



**LTE Hungary Railway Freight Transport and Logistics Limited Liability Company**  
**BUSINESS REGULATIONS**

Effective from 1 January 2016

LTE-HU is entitled to modify these Business Regulations unilaterally.

In the case of unilateral modification of the Business Regulations, LTE-HU is obliged to notify the Customers in contractual relations with LTE-HU in writing in relation to the fact of the modification of the Business Regulations, the provisions affected by modification, as well as the availability of the modified Business Regulations at least 15 (fifteen) days in advance of the effective date of amendments.

<b>Modifications</b>	
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## **I. Introduction**

**LTE Hungary Railway Freight Transport and Logistics Limited Liability Company (H-1117 Budapest, Október Huszonharmadika utca 8–10., hereinafter referred to as: LTE-HU) is a railway company belonging to the international group LTE, incorporated in Hungary under company registration number Cg.01-09-918483, as a holder of the national rail freight transport permit under no. HU OÁ 2014 0003.**

These Business Regulations cover the general terms and conditions of LTE-HU's freight transport and hauling services, the legal basis of which are formed by the currently effective provisions of

- Act V of 2013 (the Civil Code)
- Act XII of 2005 on rail transport
- Government Decree no. 32/2009 (19 Feb) on the detailed rules of rail freight transport contracts (VÁSZ).

The Business Regulations may be used in international relations unless otherwise provided in international conventions.

In international relations, the provisions of the Uniform Rules concerning the Contract of International Carriage of Goods by Rail (CIM) forming Appendix B of the Convention concerning International Carriage by Rail (COTIF) dated on 9 May 1980 in Bern, as well as the Regulations concerning the International Carriage of Dangerous Goods by Rail (RID) forming Appendix C of the convention, the regulations of the Agreement on International Goods Transport by Rail (SMGS), and the General Contract of Use for Wagons (GCU) are taken into consideration by LTE-HU.

These Business Regulations and their amendments are published by LTE-HU at its website ([www.lte.hu](http://www.lte.hu)), and are also made available at its registered seat in a printed form against payment.

The tariffs of LTE Hungária do not form a part of the Business Regulations; it is available at its website. No kilometer index of the tariffs is published by LTE-HU, the tariff distance is determined on the basis of data of the Network Statement (hereinafter referred to as: NS) ([www.vpe.hu](http://www.vpe.hu)) in force at any time.

## **II. General conditions of rail freight transport**

### **2. Preparation of transport**

#### **2.1. Placement of orders, confirmation (VÁSZ, Article 3)**

Orders may be placed by consigners verbally, in writing, via fax or electronically, as addressed to the registered seat of LTE-HU Kft.

Orders placed verbally shall be confirmed in writing within 24 hours.

Requests for quotation shall not be deemed to constitute orders.

The forwarding contract is concluded if the order is confirmed in writing by LTE-HU as a railway company (via the handover of a declaration or the sending of a fax, mail or electronic document provided with an advanced electronic signature). The forwarding contract is also concluded in the absence of an order, or its acceptance if the consignment and the document required for its forwarding are received by the railway company for transport.

The order shall cover the data required to perform transport, in particular, the designation, quantity of the goods, the desired place and date of loading, the station of destination, as well as other data and conditions requested by the railway company or considered relevant by the consigner.

The date until the offer is maintained may be indicated by the consigner in the order.

The railway company is not obliged to perform the services not described in the order.

LTE-HU is entitled to regulate the method of placing and confirming orders, as well as other questions concerning transport with its partners in a Framework Contract.

LTE-HU is entitled to prescribe the use of a form for placing orders, which shall be made available at its website.

LTE-HU shall confirm orders until 8:00 pm on the 3<sup>rd</sup> day following receipt at the latest in writing or electronically. When wagons are provided, the quantity and type (covered or open, and standard or special, respectively) of the wagons, as well as the place and date of supply shall be indicated to the Customer in the confirmation. If the wagons are provided by the Customer, the Customer is obliged to indicate this information.

The consigner is entitled to withdraw from the contract as free of charges 72 hours before the planned commencement of loading. In the case of withdrawal performed at any later time, the consigner is obliged to pay the cancellation fee indicated in the Tariffs.

## **2.2. Requirements, regulations pertaining to loading and serving the safety of goods, traffic (VÁSZ, Article 3)**

The loading of the consignments shall be the duty and responsibility of the consigner, while unloading shall be that of the consignee.

