover related to the network access contract (in money) to be expected in the first 3 months beginning on the day of signing the network access contract.

Authorised applicant is obliged to submit and supply any kind of documents or data in Hungarian to the infrastructure manager by sending a copied exemplar of the original documents via post or in an electronic way. Authorised applicant seated abroad may meet his data supply obligation also in English if the document is available in English. Otherwise, authorised applicant seated abroad is obliged to attach to the document the authentic Hungarian or English translation of the original document.

For an authorised applicant seated abroad, if legislation in force in the country of his seat foresees a deadline to prepare and approve the annual report in a later date than it is foreseen in the Hungarian legislation, submission of documents listed above after the deadline may not be considered as a late data supply if they exceed the deadline by 30 days at the most. Authorised applicant seated abroad is bound to verify in writing to the infrastructure manager if legislation abroad stipulates otherwise.

If, as regards the authorised applicant

- based on the above documents, taking into account the total sum of bills invoiced in the last month, infrastructure manager recognises that in the given month authorised applicant used services that exceeds 20 % of the sum of equity capital demonstrated in the last submitted annual report with the exclusion of fuel for traction, or
- based on the above documents, following their submission, infrastructure manager recognises that
 - long term liabilities / (equity capital + long term liabilities) > 70%, or
 - authorised applicant has overdue public debts, or
 - authorised applicant has overdue debts that expired more than 60 calendar days ago, or
 - in the case of a new client, the volume of the turnover planned - related to the network access contract - in the first 3 months exceeds 30% of the equity capital, or

- authorised applicants fails to submit on schedule any of the above mentioned documents with the above mentioned content, and also fails to submit them within 8 calendar days after receiving the notice send by the infrastructure manager thereof,

infrastructure manager shall demand from the authorised applicant a payment in advance or the provision of a payment guarantee (detailed conditions of which can be seen in sub-point 2) of this Chapter “Client in default”).

In the event if based on the above documents it is not possible to recognise that planned turnout related to the network access contract of the new client in the first 3 months exceeds 30% of equity capital, but this will be, however, the case, infrastructure manager may demand from the authorised applicant a payment in advance or the provision of a payment guarantee (detailed conditions of which can be seen in sub-point 2) of this Chapter “Client in default”).

Obligation of payment in advance or provision of payment guarantee shall exist until conditions verifying these obligations will cease, and authorised applicant will request to review his status of a client in default and also request to rate him again as a client paying in accordance with the network access contract on schedule. Infrastructure manager is obliged to review the request of the authorised applicant with the status of a client in default, and to revise his status within 15 calendar days after the day receiving the request, and shall notify in writing the authorised applicant of the result of the review within 15 calendar days after the review has been completed. When judging the request, infrastructure manager shall examine besides the payment discipline also the last documents of the authorised applicant submitted as prescribed by the infrastructure manager. If authorised applicant corresponds to all requirements he can be rated again as a client paying in accordance with the network access contract on schedule.

In order to achieve unanimity, it shall be laid down, that infrastructure manager shall require from authorised applicant the payment in advance or the provision of payment guarantee exclusively in the case if authorised applicant has been rated as a client in default or based on the above documents conditions of this rating exist.

Chapter VII

Accounting of penalties and bonuses resulting from the Performance Regime

§ 38. Penalties and bonuses

Calculation principles and amounts of penalties and bonuses resulting from the Performance Regime are published on the website of VPE under title Performance Regime.

39. Terms and conditions of payment

1. Payment of penalties and bonuses shall happen on the basis of acknowledged invoice issued by the Infrastructure Manager simultaneously with invoices on the network access charges.
2. Parties shall agree in the Network Access Contract in the deadline of payment with the provision that is should not be more than 30 days.

§ 40 Employment of a performance regime

By signing the Network Access Contract, Parties shall note the provisions of the Performance Regime and shall consider these provisions as binding on themselves.

