

## GENERAL CONTRACTUAL TERMS AND CONDITIONS FOR K&H FLEXIMS SERVICE

The modification of the GCTC took place due to the discontinuation of the chip card identification tool and the introduction of a new means of identification (Token), as well as the fine-tuning of certain provisions

Effective from **20<sup>th</sup> July, 2018**

K&H Bank Zrt. (registered office: 1095 Budapest, Lechner Ödön fasor 9., company registration number: Cg. 01-10-041043, registered by: Metropolitan Court as Court of Registration, hereinafter: **'Bank'**) provides K&H Flexims to its Clients in accordance with these General Contracting Terms and Conditions (hereinafter: **'GCTC'**).

The personal scope of these GCTC shall extend to all persons using K&H Flexims as defined in Section 1 below.

### 1. DEFINITIONS

The definitions started with capital letters in these GCTC shall be governed by the identical definitions included in the General Contracting Terms and Conditions of Corporate Active Banking Services and General Contracting Terms and Conditions of Payment and Deposit Services offered to corporate clients, providing that these GCTC do not contain a different definition. The definitions listed herein shall have the meaning specified in the GCTC and in the specific Agreement with the Client, while the following definitions defined in other parts of the Agreement (with highlighting) shall have the meaning specified therein:

**'Identification device (Token)'**: a physical device issued by the Bank. Subject to the usage of a Token password, it ensures access to K&H Flexims solely by the given Token holder User/Supervisor. The Identification device issued by the Bank is the property of the Bank. Only natural persons may hold Identification devices. One natural person may only have one Identification device (Token) at a time.

**'Token password'**: an 8-character identification code issued by the Bank, to be modified by the User/Supervisor after first log-on using the Token. It is a precondition to using K&H Flexims.

**'Electronic Identification'**: User/Supervisor can use K&H Flexims with an Identification device and the corresponding Token password. The Bank provides an Identification device (Token) to the User/Supervisor.

**'User'**: the natural person who is authorised by the Client, in the Client Agreement, to prepare an order(s) on behalf of the Client by using the accessible Modules of K&H Flexims.

**'User Manual'**<sup>1</sup>: a manual supporting the use of the K&H Flexims, giving a detailed description of the process of executing the different transactions, the content of the different functions and powers and the features of the different specifications.

**'Announcement'**: information provided by the Bank and displayed on the premises open for client service, which is published in line with the relevant legal regulation, concerning bank charges, fees and other conditions applied for K&H Flexims, and which the Bank is entitled to change unilaterally from time to time subject to the terms and conditions set out in the legal regulation in question. Part(s) of the Announcement concerning the given Contract shall constitute an integral part of the Contract.

**'Access right'**: a right bestowed upon the User/Supervisor by the Client, granting the User/Supervisor the right to execute transactions on the Client's account, in line with the terms and conditions applicable to the K&H Flexims and in compliance with the provisions laid down in the Contract. The Client grants access rights to Users/Supervisors and determines the extent thereof in the relevant Annex to the Client Agreement.

**'K&H Flexims'**: a standardised communication system, with which a secure internet connection can be established between the Bank and the Client. K&H Flexims is an internet application with which the Client can apply for and monitor specific Services through the Modules.

**'K&H Corporate Customer Service'** – a phone-based customer service offered to non-natural person Clients.

**'Module'**: means the following modules accessible through K&H Flexims:

- a) Bank guarantee;
- b) Import documentary letter of credit and standby letter of credit;
- c) Export documentary letter of credit;
- d) Import documentary collection order;
- e) Export documentary collection order/direct collection order.

The Client can apply for the above Modules both separately and in a package.

**'Operation in public places'**: operation in any places other than the places where the computer of the Bank or of the User/Supervisor are operated.

**'Contract'**: A unique Client Agreement concluded by and between the Client and the Bank for the use of K&H Flexims. The annexes, this GCTC, the Bank's General Terms and Conditions of Business and the relevant Announcements form an integral part of the Contract.