The loading of wagons shall be performed as prescribed in Volume 1–3 of Appendix II of RIV (Rules of Loading), taking the load limits indicated on the wagons into consideration. In the case of the transport of dangerous goods, the regulations of Appendix C of COTIF (RID) enacted in Act LXXVII of 2006 shall be observed, as well. In addition to the rules pertaining to loading, the consigner is obliged to comply with the traffic safety and other regulations of the infrastructure manager, too.

Loading equipment may be supplied on the basis of a separate agreement, against valuable consideration.

LTE-HU may refuse the transportation of goods that have been loaded improperly.

The consigner/recipient is obliged to clear the loading area from incidentally scattered materials, and return it in clean conditions after the completion of loading.

In the case of finding a loading deficiency en route, LTE-HU shall notify the consigner, who is obliged to take measures in order to eliminate the deficiency in question. LTE-HU shall ensure 4 hours of free handling time for the implementation of the necessary measures, upon the expiry of which the waiting time fee defined in the Tariffs shall be charged.

The transport deadline shall be extended with the time elapsing until the elimination of the loading deficiency.

## **2.3. The loading time available to the consigner, cases of the interruption of loading time (VÁSZ, Article 3)**

The Party required to make the wagons available is obliged to supply such wagons in compliance with the conditions stated in the order/contract that are suitable for the performance of the required transportation operation, in intact and clean conditions, at the place and time specified in the contract. If the conditions of the supplied wagons are considered to be inadequate by the consigner, the associated minutes shall be taken with LTE-HU's representative. The consigner is entitled to withdraw from the wagons that are unsuitable for loading as free of charge.

LTE-HU provides at least 24 hours of loading time as free of charge for the loading of wagons. The applicable loading time shall be determined by the Parties. Loading time shall be suspended on Saturdays, Sundays, and public holidays following 10:00 pm on the preceding business day until 6:00 am on the following business day.

The waiting time fee to be paid when the loading time is exceeded shall be included in the Tariffs. The receipt and acceptance of the consignment for transport shall be verified by LTE-HU with an entry on the consigner's copy of the consignment note. The railway service places open for freight transport are listed in the NS ([www.vpe.hu](http://www.vpe.hu)).

The sealing of the wagons and their equipment shall be the responsibility of the consigner.

If the transport of the goods is subject to compliance with special conditions (regulations) based on the relevant legislation, while the goods may not be accepted for transport unless these conditions are met. Unless otherwise required in the relevant legal regulations, the special conditions shall be met by the consigner.

Dangerous goods may only be accepted for transportation or and delivered to solely such place of dispatch where the conditions of safe handling are in place.

Goods (dangerous goods) cannot be accepted for transportation in case they threaten traffic safety, other persons or their property, and when these properties (sources of risks) cannot be eliminated even by when the special conditions (regulations) stipulated in the relevant legal regulations are met.

#### **2.4. The method, detailed conditions of the statement of value and interest, and the method of registration in the consignment note (VÁSZ, Article 3)**

The statement of value and interest by the consigner shall be performed in the consignment note. The value of any goods may be indicated by the consigner in the consignment note. The stated value shall be shown in the consignment note both in figures and words. The intention to make a statement of value shall be communicated by the consigner in the form of the order. The fee for dispatching with statement of value is specified in the Tariffs. LTE-HU may request an invoice or a document of appraisal issued by an expert to confirm the value of the goods.

If its particular interest in meeting the carriage deadline is indicated by the consigner in the consignment note, the LTE-HU railway shall accept it with the statement made in the consignment note – for an additional fee.

#### **2.5. Liability for the data registered in the consignment note (VÁSZ, Article 7)**

A consignment note shall be issued for each consignment under the transport contract. The consignment note shall be issued by the consigner who is responsible for the accuracy of all recorded data and statements, and bear all consequences arising from the inaccurate documentation of data and statements. The consigner shall also be responsible for the documentation if the consignment note has been issued by LTE-HU based on the request of the consigner, and the data provided by the consigner. The consignment note may also be issued as an electronic document with electronic signature of enhanced safety.

