

GENERAL SUPPORT CONDITIONS

**FOR SUPPORT MANAGED UNDER THE KISFALUDY TOURISM DEVELOPMENT
PROGRAMME**

- changes in the text are set in italic bold typeface -

Consolidated text

Effective from: 10 March 2024

1. Scope of the General Support Conditions

1.1. The scope of these General Support Conditions (hereinafter: GSC) extends to tender and non-tender procedures managed by Kisfaludy2030 Tourism Development Non-profit Private Limited Company (hereinafter: Supporter) and to support legal relationships established during such procedures.

1.2. Points 10 and 11.11 as well as 11.12 of the GSC need not be applied in support legal relationships established for the provision of support for the implementation of tourism-oriented programmes, events and other operational support.

1.3. These GSC shall also apply to ongoing matters.

1.4. The support contract or supporter document (hereinafter together: Document) may determine conditions different from the GSC. Where there is any difference between provisions of the same subject matter in the GSC and the Document, the provisions of the Document shall be governing.

1.5. The GSC forms an inseparable part of the Document.

1.6. The Supporter may correct obvious errors or clerical mistakes in any document submitted by the Beneficiary at any time during the procedure related to the document - except for documents capable of producing legal effects - and shall notify the Beneficiary of this where justified. In the case of documents containing declarations capable of producing legal effects, obvious errors or clerical mistakes may only be validly corrected by amendments signed by all affected parties.

1.7. Where the Project contains state construction investment, Act LXIX of 2023 on the regime of state construction investments (hereinafter: Scir.) shall be governing for the Beneficiary and the Project respectively. In the case of Projects falling under the scope of the Scir., provisions of the GSC that are contrary to the Scir. shall not be applicable, particularly but not exclusively regarding the following:

- where a collaborator is involved according to point 3.1, sections 17-24 of the Scir. shall apply;
- the obtaining of permits according to 3.3 shall be exempt from permits to be obtained according to section 16(3) of the Scir.;
- the case of support withdrawal under point 6.2(c) may be applied taking into account the duration necessary for inclusion in the framework programme according to the Scir., following appropriate consideration thereof;
- the case of support withdrawal under point 6.2(h) does not apply to those permits that are obtained according to section 16(3) of the Scir.

2. Interpretative provisions

2.1. For the purposes of the GSC and the Document:

a) **Report:** partial or final report (professional report and financial settlement tied to milestone), which the Beneficiary must prepare based on the valid budget of the Project, broken down by milestone, according to the valid Financial and Accounting Guide.

b) **Equipment:** equipment procured for the implementation of the Project.

c) **Net floor area of property (building) affected by development:** net floor area according to point 88 of Annex 1 to Government Decree 253/1997 (XII.20.) on national spatial planning and construction requirements.

d) **Useful floor area of property (building) affected by development:** useful floor area according to point 46 of Annex 1 to Government Decree 253/1997 (XII.20.) on national spatial planning and construction requirements.

e) **Maintenance report:** professional summary document to be submitted during the maintenance period in the form, content and at intervals determined by the Supporter, which presents the realisation of the Beneficiary's obligations undertaken for the maintenance period.

f) **Beneficiary:** the beneficiary of support based on the Document.

g) **Managing Authority:** legal person according to ministerial decree issued based on the authorisation received in section 109(5) of the Public Finance Act regarding the appropriation serving as source of support.

h) **Cost plan:** list of costs and sources containing Project costs according to the given form template.

i) **Milestone:** those objectives and phases of the Project that are decisive in the Project's progress.

j) **Monitoring indicator:** data describing a specific result or fulfilment of the Project, undertaken by the Beneficiary in documentation related to the tender or support application and/or recorded in the Document.

k) **Tender e-administration interface:** interface available at <https://eptk.fair.gov.hu/> and the interface of the Tourism Project Evaluation and Monitoring System (hereinafter: TÉRKÖ).

l) **Financial and accounting guide:** document containing the financial implementation of Projects realised under the Kisfaludy Development Programme, which forms part of the Document, with regard to provisions contained in the Document.

m) **Project:** development defined in the Document and detailed in tender documentation.

n) **Project commencement:** day of entry into force of the first contract concluded for Project implementation or signed and confirmed by the supplier, or order given in writing for preliminary offer.

o) **Physical completion of Project:** day of physical completion of the investment or last project activity - as determined in the call and Document - i.e. the day of implementation of the supported activity.

p) **Project completion:** The supported activity is considered completed if it has been fulfilled according to the Document, settlement of invoices arising during implementation has occurred, equipment created or procured with budgetary support has been activated, and the Supporter has approved the Beneficiary's report and settlement documenting completion of the supported activity, supported by official permits and documents, and disbursement of budgetary support has occurred to the extent corresponding to proven support utilisation.

q) **Project closure:** A Project is considered closed if all undertaken obligations have been fulfilled, the Beneficiary has submitted its final report on the results of obligation realisation and the Supporter has approved it, and the final record has been prepared.

r) **Project implementation period:** duration available for Project implementation, determined in the Document.

s) **Room:** according to point 15 of section 2 of Government Decree 239/2009 (X.20.) on detailed conditions for conducting accommodation service activities and the procedure for issuing accommodation operation permits, that independently marketable unit of accommodation with individual access, consisting of one or more rooms and suitable for simultaneous accommodation of one or more guests. In the case of camping, holiday house complex and holiday boat accommodation types, the equivalent of room is the dwelling unit or area unit. In support legal relationships created by the Supporter, subject to the above conditions being met, the following qualifies as a room:

sa) in the case of guesthouses, which fully complies with the expected minimum criteria system for achieving the applied-for category according to the classification system "Categorisation of guesthouses" of the Hungarian Tourism Quality Certification Body.

sb) in the case of hotels, which fully complies with the expected minimum criteria system for achieving the applied-for category according to the classification system "Hotel categorisation" of the Hungarian Tourism Quality Certification Body.

t) **Support:** support in the amount determined in the Document.

u) **Tender documentation:** tender material submitted by the Beneficiary in response to the tender call of the Managing Authority and/or Supporter, which contains particularly the tender data sheet and documents to be mandatorily attached as annexes. These documents form an inseparable annex to the Document.