<sup>1</sup> It is the same document as the one available in K&H Flexims under the menu 'Guideline'.

**'Service'**: the following services are available through K&H Flexims:

- a) Bank guarantees
- b) Import letters of credits
- c) Standby letters of credits;
- d) Export Documentary Credit (Export letter of credit);
- e) International Documentary Collection Orders (Export and Import collection).

**'Supervisor'**: the natural person who is authorised by the Client in the Agreement with the Client to prepare an order(s) on behalf of the Client by using the accessible Modules of K&H Flexims and to submit to the Bank orders prepared by the User or another Supervisory.

**'Client'**: refers to a person classified as a corporate client based on the criteria identified by the Bank within its own discretion, with a current account held by the Bank, to whom the Bank provides the Service and who uses the K&H Flexims for business purposes.

**'Client Agreement'**: an individual client agreement established between the Client and the Bank in relation to the K&H Flexims.

## 2. GENERAL PROVISIONS

**2.1** The Client may apply for K&H Flexims based on a Client Agreement concluded with the Bank for it. The Bank shall provide an Identification device and a **Token password**.

**2.2** Should any issue not be regulated by the given Client Agreement or the GCTC, the effective General Terms and Conditions, the General Contractual Terms and Conditions in relation of the Service used by the Client and the relevant provisions of the law of Hungary shall be applicable.

**2.3** The use of the K&H Flexims is subject to the fees, commissions and charges set out in the relevant Announcements. The Bank shall be entitled to charge to the Client's account the fees, commissions and charges at the time specified in the relevant Announcements. The fees, commissions and charges payable for the K&H Flexims quoted in the relevant Announcements do not include the fees, commissions and charges payable for the transactions effected while using the K&H Flexims. The costs associated with the use of the devices required for the use of the K&H Flexims (telephone, Internet, etc.) shall not be payable by the Bank.

**2.4** The Client shall honour their payment obligations to the Bank arising under these GCTC as they become due/as they occur. The Bank shall have the right to charge any amounts receivable from the Client to any of their accounts managed by the Bank, or to offset such amounts against any amounts due to the Client on another account or from the Bank.

**2.5** When orders or electronic actions were made by the User and sent by the Supervisor to the Bank, the time when the Service was requested shall be the time determined and recorded by the electronic system of the Bank. The Bank shall execute the orders placed via the K&H Flexims within the timeframe specified in the relevant Announcements concerning the procedures of receiving and executing orders. The submission of the order(s) to the Bank pursuant to the Contract does not mean that the Bank shall automatically execute them. The Bank shall assess each

order separately, according to its own criteria. The Contract does not create any lending relationship of any nature, as in relation to the latter the Bank applies decision making procedures applicable to such transactions.

**2.6** The Client agrees to make the contents of the GCTC available to and enforce its conditions towards, all Users and Supervisors designated for the use of the Service.

**2.7** The Client's obligations specified in the GCTC are applicable to both the Users and the Supervisors.

**2.8** The Client shall recognise all instructions given by the Users and Supervisors defined in the respective annex of the Client Agreement while using the K&H Flexims service in compliance with the Agreement following identification as the instructions of the Client and shall take full responsibility for them.

## 3. ACCESS TO K&H FLEXIMS

**3.1** K&H Flexims is provided in the Hungarian and English languages.

**3.2** K&H Flexims can be used by Clients who have the appropriate, valid and effective contracts for current account opening and management in place with the Bank, and that have the hardware and software required for the K&H Flexims (see the User Manual for their list).

**3.3** The Bank provides the Identification device and the **Token password** to the User/Supervisor after concluding the Client Agreement.

**3.4** The User/Supervisor must have the equipment required for the use of the K&H Flexims and specified by the Bank, and must be authorised for their use. The Client must familiarise itself with the technical attributes of this equipment and any other tools required for the use of the K&H Flexims.