The consignment note shall cover the data prescribed by legislation / international conventions, as well as all the data, information and statements (hereinafter referred to as notices) that are considered as necessary by either of the Parties. If the notice cannot be entered into the appropriate column due to its size, or because there is no such column, these notices shall be recorded in a continuation sheet attached to the consignment note – except for electronic documents. The consignment note shall be signed by the consigner and the representative of LTE-HU. The signature may be replaced with a stamp, accounting stamp or other appropriate method. The parties may not deviate from these regulations.

## **2.6. The method of the content and weight inspection of the consignment performed by the railway company, recording of the findings (VÁSZ, Article 8)**

LTE-HU shall confirm the receipt of the goods at the place of dispatch defined in the contract with an entry (date, time, signature, stamp) in the consigner's copy of the consignment note. During the acceptance of the consignment for transport, LTE-HU shall inspect the data of the consignment note, conduct an external inspection of the conditions of the goods and their packaging, the marks indicating the relatedness of goods, and in case receipt takes place after loading performed by the consigner, the placement and securing of the cargo.

Upon the consigner's request – as far as it is possible –, LTE-HU shall verify the gross weight and the number of pieces of goods at the costs of the consigner. If the railway company performs the ascertainment of the weight and the number of pieces of goods, the established weight and number of pieces shall be recorded in the consignment note.

If the damage of goods, a deficiency or irregularity of packaging or loading, the inaccuracy or falsehood of any data registered in the consignment note is determined by LTE-HU during the inspection, or if an unprofessional statement is made or order is given by the consigner, the fact of the deficiency or irregularity shall be recorded in the consignment note, while LTE-HU shall seek acknowledgment by the consigner (reservation). If the consigner does not acknowledge the reservation, or if the damage, defect, or deficiency threatens traffic safety, other persons or their properties, the railway company may withdraw from the contract. If LTE-HU does not exercise its right to withdraw, it shall not give grounds to the liabilities of third persons. The consigner is obliged to indemnify LTE-HU's damage arising therefrom.

If LTE-HU does not document any reservation, it is to be presumed – until otherwise proven – that upon acceptance of the consignment, the consignment and its packaging, its placement and securing in the wagons were appropriate, and the documents necessary for transport and authority procedures en route were present.

## **3. Rail transport**

### **3.1. The transport route (VÁSZ, Article 11)**

If the consigner and LTE-HU make an agreement in relation to the transport route, transport is to be performed on that route, and in the absence of such an agreement, the transport route shall be determined by LTE-HU.

Consignments are only transported by LTE-HU over a route prescribed by the consigner on the basis of a separate agreement, against an additional fee.

The transport routes are determined in the requirements of the Network Statement ([www.vpe.hu](http://www.vpe.hu)).

### **3.2. Accompaniment of consignments (VÁSZ, Article 12)**

The consigner is obliged to provide an attendant for the consignment in the case of specific types of goods, provided that it is prescribed by the relevant legal regulations or these Business Regulations. Otherwise, the consigner may provide an attendant with the consent of the railway company.

The attendant shall keep the consignment under supervision, handle and attend it as necessary, while participating in authority procedures.

The place of the attendant and the other conditions of his traveling shall be determined on a case by case basis, taking the circumstances and the requirements of expedience, safety into consideration.

### **3.3. Authority procedures (VÁSZ, Article 13)**

The performance of all duties arising from authority procedures shall be ensured by LTE-HU in the course of transport.

If the consigner wishes to be present in authority procedures in person or through a representative, LTE-HU informs the consigner or its representative in relation to the time and place of the respective authority procedure. In such cases, neither the consigner, nor its representative may come in possession of the goods.

During authority procedures and the handling of the accompanying documents, LTE-HU shall qualify as the representative of the consigner.

### **3.4. The transport deadline (VÁSZ, Article 14)**

The transport deadline is 1 day of handling time, plus 1 day after every commenced 200 kilometers of transport distance.

The transport deadline starts the day after dispatch at 0:00 am, and expires on the day as calculated according to the previous paragraph.

The transport deadline is suspended if the consignment is hindered for reasons that fall outside the scope of control of LTE-HU.

The fact of the suspension of the transport deadline, its reason and period shall be recorded in the consignment note by LTE-HU. In case of failure of such documentation, LTE-HU cannot refer to the suspension.

The transport deadline is suspended:

- on Saturdays, Sundays, and from 10:00 pm on the business days preceding paid public holidays until 6:00 am on the following business day;
- if the obstruction of the consignments occurs due to the defect of the consigner;
- if the obstruction could not have been avoided by LTE-HU, and its prevention did not depend on LTE-HU (e.g. force majeure).
- if any freight traffic restriction has been imposed on the given route or railway station.