3. Rules for professional implementation of the Project

3.1. The Beneficiary - with regard to the support legal relationship - is obliged to implement the Project according to provisions determined in documentation related to the tender, support application and technical content recorded in the Document, while observing deadlines determined in the Document. The Beneficiary is entitled to involve other bodies, organisations, third persons (together: collaborator) in Project implementation; depending on the Beneficiary's decision, the collaborator may perform any activity necessary for Project implementation, provided that the Beneficiary is responsible to the Supporter for activities performed by the collaborator as if they were its own.

3.2. By accepting the Document or by receiving a Document with content corresponding to its application, the Beneficiary undertakes an obligation to implement the Project in accordance with applicable legislation, the Document and the tender call, with due thoroughness, efficiency and care.

3.3. The Beneficiary is obliged to obtain without separate notice and make available upon the Supporter's request - simultaneously with the report on Project implementation - all permits and consents necessary for lawful and professional Project implementation and fulfilment of obligations undertaken in the Document.

4. Reporting and Accounting Obligations

4.1. The Beneficiary is obligated to document its activities related to the implementation of the Project, and is obligated to maintain separate records of the utilisation of the Support in compliance with applicable provisions in its accounting records, including background documentation arising in connection with performance.

4.2. By accepting the Instrument, the Beneficiary declares that the amounts accounted for in relation to the Support appearing on the accounting documents submitted for financial settlement will not be accounted for in any other support relationship.

4.3. The Beneficiary is obligated to prepare the report in such a way that it is suitable for detailed verification of compliance with the provisions contained in the Instrument.

4.4. The Beneficiary is obligated to report on the utilisation of the Support – including the amount of own contribution – within the deadline specified in the Instrument. The professional report and financial settlement (hereinafter together: report) present the technical-professional progress, effectiveness, and efficiency of the Project. The Beneficiary acknowledges that the accounting obligation under this point applies even if the amount of public debts owed by it is withheld from the Support.

4.5. The Beneficiary's professional report must contain the professional aspects and experiences of the utilisation of the Support, as well as an analysis of the effectiveness of implementation, and if the result is suitable for it, it must be attached to the report in materialised form (e.g. photo, advertising material, publication), and furthermore, documents supporting the achievement of results undertaken in the Milestone must also be attached.

4.6. Within the framework of financial settlement, the Beneficiary is obligated to account for costs actually incurred in connection with the Project that have not been previously accounted for, provided that only costs incurred during the Project implementation period may be included in the report. If the Beneficiary commenced implementation of the Project at its own responsibility prior to the issuance of the Instrument, it may only account for costs incurred prior to the entry into force of the legal relationship that are related to tasks included in the Project if the Supporter consents to this in the Instrument, or if the call permits it.

4.7. In case of conducting a public procurement procedure, the Supporter may request the presentation of documents relating to the public procurement procedure as part of the report, and in case of activities requiring official permits, the presentation of necessary official permits.

4.8. The Beneficiary is obligated to compile the report in accordance with the provisions of the financial and accounting guidelines, taking into account the criteria specified therein, and to make the declarations specified therein.

4.9. If either the professional report or the financial settlement is not submitted by the Beneficiary by the deadline, or either of them is incomplete or for other reasons unsuitable for verifying the utilisation of the Support, the Supporter shall call upon the Beneficiary in writing to remedy deficiencies with a specified deadline. Deficiency remedy is possible at most once for interim professional reports and interim financial settlements, unless the law, call, or Instrument provides otherwise. In case of final professional reports and final financial settlements, the Supporter may call upon the Beneficiary several times if necessary – taking into account all circumstances of the case – to remedy deficiencies related to reporting. Following submission of the deficiency remedy(ies), and in case of final reports, if the Supporter determines that remedying the deficiency, correcting the error, or resolving the contradiction is not possible through ordering (further) deficiency remedy, no result can be expected from it, the Supporter makes its decision on accepting the professional report and financial settlement based on the data and documents sent, and disburses the support accordingly. The Beneficiary has the opportunity to fulfil the deficiency remedy within the deadline specified in the notice. If the Beneficiary fails to fulfil its obligation to submit the professional report or financial settlement or to remedy deficiencies, this constitutes a serious breach of obligations.

4.10. Within 60 days of receiving the report – or the related deficiency remedy – the Supporter declares in writing its acceptance thereof. The deadline available to the Supporter for its declaration is extended by the time of deficiency remedy.

4.11. If an unused amount remains from the Support, the Beneficiary is obligated to repay it in one sum within 30 days following the accounting deadline to the account specified by the Supporter, indicating the Instrument number and ÁHT identifier. If repayment of the amount does not occur, the Supporter notifies the Beneficiary in writing about the obligation to repay any possibly unlawfully utilised Support following its decision on financial settlement.