Chapter VIII

Scope, termination, suspension of the Contract

§ 41 Scope and termination of the contract

1. The scope of the contract shall be defined in the Network Access Contract.
2. Authorised applicant is entitled to cancel the applied train path in accordance with conditions set out by the Network Statement, and consequently, to terminate the concluded Network Access Contract in an ordinary cancellation process.

§ 42 Extraordinary termination of the Network Access Contract with immediate effect

1. Infrastructure manager shall cancel the contract with immediate effect if:
 - a) the licence of the authorised applicant was withdrawn by the competent authority,
 - b) rolling stock in operation do not meet safety requirements,
 - c) staff employed by authorised applicant do not have the defined and required qualification,
 - d) authorised applicant fails to fulfil his obligation even after the deadline set to him to restore the status in accordance with the contract,
 - e) in the event of serious breach of the contract,
 - f) if the liquidation of the company of the authorised applicant was ordered by a juridical decree in force.
2. Termination of the contract with immediate effect shall be preceded by the suspension of fulfilment of the contract, if breach of contract is so serious, that guiltless party cannot be expected to further maintain the contract.

§ 43 Suspension of fulfilment of the Network Access Contract by the infrastructure manager

1. Infrastructure manager may suspend the fulfilment of the contract
 - a) if authorised applicant failed to fulfil its payment obligation arisen from previous or this Network Access Contract by a deadline set out in a notice received in writing,
 - b) if authorised applicant seriously infringes its other obligation, deriving from the Contract, relating in particular to the safety of traffic.
2. The suspension shall enter into force on the day following the date of receipt of a notice reminding - with a deadline - to the appropriate fulfilment of the contract. Parties shall take into account five (5) days for delivery from the date of mailing. Duration of suspension shall last until the authorised applicant fulfils its obligation set out in this Section under points 1 a) and 1 b).

§ 44 Termination of the Network Access Contract with immediate effect by the authorised applicant

1. Authorised applicant may cancel the Network Access Contract with immediate effect:
 - a) if infrastructure manager loses its right to operate the railway infrastructure,
 - b) if the railway infrastructure does not meet safety requirements,
 - c) in the event of other serious infringement of obligations.
2. A cancellation with immediate effect shall be preceded by the suspension of the execution of the Network Access Contract unless the infringement of obligation is so serious that a further maintenance of the Contract cannot be expected from the innocent party.

§ 45. Suspension of the fulfilment of the Network Access Contract by the authorised applicant

1. Authorised applicant may suspend the execution of the Network Access Contract if the infrastructure manager seriously infringes its obligation derived from the Network Access Contract relating in particular to the safety of traffic.
2. The suspension shall enter into force on the day following the date of receipt of a notice reminding - with a deadline - to the appropriate fulfilment of the contract. Parties shall take into account five (5) days for delivery of the notice from the date of mailing. Duration of suspension shall last until the infrastructure manager eliminates deficiencies indicated by § 49 and this Section under point 1, and receives back the right to operate the railway infrastructure.
3. Should the infrastructure manager not fulfil its obligation even after the deadline defined to him for restoring the status in accordance with the Network Access Contract, authorised applicant may terminate the Network Access Contract with an immediate effect.
4. Suspension should not definitely affect the Network Access Contract as a whole, suspension may be limited to some elements of the Network Access Contract specified in details by the notice.

§ 46. Recourse in the event of infringement of the Network Access Contract

In the event of infringement of the Network Access Contract, parties may apply for relief at the rail regulatory body or may take civil legal action in the competent court.

§ 47. Liabilities for damages caused by termination and suspension of the Network Access Contract with immediate effect

That party which gave reason for the termination or suspension of the Network Access Contract with immediate effect shall be liable for damages caused. General rules of the Civil Law shall apply to the compensation of damages and to the relief of liability.

Chapter IX

Legal disputes, limitation, governing law

§ 48. Settlement of legal disputes

Parties shall try to reach an amicable settlement of their disputes arising from the Network Access Contract. To this end they are obliged to initiate a conciliation procedure. The party the right or legitimate interest of whom is affected by the dispute shall initiate conciliation procedure.