The transport deadline is extended:

- with the period of delay due to authority procedures;
- with the period of delay due to reloading or cargo adjusting;
- with the period of delay due to modification of the forwarding contract;
- with the period required for the performance of follow-up instructions.

The suspension, extension of the deadline shall be documented by LTE-HU in the consignment note.

### **3.5. Obstruction of transport (VÁSZ, Article 15)**

If the commencement of transport or the transport of the consignment dispatched is hindered, and in case an appropriate alternative route is available – unless requested otherwise by the consigner –, the consignment shall be transported to the station of destination in conformance to the original conditions of the contract on the appropriate alternative route. The transport deadline and the transport fee shall be determined as based on the alternative route unless the obstruction of transport has occurred within the scope of control of LTE-HU.

LTE-HU shall inform the consigner of the obstruction of transport immediately, and then the consigner is obliged to give executable instructions within 1 hour of the receipt of the notice. In the case of any failure to act so, the waiting time fee determined in the Tariffs shall be charged to LTE-HU from this time until forwarding following the executable instructions or local delivery.

The consigner is obliged to pay the proportionate part of the transport fee until the obstruction provided that the forwarder proves that it has acted in the manner that is generally expected in the given situation.

### **3.6. Follow-up instructions (VÁSZ, Article 16)**

Until the delivery of the consignment, or until the consignee has not disposed of the consignment, the consigner shall have the right of disposal over the consignment. Follow-up instructions shall be valid in writing.

LTE-HU may require the provision of guarantees for the performance of instructions determined after the commencement of transport if it rendered the performance of transport more burdensome. If the consigner does not provide a proper guarantee, LTE-HU as the forwarder shall act in conformance to the requirements of commercial reasonableness, taking the interests of both the consigner and the consignee into consideration. In this context, the forwarder is entitled to sell the consignment.

It may be requested by the consigner in a follow-up instruction to the railway company to deliver the consignment to a different recipient, forward it to a different destination, or to transport it back to the station of dispatch.

Follow-up instructions shall be feasible. An instruction is not deemed as feasible if traffic safety, the health or physical well-being and property of other persons were endangered by the railroad company's performance.

The consigner is obliged to pay for the extra costs incurred with the execution of follow-up instructions. The follow-up instructions, their execution or refusal shall be recorded in the consignment note.

## **4. The delivery of the consignment**

### **4.1. Notification in relation to the receipt of the consignment (VÁSZ, Article 17)**

The consigner is obliged to indicate the consignee entitled for the receipt of the consignment and the form of notification on the consignment note.

LTE-HU shall promptly notify the consignee in relation to the arrival of the consignment in a justifiable manner. Following the arrival of the notification, the consignee is entitled to dispose of the consignment.

In the notification, LTE-HU shall inform the authorized receiver in relation to the expected time of delivery, as well as the deadlines for unloading and removal, which shall be reasonable and sufficient for the performance of the necessary actions.

Prior to the notification in relation to the arrival of the consignment, the authorized receiver may give instructions concerning the receipt of the consignment – unless the consigner has given instructions to the contrary or has regulated otherwise –, and may request the following:

- omission of notification, a specific method of notification, or the notification of a different person,
- the notification of their representative, as well as delivery of the consignment to their representative,
- the ascertainment of the weight and number of pieces of the consignment,
- the delivery of the consignment to a place different from the original place of delivery, but suitable for rail freight traffic.

The authorized receiver is obliged to pay the costs of the execution of the instruction.

LTE-HU may require the provision of guarantees for the performance of the instruction given by the consignee if its performance rendered the obligation of the forwarder more burdensome. The forwarder may refuse to perform the instruction of the consignee if the consignee does not provide a proper guarantee.

#### **4.2. Obstruction of delivery (VÁSZ, Article 18)**

If the authorized receiver cannot be found or refuses to take over the consignment note, or receive the consignment, and does not take over the consignment note within 12 hours from the notification, or if the delivery of the consignment is otherwise hindered (e.g. the consignee has not arranged for authority procedures in the manner and within the time period determined in separate legislation, □ has not provided for the conditions of the unloading of dangerous goods, □ does not make a declaration of liability when unloading dangerous goods).