4.12. If the Supporter does not accept the report partially or wholly, the Beneficiary shall be subject to a repayment obligation. The Beneficiary is obligated to effect repayment within 30 days from receipt of the notification about the repayment obligation by bank transfer to the bank account specified by the Supporter, indicating the Instrument number and ÁHT identifier.

4.13. In the absence of different provisions in the Instrument or any of its annexes, submission of the professional report and financial settlement occurs on the application e-administration platform. The Beneficiary is obligated to attach supporting documents specified in the Financial and Accounting Guidelines to the request for disbursement of support in electronic form (in case of paper-based documents, scanned), except for summaries, which are completed electronically. Supporting documents appearing on summaries need not be submitted; their verification occurs within the framework of on-site inspections.

5. Modification of the Document

5.1. The Document may be modified unilaterally by the Supporter. Modification of the Document may only aim at modifying the original objective of the Project where the conditions established by law exist, and only such modification requests may be approved with which the Project would have been originally supportable.

5.2. The Supporter may modify the General Terms and Conditions and the Document unilaterally at any time in favor of the Beneficiary.

5.3. The Supporter may modify the Document or the General Terms and Conditions unilaterally to the detriment of the Beneficiary in justified cases, if it is necessary for the proper implementation of the Project, or if the modification is required due to the findings and recommendations of an audit report conducted by an organization authorized to carry out inspections based on legal regulations.

5.4. If one or more independently supportable elements of the Project - defined in the call for applications in the case of applications, or in the Document in the case of procedures outside the application system - have already been implemented, the Supporter may initiate the modification of the technical and professional content of the Project by modifying the Document.

5.5. The Beneficiary is obligated to send its request for modification of the Document to the Supporter with justification and supporting documents. The Supporter - upon the Beneficiary's initiative, following examination, substantiation and acceptance of the contents of the request - modifies the Document. If the request or its supporting documentation is incomplete, the Supporter may call upon the Beneficiary to remedy the deficiencies by setting a deadline.

5.6. The Supporter shall inform the Beneficiary in writing about the modification of the Document - unless legal regulations, the Document or the General Terms and Conditions provide otherwise.

5.7. If the Supporter does not approve the Beneficiary's request for Document modification, but the Beneficiary implements the change, then the Beneficiary shall be liable for the resulting irregularity, its legal consequences, and for the repayment of the support.

5.8. The Supporter shall suspend the disbursement of the support until the decision on the modification is made, if a) the modification relates to basic data affecting payment, or b) a modification is initiated simultaneously with the submission of a final report. In other cases significantly affecting the implementation of the Project, the Supporter may suspend the disbursement of the support.

5.9. It is not necessary to modify the Document if a) the duration of the Project and the related utilization and reporting deadline dates are anticipated not to exceed a three-month delay compared to the deadline specified in the Document; b) the expected fulfillment of any monitoring indicator/indicator value specified in the Document reaches at least 90% of the target value; c) the change in technical and professional content is of such nature that a technical and professional solution more favorable or of equal value is implemented in terms of the Project's effectiveness compared to the characteristics or capabilities undertaken by the Beneficiary in a declaration.

5.10. With the notification of changes in the Beneficiary's identifying data (including in particular registered seat, address, tax identification number) - in the manner specified in point 8 - the Document is modified without any separate measure.

5.11. In case of the entry into force or modification of mandatory applicable legislation or other legal norms, the affected legal provision shall be applied instead of the provision recorded in the General Terms and Conditions or Document that is contrary to the new or modified legal regulation. In such cases, the Supporter is entitled to unilaterally modify the provisions contained in these General Terms and Conditions or in the Document, of which it shall notify the Beneficiary according to point 13.

5.12. The Supporter is furthermore entitled to unilaterally modify the General Terms and Conditions and the Document if authorized by law to do so, or if it does not substantially change the substantive elements of the Support, the conditions for disbursement of the Support, or the Beneficiary's obligations, or changes them favorably for the Beneficiary. The Supporter shall notify the Beneficiary of the modification of the General Terms and Conditions or the Document according to point 13.

6. Breach of obligations and its consequences

6.1. If the Beneficiary fails to fulfill, or fulfills only partially, its obligations arising from the Document for reasons for which it is not responsible, the unutilized Support shall be withdrawn - unless law or government decree provides otherwise.

6.2. The Supporter is entitled to withdraw the Support and terminate the support legal relationship - without compensation obligation on the part of the Supporter - particularly, but not exclusively, if any of the following cases occur:

a) if it is credibly proven that the Beneficiary provided false, untrue data or made declarations with untrue content that substantially influenced the support decision or the financial, professional, technical content of the Project implementation during the submission of the support application, acceptance of the Document, utilization of the Support, or during inspection;