**3.5** The User Manual and the installation guide for the K&H Flexims can be downloaded from <https://www.kh.hu/vallalat/elektronikus-szolgaltatasok>. The Bank reserves the right to update and supplement the User Manual from time to time in order to improve the quality of the K&H Flexims. The update of the User Manual shall not require the amendment of the Contract under any circumstances, and the Bank shall inform the Client of such updates electronically, using the K&H Flexims application.

**3.6** The Bank hereby declares and warrants that the Identification device provided for the **Client's use** and the **software** required for **installation** are free from litigation, encumbrances and claims, and no third parties have any rights that would limit the Client in exercising their own rights pertaining thereto or prevent them from doing so. The Bank hereby declares and warrants that the Identification device **meets** the specification provided by the Bank at the time of **its** delivery, and that **it** can be used normally on the specified hardware and software configuration.

**3.7** The obligations of the Bank shall extend to the following:

- a) advice provided on the use of the Identification device,
- b) troubleshooting advice,
- c) investigation of problem reports.

**3.8** Furthermore, under the warranty the Bank undertakes to replace faulty Identification devices free of charge. However, if such a fault is attributable to their abnormal use by the User/Supervisor, the Bank shall charge the fee quoted in the Announcement.

**3.9** The warranty provided by the Bank as per the above shall not extend to the own hardware peripherals of the Client and any software installed thereon or connected thereto; the Bank shall accept no liability for damages resulting therefrom.

**3.10** The Bank shall not be held liable for damages attributable to malware/spyware programs outside its information technology structure. Furthermore the Bank shall accept no liability for damages arising from a lack of proper protection (anti-virus and anti-spyware software) on the Client's, or User's/Supervisor's own information technology devices and equipment.

**3.11** The Bank shall be entitled to use the assistance of specialist third persons in order to comply with its obligations under the warranty.

**3.12** As a condition precedent for the warranty, the Client undertakes to provide access to the identification device, and to make it available to the Bank at the conditions requested by the Bank and for the duration required for the delivery of the warranty.

**3.13** The User/Supervisor shall use the Identification device provided by the Bank normally and shall keep it undamaged. The User/Supervisor shall use the Chip card reader and the Identification device in accordance with the installation guide provided by the Bank, and to observe the requirements set out therein.

**3.14** The Identification device can only be used by the User/Supervisor, and it cannot be assigned, pledged as collateral or deposited as security. Client must notify the Bank when its relationship with a User/Supervisor as user/supervisor is terminated. Client must have their Identification device cancelled.

**3.15** In the case of K&H Flexims the Client shall decide at its sole discretion and responsibility to which person(s) to grant an Access right and what nature/content such Access rights will have. Only Users/Supervisors registered by the Client with the Bank according to the relevant provision and with the content corresponding to the Access rights listed in the relevant Annex to the Client Agreement shall be regarded as lawful User/Supervisor by the Bank.

**3.16** Based on the information provided by the Client, the Bank shall set up the User's/Supervisor's Access rights and manufacture the Identification device to be delivered to the relevant User/Supervisor in person.

**3.17** The Client may use (modify) the relevant Annex to the Client Agreement for notices concerning granting Access rights to User/Supervisor and deleting them, and modifications in user details.

**3.18** Each User/Supervisor must have one Identification device.

**3.19** The Bank shall provide the Identification device to the User/Supervisor only.

**3.20** The Bank reserves the right to interrupt the availability of the K&H Flexims system on an occasional basis (due to system maintenance) for short periods of time. The Bank undertakes to inform the User/Supervisor about the likely downtime via the K&H Flexims application. The Bank shall accept no liability for any damages resulting from such downtimes.