If delivery cannot be performed, LTE-HU shall notify the consigner in a justifiable manner, and request its instructions, which the consigner is obliged to give within 1 hour. A waiting time fee is charged by LTE-HU from the emergence of the obstruction to delivery.

If the consigner has given instructions in advance in the consignment note, in relation to obstruction of delivery, or if instructions are given by the attendant upon the emergence of the obstruction, LTE-HU shall act in conformance to the instructions.

If the authorized receiver claims the consignment note after sending the notification in relation to the obstruction of delivery, but prior to the receipt of instructions, LTE-HU shall hand over the consignment, and notify the consigner accordingly if the consignment is taken over by a different person.

In cases of obstruction of delivery, LTE-HU is entitled to enforce lien as per the Civil Code to cover its costs.

#### **4.3. Handover of the consignment note and delivery of the consignment (VÁSZ, Article 19)**

LTE-HU shall verify the reception authority of the person reporting to receive the consignment by means of comparison with the consignment note.

LTE-HU, as the railway company shall hand over the appropriate copy of the consignment note to the authorized receiver, and following the inspection of the wagons and the consignment, and if the consigner (consignee) is subject to payment, following the settlement of debt, hand over the consignment with the confirmation of handover.

LTE-HU and the authorized receiver shall identify the consignment by comparing it with the data recorded in the consignment note, and inspect the external condition of the wagons, the consignment and packaging.

If the authorized receiver waives the right to impose instructions, the railway company shall hand over the consignment in the public loading area.

If the authorized receiver exercises the right to release instructions defined in Section 4.1, LTE-HU shall determine the gross weight and the number of pieces of the goods at the written request and expense of the authorized receiver if it is possible. As far as it is possible, the confirmation of the quantity of goods shall be carried out in the same manner as for acceptance, while the results shall be recorded in the consignment note.

#### **4.4. Reservations at delivery (VÁSZ, Article 20)**

If before or during handover the authorized receiver claims that the transport equipment, the consignment or its packaging has been damaged or is incomplete, that the consignment has been displaced or there have been other irregularities, the consignment shall be taken over with reservations. The railway company may not refuse to document the reservation in the consignment note, and conduct the investigation specified in Section 4.3 jointly within 3 hours. The unloading time may only be extended with the duration of the joint investigation if the reservation is sustained.

The authorized receiver shall inform the railway company in relation to its reservation within 1 day in the case of defects that are recognizable at delivery, or within the time period determined in the Civil Code for unrecognizable defects, and shall record the fact of having reservations and their substances in the consignment note, too.

Claims that may be staked as based on the forwarding contract shall lapse after one year, with the exception of damage caused deliberately or by way of gross negligence. The starting date of expiry shall correspond to the date of delivery of the consignment to the consignee, or the date on which the consignment is delivered to the consignee. These provisions shall also be applicable to cases when the consignment is forwarded by the forwarder with the use of multiple methods of transport.

In case of reservations or if the railway company discovers or presumes damage or partial loss to the consignment prior to handover, the findings concerning the conditions of the consignment, its weight, the number of pieces of goods, and if possible, the time and cause of the damage shall be recorded by the railway company in official minutes prepared on the bases of the investigation as per Section 4.3.

The railway company is obliged to hand over a copy of the minutes to the authorized receiver.

#### **4.5. Unloading, the return of wagons (VÁSZ, Article 22)**

The authorized receiver is obliged to return the wagons to LTE-HU in intact and clean conditions within the loading time, as well as remove waste and residues of goods generated in the course of unloading.

If the authorized receiver fails to unload the consignment within the loading time, or remove it from the loading area within the removal deadline, LTE-HU is authorized to charge the fees defined in the Tariffs for the wagons being occupied, and for the storage of the consignment. If the authorized receiver fails to return the wagons in the condition described in the previous paragraph, or fails remove waste and the residues of goods, I shall be objected to reimburse the costs and damages of the railway company arising in this respect.

Minutes shall be taken in relation to incidental deficiencies (e.g. the absence of loading equipment, damage of wagons, etc.).

The applicable loading time shall be determined by the Parties. Loading time is suspended on Saturdays, Sundays, and public holidays following 10:00 pm on the preceding business day until 6:00 am on the following business day.