- b) any circumstance defined in Section 81 of Government Decree 368/2011 (XII. 31.) on the implementation of the Act on Public Finance (hereinafter: Ávr.) occurs after the support decision is made, or comes to the knowledge of the Supporter;
- c) the Project does not commence within six months from the starting date of the implementation period specified in the Document, or the Beneficiary does not initiate the utilization of the Support for reasons for which it is responsible, and does not excuse its delay in writing during this time;
- d) the performance of the undertaken activities fails, encounters lasting obstacles, or suffers significant delay compared to the schedule contained in the Document;
- e) the Beneficiary, for reasons for which it is responsible, breaches its obligations set forth in the Document or determined by law (particularly in the Áht, Ávr, **Áébr**), thus particularly fails to comply with its obligation to tolerate inspections, and as a consequence the proper implementation of the undertaken activities cannot be verified;
- f) the Beneficiary withdraws any of the declarations contained in the annex to the Document - including those made for the issuance of the Document or given based on Section 75 (2) of the Ávr. - or provides false, misleading data in them;
- g) the Beneficiary does not submit the professional report or financial account prescribed in the Document within the deadline specified therein, or in case of inadequate, incomplete performance, does not fulfill its obligation within the deadline specified in the Supporter's written notice;
- h) the Beneficiary does not possess the official permit necessary for the supported activity;
- i) the Beneficiary does not fulfill its notification obligation prescribed in the Document or General Terms and Conditions within the deadline recorded therein or specified in the request for completion of deficiencies;
- j) the Beneficiary uses the support amount partially or entirely for purposes different from those specified in the valid Document;
- k) any inspection specified in the Document establishes that the Beneficiary was not entitled to utilize the Support;
- l) the Beneficiary alienates, leases or gives into the use of others, or encumbers the assets created at the expense of the Support without the prior written approval of the Supporter - except for the purposeful leasing or giving into use of assets or equipment created at the expense of the Support within the framework of accommodation operating activities;
- m) the security ceases, is annulled or its value otherwise significantly decreases, and the Beneficiary does not arrange for the provision of adequate new security or additional security corresponding to the decrease in the security's value within a reasonable deadline set by the Supporter;
- n) the Beneficiary no longer meets the conditions prescribed in the call;
- o) the Beneficiary obstructs the work of the control bodies authorized to carry out inspections, or refuses the inspection, and does not make the inspection possible even by the deadline specified in the written notice directed to this end; or
- p) the Beneficiary commits other serious breach of obligations.

6.2. If the Beneficiary fails to fulfill, or fulfills only partially, the monitoring indicators/indicators undertaken in the documentation related to the application or support request and/or in the Document, as well as the commitments made for the maintenance period, the Supporter - without modification, withdrawal of the Document, or termination of the support legal relationship - may order by written notice the repayment of the budgetary Support in an amount proportionate to the extent of the breach of obligations, determined through discretionary assessment. In these cases, the Beneficiary is obligated to repay the amount of unlawfully utilized support according to Section 53/A (2) of the Áht.

6.4. In the cases set forth in points 6.1. and 6.2., the Beneficiary is obligated to fulfill the repayment obligation - unless the Document provides otherwise - within 30 days following the receipt of the decision, notification, or notice, by transfer to the bank account number specified by the Supporter.

6.5. Authorization for the repayment obligation in the form of installment payments may occur upon request. The conditions for repayment in installments are recorded by the Parties in a separate agreement based on Section 99 (3) of the Ávr.

6.6. If the Beneficiary does not fulfill its repayment obligation within 30 days following the receipt of the payment notification from the Supporter, the collection of its debt shall take place according to the provisions of Section 53/A (3) of the Áht and the relevant legal regulations.

6.7. If the Supporter orders the repayment of the Support based on Section 98 (5) of the Ávr., the Beneficiary is obligated to repay in one amount the unlawfully utilized portion of the Support provided up to that point, or the portion proportionate to its use in violation of law, improper use, or use contrary to the Document, increased by transactional interest.

6.8. The Supporter shall send its declaration regarding the withdrawal of the Document, termination of the support legal relationship, or repayment obligation to the Beneficiary as a registered mail with return receipt. The legal effects attached to the above actions take effect upon delivery of the declaration to the Beneficiary.

7. Inspection of Support utilization

7.1. The utilization of the Support – including performance according to the provisions of the Document, achievement of the support objective, and purposeful utilization of the Support – may be inspected by the Supporter, any body or person commissioned by it to carry out inspections, the Managing Body, or any body or person commissioned by it to carry out inspections, the **Ministry for National Economy**, the State Audit Office, and any other body authorized by law to do so – without unnecessary disturbance to the Beneficiary. Within this framework, the organization or person conducting the inspection is entitled to carry out on-site inspections, examine all relevant documents, invoices, accounting vouchers, and obtain statements from persons acting during performance.

7.2. The Beneficiary is obligated to tolerate the inspection of Support utilization, ensure the conditions for conducting on-site inspections, and cooperate with the persons and organizations participating in conducting the inspection. Within this framework, the Beneficiary shall provide the inspectors with the information required and necessary by them in connection with the support legal relationship – particularly regarding the content of the Document, its performance, and circumstances related to the disbursement and utilization of the Support – including contracts and agreements concluded with collaborators involved in Project implementation.

7.3. The Beneficiary may not undertake obligations toward third parties that would prevent the organizations or persons authorized as above from conducting examinations related to

Support utilization and inspecting, reviewing documents, papers, invoices, and other vouchers related to the utilization of the support amount. The Beneficiary acknowledges that inspections may occur during the disbursement of the Support, during the utilization of the Support, at Project completion or closure, after acceptance of the report, retrospectively until the end of the maintenance period, and for 5 years following the end of the maintenance period.

7.4. The Beneficiary is obligated to maintain separate records of documents proving the utilization of Support sources for inspection purposes, and is obligated to provide the necessary information for conducting inspections upon request by bodies authorized to carry out inspections.