**3.21** The Bank shall send its written notices to the Client to its correspondence address/registered office specified in the Client Agreement, and by email. The Bank shall accept no liability for the failure of the Client to receive such written/electronic notices and the damages arising therefrom. To ensure the appropriate operation of K&H Flexims the Client shall set up a monitoring system and – among others – empty regularly its electronic mailbox (including its mail boxes other than in K&H Flexims).

**3.22** Users/Supervisors shall have the Access rights to K&H Flexims specified in the relevant Annex to the Client Agreement. The extent of the right of disposal granted to the different Users/Supervisors shall be determined by the person authorised to act on behalf of the Client under the relevant legislation. If the Client Agreement is amended, the Parties shall monitor the access rights in force; if an inconsistency still exists, the Bank shall take into account the access rights stated in the last order.

#### **4. ELECTRONIC IDENTIFICATION**

**4.1** When using K&H Flexims, electronic identification takes place by using the Identification device and by providing the Token password. After properly inserting the Identification device into the USB slot, the User/Supervisor shall, using the keys on the keyboard, enter the Token password. If the password entered is correct, authentication can be considered successful and K&H Flexims becomes available.

#### **5. RIGHTS AND OBLIGATIONS OF THE PARTIES, LIABILITY**

**5.1** The Client shall always act during the term of the Client Agreement signed with the Bank as can be reasonably expected in such circumstances. This includes an obligation to retain the User's/Supervisor's Identification device and Token password required for authentication, and shall keep them confidential. If the Client, User/Supervisor records their Token password, they shall keep it separate from any and all documents associated in any way with their Identification device, and they shall seek to ensure that it cannot be accessed and acquired by third persons. The Client, User/Supervisor shall be responsible for the safe handling and the proper and lawful use of their Identification device and Token password from their receipt and setup. The Client and User/Supervisor shall be fully liable for any damages resulting from their failure to comply with the above due to wilful or material negligence or from the improper execution of the above. Furthermore the Client, User/Supervisor shall be liable for any direct and consequential damages resulting from the proven incorrect use of their Identification device and the Token password, or their disclosure to third parties. The Bank shall not be held liable for any damages resulting from the User's violation of any of his/her above obligations.

**5.2** The Bank shall use all reasonable efforts in its electronic data transmission to ensure that the Client's details cannot be accessed by unauthorised persons.

**5.3** Irrespective of the Client's, User's/Supervisor's liability stipulated in Section 5.1 the Bank, in accordance with its statutory obligation, must refuse to provide the relevant Service if it discovers that the Client's, User's/Supervisor's Identification device or Token password has been lost by or stolen from them. The Bank must prohibit the provision of Services requested in this manner at the time and thereafter; delete and cancel the Identification device and promptly notify the Client thereof in the most practicable manner, which means the contacting of the client by telephone or, e-mail, fax or regular mail.

**5.4** The Bank shall be entitled to refuse to execute a User's order if it does not comply with the legislative provisions in effect, is incomplete, incorrect or contains other incorrect data, and at the same time it shall inform the User/Supervisor of the reason(s) thereof. The Bank shall not be responsible for events and non-performances arising from the fact that the User/Supervisor fails to use their Identification device or uses it incorrectly or not in the environment required for its correct use. Environment for correct use shall mean the tools specified in these GCTC or the relevant Announcement, the components of the installation program provided by the Bank and the technical environment suitable for their regular use at the time.

**5.5** The Bank shall accept and handle the orders received via K&H Flexims and record them in its computerised system, if they meet the same requirements in terms of their content as orders given in writing. The recorded entry substitutes the written order and it is the equal thereof in every respect. The Client shall accept the data recorded in the system of the Bank as authentic and recognise them as evidence of both giving and executing the order in the event of a legal dispute.

**5.6** The Bank shall be entitled to refuse to execute orders if a technical error occurred during their entry and the User/Supervisor did not confirm the order and/or its execution as a result.

**5.7** The Bank shall not be liable for any technical errors occurring during the provision of K&H Flexims or the failure of transactions resulting therefrom if such errors occurred outside the control of the Bank or cannot be attributed thereto.