The delivery of dangerous goods is only possible provided that the consignee assuming responsibility. The consignee shall be liable for any regulatory fines imposed and other costs emerging based on the conditions of unloading and storage.

## **5. Transport costs (VÁSZ, Article 23)**

The consigner shall pay the fee for the services provided by LTE-HU, and its necessary and effective expenses associated with transport (hereinafter referred to as: costs of transport) in the course of the performance of the contract. The consigner may indicate the consignee or another party as the cost-bearer to pay the costs of transport specified in the consignment note. If the cost-bearer indicated in this manner fails to fulfill its payment obligation, the costs of transport shall be paid by the consigner.

### **5.1. Payment of the fee and the costs**

The transport fee and costs incurred at the station of dispatch shall be paid by the consigner based on the invoice sent to the consigner, within 20 days following its receipt, via bank transfer. The elements of the costs of transport and the additional fees are listed in the Tariffs.

The additional fees incurred at the station of destination and other costs shall be paid by the consigner based on the invoice sent to the consigner, within 20 days following its receipt, via bank transfer.

## **6. Liability (VÁSZ, Articles 25-30)**

### **6.1. Weight loss**

In the case of goods that, by nature, generally suffer loss in weight during transport, the railway company shall be liable, regardless of the distance of transport covered – and with the exception of damage caused deliberately –,

- a) weight losses exceeding two percent of the weight in the case of goods dispatched in a liquid or wet form,
- b) and weight losses exceeding one percent of the weight in the case of dry goods.

If the consignment consists of multiple goods, and their weights are recorded separately in the consignment note, weight loss shall be calculated for the individual types of goods separately.

The railway company may not refer to the limitation of its liability if it is proven that the weight loss has been caused by a reason that has occurred within its scope of control.

### **6.2. Exceeding the transport deadline**

If the transport deadline is exceeded by the railway company due to a reason attributable to the railway company, it shall pay a penalty equivalent to the amount 1 percent of the transport fee for each commenced day of delay, but at most the transport fee.

In case of the total loss of the consignment, no penalty can be imposed for exceeding the transport deadline. In case of the partial loss, the penalty is based on the transport fee of the part of the consignment delivered with delay.

If the consignment is damaged and the transport deadline is exceeded by the railway company, the person entitled for reimbursement may claim the penalty payable for exceeding the transport deadline as well, in addition to compensation for damages.

### **6.3. Loss of the consignment**

The consigner may consider the consignment to have become lost if the railway company fails to hand over the consignment within 30 days following the expiry of the transport deadline. Upon the request of the consigner, the railway company shall provide a certificate of the loss of the consignment. The certificate may be requested no later than within one year following the presumed date of loss.

The railway company shall instantly notify the consigner if the consignment presumed lost is recovered within one year from the expiry of the transport deadline. The consigner may dispose of the recovered consignment within 30 days following the receipt of the notification.

#### **6.4. Indemnification**

If the railway company is obliged to pay damages for partial or total loss, or the destruction of the consignment, the value of the consignment shall be determined in the following order:

- a) in the case of statement of value, the amount recorded in the consignment note under such heading,
- b) the price included in the invoice of the forwarder,
- c) the market price valid at the time and place of dispatch,
- d) the usual price of goods of the same kind and quality at the time and place of dispatch,
- e) the stock market price of goods.

The amount of damages payable in case the consignment has become damaged – with the exception of the case of damage caused deliberately – cannot exceed

- a) the amount of damages payable in case of the total loss of the consignment if the value of the entire consignment decreases due to the damage,
- b) the amount of damages payable for the loss of the part of the consignment has decreased in value if the consignment suffered partial damage.

In the case of declaration of interest, the maximum amount of damages payable – with the exception of the case of deliberate damage – shall correspond to the amount declared in the consignment note.

If the consigner is a foreign entity, the damages to be paid by the forwarder may not exceed the largest amount payable in damages according to the legislation of the country of the consigner.

#### **6.5. Lien of the forwarder**

In order to secure the transport fee and the costs, LTE, as the forwarder is entitled for lien on the assets it takes possession of in relation to transport, or which it disposes of by way of the documents. The lien also ensures the existing, expired and undisputed claims of the forwarder against the consigner originating from other transport contracts.

#### **6.6. Liability of the consigner**

The consigner shall be liable to the forwarder for any damage originating from the inappropriate or missing packaging, or the absence, deficiency, or inaccuracy of the data, information, and documents relating to the consignment.