7.5. The omission or breach of the obligations set forth in points 7.1.-7.4. by the Beneficiary constitutes a serious breach of obligations.

8. Beneficiary's data provision obligation

8.1. By accepting the Document, the Beneficiary declares that no changes have occurred in the declarations submitted on the application e-administration platform or on paper, and in the data provided, until the Document enters into force.

8.2. If any change occurs in any data of the Beneficiary specified in the Document, it is obligated to notify the Supporter in writing within 8 days from the occurrence of the change – changes affecting the provisions of point 1 of Section 3 (1) of Act CXCVI of 2011 on national assets immediately. The Beneficiary is obligated to attach documentation supporting the data changes to the notification. If the notification or its supporting documentation is incomplete, the Supporter may call upon the Beneficiary to remedy the deficiencies by setting a deadline. Until the notification is made or the completion of deficiencies is fulfilled, the data indicated in the Document shall be considered valid, in which case the Supporter is entitled to send correspondence to be forwarded to the Beneficiary to the address specified in the Document. The Beneficiary is obligated to bear and/or compensate for damages caused by delayed notification.

8.3. If the Supporter becomes aware of the occurrence of the circumstances defined in point 8.2. through notification according to point 8.2. or by other means, it shall take measures within 30 days following gaining knowledge aimed at changing the data it maintains, modifying the conditions of the Support, withdrawing or modifying the Document in cases specified in the Document, reclaiming unlawfully utilized Support, ordering partial repayment according to Section 98 (5) of the Ávr., or conducting other procedures.

8.4. Changes in the data of the segregated bank account enter into force upon receipt by the Supporter of the notification sent by the Beneficiary based on these General Terms and Conditions and do not constitute modification of the Document. If the Beneficiary notifies the Supporter of opening a new segregated bank account, then – in case of such provision in the Document – it must attach to the notification its authorization regarding the Supporter's collection order, concerning the new bank account, and received by the Beneficiary's financial institution.

8.5. If it turns out that the Beneficiary's data provision regarding its bank accounts – indicated in the Document – was not comprehensive, or if the Beneficiary breaches any of its obligations undertaken in the Document in connection with the collection order, it constitutes a serious breach of obligations.

8.6. The affected Party immediately notifies the other Party of changes in the contact persons or their data. Information about changes in contact persons or their data may also be provided

in writing in the manner specified in point 13. Changes in contact persons or their data do not constitute modification of the Document.

9. Data processing

9.1. The Beneficiary is obligated to assist the representatives of the Supporter, or any body or person commissioned by it to carry out inspections, the State Audit Office, the Government Control Office, and other bodies authorized by law in their inspection work on-site as well – by making available appropriate documents, invoices, documents proving Project implementation, vouchers, and in examining physical performance. The Beneficiary is obligated to provide the inspector with information of the content requested by them regarding data related to the support legal relationship and deemed public in the public interest according to Act CXII of 2011 on the right to informational self-determination and freedom of information (hereinafter: Infotv.), including the handover of copies of contracts and agreements concluded with performance assistants collaborating in Project implementation.

9.2. The Supporter maintains and processes data communicated during the existence of the support legal relationship in accordance with the provisions of the Infotv. regarding data of public interest.

9.3. The Supporter is entitled to process data according to point a) of Section 55 of the Áht. until the expiration of claims arising from the Document.

9.4. The Beneficiary is obligated to obtain explicit consent for the Supporter's processing (including collection, storage, and publication of such data) of personal data of those responsible for performing the undertaken activities and those participating in their implementation, in accordance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC[1] (General Data Protection Regulation, hereinafter: GDPR), unless the Supporter's data processing is not ensured based on other legal grounds set forth in Article 6 (1) of the GDPR. Based on this, the Beneficiary warrants that the processing of these personal data in accordance with the above occurs with the consent of the data subjects.

9.5. The Beneficiary further declares that it consents to the support disburser, the State Audit Office, the Government Control Office, the state tax authority, bodies involved in the register of de minimis aid, other authorized parties specified in the ministerial decree issued based on Section 109 (5) of the Áht. and in the Ávr. having access to its data registered in the monitoring system operated by the Hungarian State Treasury.

9.6. The Beneficiary acknowledges that its data is processed by the Supporter and the Hungarian Tourism Agency Zrt. based on the currently valid Data Processing Information related to support applications and projects they handle, and furthermore that the Supporter may publish the Beneficiary's name, the purpose and amount of the support, the Project implementation location, and the Beneficiary's involvement according to Section 8 of Act CLXXXI of 2007 on the transparency of support provided from public funds.

[1] OJ L 119, 04.05.2016.

10. Maintenance of the Project

10.1. The Beneficiary is obligated to maintain the Project during the period specified in the application call or in the Document - under penalty of repayment of the support.

10.2. The beginning of the Project maintenance period - if the supported activity can be considered completed according to Section 102/B (1) of the Ávr. - is the day following the submission of the report certifying the completion of the supported activity, supported by official permits and vouchers (*i.e., the receipt of the complete report by the Supporter*). If the Supporter does not approve the report due to circumstances or reasons specified in law or in the document or its annexes, then the maintenance period does not begin either.

10.3. Assets created through the supported investment may only be alienated, leased, or encumbered until the acceptance of the Project's final report with the prior approval of the Supporter and with the assumption and transfer of employment, service, and other obligations.