**5.8** The Bank shall not check the user's authority for and the circumstances of use of the Identification device and the Token password. The Bank shall not be liable for any damages arising from the unauthorised use thereof. However, the Client acknowledges that the Bank is entitled to check the legitimacy and authenticity of orders received through the use of these Services.

**5.9** The Client shall ensure that the funds required for the execution of their order are available at the time, including any and all fees and charges applicable to the execution of such orders at the time, which are due on their performance. If the funds on the Client's account do not fully cover such fees and charges, the Bank shall be entitled to refuse to execute the relevant order.

**5.10** The User/Supervisor can withdraw any orders given via electronic identification until the Bank's fulfilment, except

in the cases specified in these GCTC and the Announcement.

**5.11** The Client shall be informed about the transactions performed during the use of K&H Flexims via the K&H Flexims.

**5.12** The Bank shall not be liable for any damages arising within the control of the operators or from the use of telephone lines, private switchboards and computerised systems, or the use of telephone sets or computers used by the User/Supervisor. Furthermore the Bank shall not be liable for any damages arising from the use of intercepted information obtained by unauthorised access to telephone sets, telephone lines and computerised electronic systems. The Client hereby irrevocably exempts the Bank from any liability that may result from a telephone conversation being cut off, repeated or distorted, or from an error in the computerised system or computer network or a disruption of their operation for whatever reason.

**5.13** If despite the provisions of the GCTC pertaining to the Bank's liability, the Bank's liability towards the Client is established, the Bank's compensation liability shall be limited to EUR 25,000, i.e. twenty-five thousand euros, irrespective of the cause of the enforced claim or the damage.

## **6. BLOCKING OF THE IDENTIFICATION DEVICE**

**6.1** The Client shall immediately report to the Bank if they discover that:

- a) the Identification device or Token password has been lost or stolen from the User/Supervisor,
- b) the Token password has fallen into the hands of unauthorised persons,
- c) an unauthorised transaction has been initiated using the User's/Supervisor's Identification device or Token password.

The Client is obliged to enforce the above notification commitment with the User/Supervisor towards itself.

**6.2** The Client may make such reports in writing, in any branch of the Bank or by telephone to the relevant telephone banking service; all telephone banking services can be contacted twenty-four hours, seven days a week regarding the blocking of the Identification device. Such reports can only be made by the Client, and any blocking may only be effected by the Bank. The Bank will also accept such a report from another person if the Client is not in a position to do so and the person making the report can only assume this circumstance. In this case the person making the report must give their personal identification details (name, address, mother's name) and must assert that they are expressly requesting the blocking of the Identification device. The Bank shall not examine actual authority when the report is made, and it shall not be liable for any damages arising from unauthorised reports.

**6.3** The report shall include: the details of the legal or unincorporated entity Client (name, registered office) and the User's personal identification details (name, address, mother's name, and bank identification number).

When reporting such an incident – in the event the Identification device or Token password is blocked due to their disclosure to an unauthorised person – the event prompting the report must be specified together with its





venue and time or, if the Client does not know the exact details, its likely venue and time. If the report does not contain the User's/Supervisor's personal identification details, the Bank may disregard it and immediately inform the Client thereof. The Bank shall have the right to request further details related to the User/Supervisor and kept on file by the Bank in order to verify the authority for making such a report. The reports shall also serve as an instruction to block the relevant Identification device. If the reason for the report made in order to have the identification device blocked is an action assumed to being unauthorised and discovered on the K&H Flexims and the Client does not request the blocking when making the report, the Bank shall act in accordance with the rules applicable to complaints. If a reasonably careful analysis of the facts concludes that the reported event(s) occurred in a criminal offence, the Client shall immediately report this suspicion to the relevant authorities.