Record shall be taken of the conciliation procedure. If the conciliation procedure fails to settle the dispute, to assert the right, any of the parties is entitled to go to a court or - in cases laid down by legal rules - go to the rail regulator body.

§ 49. Petition of review against the decision of the rail regulator body

Against the decision of the rail regulator body a petition of review may be applied which shall be initiated in accordance with Chapter XX of Act III of 1952 on administrative legal proceedings.

§ 50. Limitation

1. The period of limitation for enforcing a claim based on the Network Access Contract shall be three (3) years. Limitation period begins on the maturity day of the claim.
2. Should the party entitled not be able to enforce a claim for excusable reasons, he may enforce the claim within one year from the elimination of the hindrance even then if the limitation period has been expired or less than one year has been left of it. This provision shall apply too, if the party entitled has granted a delay for executing the obligation after the expiry.
3. Limitation period shall be interrupted by a notice in writing reminding to the fulfilment of the claim, by enforcing the claim in a judicial proceeding, by modification of the claim through agreement - inclusive of compromise - and at least by acknowledgement of the liability by the party bound.

Limitation period shall start again after the interruption of the limitation period, or after the final decision of the juridical proceeding interrupting the limitation period.

51. Governing law

Parties stipulate the application of the Hungarian law for the conclusion, fulfilment of the Network Access Contract, for the enforcing any claims deriving from this Contract, inclusive of disputes arising from the interpretation of this Contract.

Chapter X

Other provisions

52. § Staying on the board of locomotives to carry out track supervisory activity

1. In order to carry out track supervisory activity of the Infrastructure Manager on board of a locomotive (hereinafter loco journey), Infrastructure Manager is entitled to use any traction unit of the authorised applicant which run on the networks operated the Infrastructure Manager, not disturbing without reason the traffic of trains, while paying the justified costs of the journey under conditions regulated in this chapter and in the Network Access Contract or in any other agreement between the parties.
2. Authorised applicant is obliged to enable the Infrastructure Manager to carry out loco journey if conditions, stipulated in this chapter, exists.
3. When carrying out track supervisory activity of the infrastructure manager by using locomotive for travelling, person entrusted by the Infrastructure Manager to perform loco journey is bound to take into account the followings:
 - to indicate to the loco staff the intention to use the locomotive in such a time before the departure of the train to be hauled by the locomotive in question that the entitlement to use the locomotive could be checked.
 - boarding and getting off the locomotive is permitted only at stoppings scheduled in the timetable of the train.
 - it is prohibited to disturb or hinder the driver of the traction unit in his work; to give instructions to the driver of the traction unit, is only allowed to take measures to stop the train exclusively in cases stipulated in F.2 Traffic Instructions, further on is obligatory to keep operational and safety rules regarding the staying in the drivers' cab, prescribed by the railway undertaking operating the traction unit.
- 4) Determination of the circle of staff of the IM entitled to carry out track supervisory activity and consequently loco journey, verification of the entitlement, methodology of determination of costs of the authorised applicant shall be carried out as it is set out by the parties in the Network access Contract or in any other agreement between them. Staff of the IM assigned in the above mentioned way is only entitled to carry out loco journey.
- 5) If the person carrying out loco journey violates the operational and safety rules, driver of the traction unit is entitled to summon this person to leave the locomotive or to refuse the boarding the locomotive by this person.
- 6) Entitlement for loco journey is valid for staying exclusively in the driver's cab; staying in any other part of the locomotive (engine area) is not allowed.

- 7) Infrastructure manager is in full range liable for the person carrying out loco journey on behalf of it. In this framework IM is liable for compensating damages caused by the person carrying out loco journey or for compensating damages suffered by the person during her/his staying in the driver's cab of the locomotive, exclusive of the event when responsibility for the occurrence of the damage lies on the authorised applicant or its staff using the traction unit.