10.4. The Beneficiary must report on the fulfillment of monitoring indicators/indicators undertaken after the physical completion of the Project in a Maintenance Report for 5 years from the beginning of the Project maintenance period, for small and medium-sized enterprises for 3 years, but if the Application Call specifies a different duration, then until the end of the maintenance period specified in the application call.

10.5. The Beneficiary is obligated to submit a Maintenance Report once annually under the validity of the Document (Partial maintenance report). The annual deadline for submitting the first Partial maintenance report is determined by the Supporter. Following the end of the maintenance period, the Beneficiary submits a Final maintenance report to the Supporter by the time determined by the Supporter.

10.6. If the Beneficiary does not achieve the undertaken values for any monitoring indicator/indicator to be fulfilled until the end of Project maintenance, or does not fulfill the prescribed other obligations, then the Supporter may reclaim the support amount partially or entirely according to point 6.3. of these General Terms and Conditions.

10.7. The Supporter may prescribe to the Beneficiary the submission of the Maintenance Report using the TÉRKŐ platform, about which prescription the Supporter informs the Beneficiary in advance - by sending electronic or postal mail. The Beneficiary declares the fulfillment of the maintenance obligation by completing the form titled "Maintenance Report" established for this purpose on the TÉRKŐ platform.

11. Rules regarding security provision obligation

Scope of those obligated to provide security

11.1. Those Beneficiaries not exempted from the security provision obligation are obligated to provide securities, for the purpose of successful enforcement of the Supporter's potential claim for repayment of the provided support.

Exemption from security provision obligation

11.2. The Supporter may waive the stipulation of security

a) following the acceptance of the report,

b) for budgetary bodies, ecclesiastical legal entities, social cooperatives as Beneficiaries,

c) if the budgetary support entirely concerns the mandatory task of the local government, voluntarily undertaken local public task, or the nationality task of the nationality government, or if the assets created as a result of the development become core assets of the local government or nationality government – for local government, nationality government Beneficiaries,

d) if the amount of budgetary support does not exceed twenty million forints, or if the Project is implemented by multiple Beneficiaries, the allocated budgetary support amount does not exceed twenty million forints – for any Beneficiary,

e) if the application call so provides – for any Beneficiary receiving budgetary support for operational purposes or directed at research, development, or innovation,

f) in the case of Projects implemented at the expense of resources from the European Network Financing Instrument, for economic companies acting as implementing bodies under majority state influence according to the Civil Code, if one of the following conditions is met:

fa) the assets created from the support become the exclusive property of the state, local government, or nationality government free of charge, or the exclusive property of a railway infrastructure operator or economic company providing public services,

fb) an economic company under majority state influence according to Section 8:2 of the Civil Code uses the support for developing the assets of the state, local government, nationality government, association of local governments, association of nationality governments, or – except for central budgetary bodies – budgetary bodies,

fc) an economic company under majority state influence according to Section 8:2 of the Civil Code uses the support for developing assets of a legal entity under the majority influence of any of the organizations specified in subpoint *fb*), which serves or promotes the performance of public tasks,

g) for economic companies in exclusive state ownership established or designated by the minister responsible for transport for operating railway lines of national significance according to the act on railway transport,

h) upon Beneficiary's request for support legal relationships established between June 19, 2020, and December 31, 2020 - if the Beneficiary was established at the latest in the year preceding the creation of the support legal relationship and is included in the debt-free taxpayer database published according to Section 260 of the Tax Code, or proves its debt-free status with a negative tax certificate not older than thirty days - within the framework of support legal relationships created for implementing tourism development, and

i) if law permits, for any other development planning, implementation, or performance of public tasks

j) in the case of cross-border budgetary support, may waive budgetary support disbursed based on point (1b) of Section 3 (1) of Government Decree 98/2012 (V.15.) on the specific rules of cross-border budgetary support.

Scope of securities that may be provided

11.3. Security may be a) the Beneficiary's authorizing declaration for submitting collection orders in favor of the supporter regarding all its payment accounts that may be encumbered with collection orders based on law, together with provisions for queuing the claim for a maximum of thirty-five days in case of payment orders that cannot be fulfilled due to insufficient financial coverage (in the case of Ukrainian/Transcarpathian Beneficiaries, a collection contract), or b) any instrument – such as particularly stipulation of lien, guarantee, suretyship, deposit – that ensures that the supporter can successfully enforce its claim for repayment of the budgetary support completely and within the shortest possible time.

11.3./A In cross-border support legal relationships, upon the Beneficiary's initiative, the supporter – based on its decision made considering all circumstances of the case – may also

accept bills of exchange as security. ***Bills of exchange submitted as security are reviewed annually, but at least during the application for advance payment, and if the amount of the bill of exchange does not cover the amount of support granted in HUF due to exchange rate changes, the Supporter may prescribe the submission of a new bill of exchange by the Beneficiary.***

11.4. The Supporter examines the security offered by the Beneficiary, then decides on its acceptance depending on the result of the examination.

11.5. ***The security accepted by the Supporter in the given support legal relationship – based on the purpose and amount of the support and the beneficiary's circumstances – is contained in the Document.***

Fulfillment of security provision obligation

11.6. The Beneficiary is obligated to prove the availability of the security after the Document enters into force, prior to the disbursement of the support (advance), at the latest simultaneously with the submission of the payment request ***by submitting the authorization letter, in other cases with a public document. The Supporter may waive the requirement to prove the availability of security with a public document in justified cases.*** The security must be available until the extinction of obligations arising from the support, i.e., until the end of the maintenance period.