**6.4** Other than that, any third persons having discovered that the Identification device or the Token password has been lost or stolen may report this in any of the manners listed in Section 6.2. Persons making such a report must give their personal details (name, address, mother's name) and the details of the identification device in question in a clearly identifiable way, and explain how they learnt about the loss or theft. If the Identification device cannot be clearly identified on the basis of the report, the Bank will disregard the report and refuse the blocking. Reports described herein shall also be governed by the other provisions of Section 6.

**6.5** The local time in Hungary as measured and recorded by the central systems of the Bank shall be used to determine the time of the report and the blocking of the Identification device, as well as the liability for costs, risks and damages.

**6.6** Based on the report received, the Bank shall immediately proceed to implement the blocking. The blocking shall come into effect when the Bank has taken the required action in the time needed therefor.

**6.7** The Bank may charge a fee for replacing the Identification device. The extent of this fee is quoted in the prevailing Announcement. Such a report shall not authorise the Client to delay the performance of any of its obligations to the Bank.

**6.8** The blocking of the Identification device shall be final and irrevocable; once reported, the Identification device can no longer be used with the same registration. Blocked Identification devices cannot be used even if they are subsequently found. The risk of blocking and any damages arising therefrom (from the fact that the blocked Identification device can no more be used) shall be borne by the Client. The Bank shall not be liable for any damages suffered by the Client or any third parties that may result from a failure of blocking or an abuse of their blocking. The Identification device can only be by applying for a new Identification device.

**6.9** For security reasons the Bank shall have the right to block the Identification device if the risk arising from the relevant Contract significantly changes; if there is a well-founded suspicion that the Token password has been abused, if the Token password is used in an improper way, or if the Client commits a material breach of the contract, or if the contract terminates.

**6.10** In addition to the above, the Bank has the right to permanently block the Identification device if, despite a request to do so, the Client/Supervisor fails to renew the certification of the Identification device within six (6) months of being requested to do so.

**6.11** The Bank is obliged to notify the Client of the blocking taking effect.

**6.12** The Client understands that the Identification device will be blocked after 5 consecutive unsuccessful attempts to enter the correct Token password. The blocked Identification device can only be released by the Bank, following an identified call to the K&H Corporate Customer Service desk.

## 7. RULES APPLICABLE TO LIABILITY FOR DAMAGES RESULTING FROM THE BLOCKING OF IDENTIFICATION DEVICE

**7.1** The risk involved in the blocking of the Identification device and any damages arising therefrom shall be borne by the Client. The Bank shall not be liable for any damages suffered by the Client or any third parties resulting from the failure to perform the blocking and from any abuse related to the blocking, or arising subsequently in connection therewith.

**7.2** The Bank only takes responsibility for damages arising within the control of the Client following the blocking of the Identification device if the damages in question are expressly attributable to the negligent conduct of the Bank. The Bank shall be exempted from liability if it successfully proves that the damages occurred due to a breach of contract wilfully committed by the Client, the User/Supervisor or caused by their gross negligence. Any and all risks and costs associated with banking actions requiring the simultaneous use of the Identification device and the Token password shall be borne by the Client as damages arising from their wilful conduct or gross negligence.

## 8. TRANSACTIONS AVAILABLE IN THE MODULES

The Client can access the following functions within the Modules:

- a) New application,
- b) Similar application,
- c) Application based on a template,
- d) Continue application ,
- e) Upload application,
- f) Transaction overview,
- g) Register amendment,
- h) Inbox,
- i) Register utilization.

In the individual Modules, the accessibility of the above functions may be different.

## 9. SUBMISSION OF ORDERS

**9.1** In the Client Agreement the Bank and the Client agree on the order of submission of the transaction orders acceptable for each Module.

**9.2** The order may be sent to Supervisor or to the Bank, depending on whether they were prepared by a User or the Supervisor and whether they were selected in Client Agreement on the basis 2-, 4- or 6-eye principle.