11.7. The security may be made available with a maturity shorter than the period affected by the security provision obligation, provided that the Beneficiary must prove the extension or replacement of the affected security before the expiry of its validity. Failure to do so may result in rejection or suspension of payments or obligation to repay the support.

11.8. The Supporter is entitled to oblige the Beneficiary to replace the security as a result of an event or circumstance that negatively affects the value or reliability of the provided security.

11.9. The Beneficiary also has the opportunity to initiate security replacement. The Supporter is entitled to approve the security replacement. The elimination of the security to be replaced may only occur after the new security is made available to the Supporter.

11.10. Costs related to the creation, modification, replacement, and termination of the security – including the amount of document drafting and payable fees and duties – are borne by the Beneficiary.

11.11. For the maintenance period following implementation, beyond the authorizing declaration(s) for submitting collection orders and in the case of cross-border support, bills of exchange covering all encumberable accounts in the absence of authorizing declarations for submitting collection orders – unless law or the Call provides otherwise – the extent of security is as follows:

a) in the case of development-purpose budgetary support implemented with budgetary support exceeding twenty million forints but not exceeding fifty million forints, no security needs to be provided,

b) in the case of development-purpose budgetary support implemented with budgetary support exceeding fifty million forints, security must be provided to the extent of 50% of the disbursed budgetary support,

c) a Beneficiary who fulfilled the indicators undertaken in the application for the maintenance period within the deadline specified in the support document, and for whom the competent

body did not establish any irregularity related to the project during project implementation, must provide security to the extent of 10% of the budgetary support.

11.12. In case of availability of the authorizing declaration for submitting collection orders – or in the case of cross-border budgetary support, in the absence thereof, bills of exchange covering all encumberable accounts – the Supporter may waive the provisions set forth in point 11.11., while observing the provisions specified in laws, in the case of support amounts not exceeding the upper limit of de minimis aid according to Commission Regulation 1407/2013/EU.

Additional rules for providing real estate mortgage security

11.13. The collateral value of the real estate must be supported by a valuation prepared by an expert. Only a valuation prepared by a movable property appraiser or real estate appraiser registered in the forensic expert registry, or an expert authorized to conduct professional real estate valuation activities according to Section 64/C of Act LXXVIII of 1993 on certain rules regarding the rental and alienation of apartments and premises – in the case of cross-border support, foreign experts subject to the same assessment as domestic regulations – (hereinafter together: expert) can be accepted.

11.14. In the case of agricultural land or agricultural real estate, a valuation not older than 180 days from its submission, and in the case of other real estate, a valuation not older than 90 days from its submission may form the basis for calculating the collateral value.

11.15. The valuations must contain the lending collateral value in addition to the market/market value. The valuation must indicate whether the determined market and lending collateral value includes VAT (except for residential real estate).

11.16. In the case of real estate, the collateral value is the lending collateral value determined in the valuation.

12. Property insurance

12.1. Insurable assets serving as collateral for the repayment of the support amount must be insured, for which purpose the Security provider is obligated to conclude a comprehensive property insurance contract for the asset serving as security, if it does not already have a property insurance contract; if the Security provider already has an insurance contract but it does not comply with the provisions written in this point, it is obligated to modify it appropriately and prove this in writing to the Supporter.

12.2. The amount of property insurance must reach the accepted collateral value of the assets serving as collateral, or the value of the insurable portion of the assets.

12.3. For cases of payments based on property insurance, the inclusion of the Supporter as mortgagee must be prescribed in the insurance contract/insurance policy, and the contract(s) or policy(ies) proving that this has been done must be submitted by the Beneficiary at the latest by the time of support disbursement.

12.4. The security provider is obligated to:

a) release the insurer from the obligation to maintain insurance confidentiality with regard to the Supporter,

b) fulfill its premium payment obligation on time, and in case of failure to do so, immediately notify the Supporter,

- c) maintain the insurance amount at least at the level corresponding to the accepted collateral value amount regarding the insured assets,
- d) do everything to ensure that the insurer is not released from the obligation to pay the insurance amount,
- e) exercise the legal remedy available to it in case of refusal to pay the insurance amount, and inform the Supporter about this,
- f) provide all information requested by the Supporter regarding the insurance.

12.5. The security provider or the Beneficiary is obligated to immediately notify the Supporter and submit the supporting documents regarding:

- modification of the insurance legal relationship,
- the occurrence of a damage event exceeding the deductible amount,
- the insurer's refusal to pay compensation.

If the Investment also includes construction, then prior to the technical handover of the Investment, the contractor or the Beneficiary is obligated to have construction and installation insurance.

12.6. In the case of any insurable Real Estate accepted as collateral, the existence of property insurance is a condition for accepting the asset with collateral value. The Mortgagor is obligated to conclude property insurance – for the duration of the security provision obligation – or supplement existing insurance, and prove this with contract(s) and policies, as well as prove the payment of the first, or – in case of existing insurance according to the premium payment frequency – current insurance premium, at the latest before disbursement. In the insurance contract, it is necessary to designate the Supporter as assignee (beneficiary) as Mortgagee for the insurance amount, at least up to the amount of the mortgage registered regarding the Mortgaged Property(ies).

12.7. In case of suretyship or guarantee provided by an insurer, the Beneficiary is obligated to provide continuous information about premium payments within the framework of data provision and hand over the relevant proof to the Supporter. The Beneficiary is obligated to fulfill its premium payment obligation for the annual or entire term period. If the Beneficiary fails to make the premium payment, then the Supporter is entitled to increase its outstanding receivables against the Beneficiary by the amount that was not paid, in order to maintain the suretyship, in place of the Beneficiary.

13. Notifications

13.1. All notifications, other communications or data provision related to the support legal relationship must be sent or fulfilled in writing – by postal mail, or via electronic document with enhanced security electronic signature –, or if the Supporter prescribes this, through the application e-administration platform.

13.2. Legal declarations sent according to point 13.1. become effective, notifications or documents are considered delivered when

a) in case of postal mail, it has been delivered to the given address, or five (5) working days after posting the addressed and stamped letter, registered mail with return receipt must be considered delivered on the day of the delivery attempt, even if the addressee refused to accept it. If the shipment returns with a "not collected" notation after the second postal delivery attempt, it must be considered delivered on the fifth working day

following the day of the delivery attempt. If the shipment returns with any of the notations "addressee unknown"/"moved away"/"address not identifiable" after the postal delivery attempt, the document must be considered delivered on the fifth working day following the day of the delivery attempt;

b) in case of electronic delivery, the addressee has demonstrably received it, automatic or express acknowledgment has been received. In the absence of acknowledgment, messages and notifications sent electronically must be considered delivered on the seventh (7th) day from the date of sending;

c) in case of shipments delivered to official addresses using client gateway, when the official address service provider confirms the receipt of the shipment by the client, at the time indicated in the confirmation, if the official address service provider confirms that the addressee refused to accept the shipment, at the time indicated in the confirmation regarding the refusal, or if the official address service provider confirms that the addressee did not collect the shipment despite two notifications, on the fifth working day following the time indicated in the confirmation of the second notification;

d) in case of the Supporter's prescription to use the application e-administration platform, when it has been delivered to the contact persons, or the Supporter has – with confirmed receipt by the system – received it. Notifications sent by the Supporter to the Beneficiary are considered delivered on the day of its confirmed receipt, or – in the absence of acknowledgment – on the seventh (7th) day from the time of dispatch. In case of operational problems with the application e-administration platform, the Beneficiary is obligated to submit the legal declaration, notification or document to the Supporter in paper form.

13.3. Notifications related to the Beneficiary's breach of contract, withdrawal of the Document or support, and termination of the support legal relationship are delivered exclusively as registered mail with return receipt.

14. Miscellaneous Provisions

14.1 A Beneficiary qualifying as a central budgetary institution under the direction or supervision of the Government or a minister, or an economic entity under the majority influence of the state, a local authority, local government association, civil organisation, as well as religious organisation shall be obliged to:

a) report state investments which are construction investments requiring building permits implemented wholly or partially from central budgetary sources, as well as non-building permit construction investments exceeding a gross acquisition value of 20 million forints (hereinafter together: state investment) – excluding investments containing classified information pursuant to Act CLV of 2009 on the protection of classified information and investments affecting structures for defence, military, and national security purposes – through the Central State Investment Control System (hereinafter: KÁBER) for the purposes of their regulated registration and control, and furthermore

b) to fulfil the data provision requested by KÁBER – on the electronic interface provided for this purpose enabling unique identification (https://kaber.ahrt.hu/nfm_kaber) – within 15 days following the entry into force of the Deed.

14.2 During the implementation of the Project, the Beneficiary shall be obliged to apply the provisions of the guidance summarising the Information Obligations of Beneficiaries, which is currently in force and available on the kisfaludyprogram.hu website.

14.3 Both the Beneficiary and the Supporter shall be obliged to preserve completely and without deficiency all documents relating to the Support and vouchers substantiating the utilisation of the Support for 10 years from the approval of the report by the Supporter.

14.4 The invalidity of any provision of the Deed shall not render the entire Deed invalid, except where the entire Deed would become invalid or uninterpretable in the absence of the invalid provision or clause, or where the legal relationship between the Parties would not have been established in the absence of such provision.

14.5 The Supporter shall publish the General Terms of Funding on the website <http://kisfaludyprogram.hu/> and shall provide information about it to the Beneficiary in a message sent via the Grant e-Administration Interface.

14.6 With regard to matters not regulated or not regulated in sufficient detail in the Deed, the Parties shall consider as governing the legislation applicable to the given support legal relationship, in particular the Public Finance Act, the Public Finance Decree, Act V of 2013 on the Civil Code, the Information Act, Act CLV of 2009 on the protection of classified information, Act CXLI of 2015 on public procurement, Act CL of 2017 on the rules of taxation, Act CXXVII of 2007 on value added tax, Act C of 2000 on accounting, Act LXXVIII of 1997 on the formation and protection of the built environment, Government Decree 253/1997 (XII. 20.) on national settlement planning and construction requirements; Government Decree 321/2015 (X.30.) on the methods of proving suitability and grounds for exclusion in public procurement procedures, as well as determining public procurement technical specifications; Government Decree 322/2015 (X. 30.) on the detailed rules for public procurement of construction investments and design and engineering services related to construction investments, and Government Decree 312/2012 (XI. 8.) on construction and construction supervision authority procedures and controls, as well as construction authority services.

14.7 The Parties shall be obliged to settle any potential legal disputes arising from the legal relationship primarily through negotiation, and in the event of its failure, they may turn to a court of general jurisdiction and competence.