**9.3** 2-eye principle:



- a) The User sends the order to the Supervisor. If the Supervisor approves it, then it will be submitted to the Bank.
- b) The Supervisor submits orders prepared by them directly to the Bank.

#### 9.4 4-eye principle:

- a) The User sends the order to the Supervisor. If the Supervisor approves it, he then sends it to the Bank.
- b) The Supervisor sends the order to the second Supervisor. If the second Supervisor approves it, the order then will be submitted to the Bank.

#### 9.5 6-eye principle:

- a) The User sends the order to the Supervisor. If the Supervisor approves it, the order is sent to the second Supervisor. If the second Supervisor approves it, the order will be sent to the Bank.
- b) The Supervisor sends the order to the second Supervisor. If the second Supervisor approves it, the order is sent to the third Supervisor. If the third Supervisor approves it, the order will be sent to the Bank.

**9.6** Contrary to the provisions of Sections 9.2-9.5 the User and the Supervisor may submit the draft order directly to the Bank. Based on the received data, the Bank prepares the proposed draft, of which the Client receives an electronic notification through K&H Flexims. Then the Client can proceed in compliance with the provisions of Sections 9.2-9.5.

## 10. AMENDMENT OF THE TERMS OF CONTRACT

**10.1** The Bank shall expressly reserve and the Client shall acknowledge the right to supplement the provisions of the GCTC whenever new or improved services are introduced, and to unilaterally amend the provisions of the GCTC in force and the terms and conditions set out in the Announcement to reflect any changes in the legislation applicable or relevant to the activities and the operating conditions of the Bank; in the rulings of the Central Bank of Hungary or any other regulations binding on the Bank, the Central Bank base rate or any other Central Bank interest rates; in the opportunities for fundraising in money markets and the costs thereof; in other prime costs of the Bank, the consumer price index; in taxes and contributions, the reserve requirements or the procedures or operating processes of the Bank, and in the risk associated with a Service or the Client.

**10.2** Should the Bank modify the provisions of its effective General Contracting Terms and Conditions and/or relevant Announcement to the detriment of the Client, it shall be obliged to display such amended General Contracting Terms and Conditions and/or Announcement in its branches and to publish them on its website 30 days before the modification is to take effect. Should the Client not agree with such a modification, they shall have the right to terminate the contract within 30 days of the publication of the new terms, or else the modification will take effect and become applicable to the Client.

## 11. NOTICES

The Bank sends the notifications relating to K&H Flexims to the Client through the K&H Flexims application. When a new notification is addressed to the Client, the Bank shall send a

notification to the Client's e-mail address specified in the Client Agreement indicating that a new message has been sent through the K&H Flexims application.

## 12. CESSATION OF THE AGREEMENT ON K&H FLEXIMS SERVICE

**13.1** The Agreement shall cease:

- a) with the Bank's extraordinary termination notice with immediate effect,
- b) with an ordinary termination notice by the Bank or the Client,
- c) with a mutual agreement, at the time defined by the Bank and the Client.

**13.2** In the event of a material breach of contract by the Client the Bank shall have the right to terminate the contract with immediate effect and at the same time to terminate the Client's access right to the K&H Flexims (extraordinary termination).

**13.3** The Bank has the right to terminate the Contract without an explanation, with a notice period of 30 calendar days (regular termination). The Client has the right to terminate the Contract at any time with regular termination with a notice period of 30 calendar days, provided that they have complied with all of their outstanding payment obligations.

**13.4** Upon the cessation of the Contract the Client shall return the Identification device provided by the Bank within 15 calendar days therefrom. Any and all damages resulting from the failure of the Client to do so shall be borne by the Client.

**13.5** Upon the cessation of the Contract for whatever reason the Access right granted to the Client and all Users/Supervisors under the Contract in question shall also cease to exist and consequently the Client and the Users/Supervisors will no longer be able to use the K&H Flexims.

**13.6** The cessation of the Contract for whatever reason shall not affect the other contract(s) of the Client with the Bank.