It is qualified as actionable interference if in cases when under the relevant legal regulations or an agreement between the parties the consignment should have been accompanied, and the consigner fails to order an attendant, or hands over the goods in deception of the railway company or by violating the safety regulations prescribed in the legislation.

If in deception of the railway company the consigner hands over such goods for the transport for which a contract cannot be concluded, or hands over the goods for transport without

meeting the requirements stipulated in the associated, separate legal regulations, having recognized it the railway company may act as follows unless otherwise stipulated in the relevant legal regulations:

- a) refuse or abort transport,
- b) return the consignment to the place of dispatch,
- c) forward the goods to their destination.

If in deception of the railway company the consigner hands over dangerous goods for transport without meeting the requirements prescribed in the associated, separate legal regulations, the railway company shall refuse or abort the transport unless otherwise provided by legislation.

Unless otherwise provided in the relevant legislation if the consigner fails to record the data prescribed by RID in the consignment note, the railway company may unload the dangerous goods, destroy them or render them harmless within the scope permitted by RID. In this case, the railway company does not have to pay damages unless they have been aware of the dangerous nature of the goods upon takeover.

The consigner shall reimburse the damage of the railway company that has been suffered in connection with the transport of goods dispatched as described in the paragraphs above. The consigner shall be exempted from liability if it is able to prove that the damage is due to inappropriate information by the railway company.

The railway company may claim damages if the consigner

- a) has exceeded the load limits of the wagons or the load-bearing capacity of the railway track with the goods loaded by the railway company in the case of consignments with declaration of weight, and thus caused the railway company damage, or
- b) has caused any decrease of the transport fee with a false declaration of weight or content.

The railway company has the right to inspect the contents of the consignment without damaging it, in the presence of the authorized receiver if it is possible, and verify its weight between the time of its takeover and delivery.

If the result of the content inspection is different from the data in the consignment note, LTE shall record minutes, have them signed by two independent witnesses if the authorized receiver is not present, and is entitled to charge the costs of the content inspection to the Contracting Party.

#### **6.7. Presumption in case of re-dispatch**

If the consignment is re-dispatched without unloading or being removed from the custody of the railway company, any damage or partial loss of the consignment discovered at delivery is to be presumed to have taken place during the final phase of carriage.

#### **7. Enforcement of claims**

Claims that may be imposed on the basis of the forwarding contract expire after one year, with the exception of damages caused deliberately or through gross negligence. The starting date of expiry is the date of delivery of the consignment to the consignee, or the date on which the consignment shall have been delivered to the consignee. These provisions shall be applied also in cases when the consignment is forwarded by the forwarder using multiple methods of transport.

LTE-HU requires a preliminary written statement for the enforcement of claims of the party entitled.

The statement of claim damages and reimbursement shall be submitted within the period of limitation at the registered seat of LTE-HU. The original copies of the documents required for the assessment of the claim shall be attached to the statement of claim. LTE-HU shall investigate the statement of claim on the merits within 10 days, and shall inform the claimant in relation to the reasoned result (partially or completely admitting, or refusing its responsibility).

## **8. Other types of consignments**

### **8.1. Intermodal transport unit**

For the transport of intermodal transport units, these Business Regulations shall be applied with the following differences:

In addition to the data prescribed, the consignment note of an intermodal transport unit shall contain the sign of the intermodal transport unit, its track number, control number, the specific weight of the intermodal transport unit, the weight of the goods loaded into it, and the total weight unless otherwise regulated.

The amount of damages payable for the damaged parts of the intermodal transport unit shall correspond to the cost of repair, which may not exceed the amount payable in case of the total loss of the intermodal transport unit, with the exception of the case of damage caused deliberately.

### **8.2. Railway vehicle rolling on its own wheels**

For the transport of railway vehicles rolling on their own wheels, these Business Regulations shall be applied with the following differences.

In addition to the prescribed data, the consignment note of railway vehicles rolling on their own wheels shall contain the sign and number of the railway vehicle.

The railway company shall accept vehicles not listed in the stock of vehicles of any railway company or operator for transport if the running capacity of the railway vehicle is confirmed by an organization authorized in the associated, separate legal regulations.

The consigner/customer is obliged to obtain the certification of running capacity (Running certificate, Rk permit, commissioning permit) prior to the planned transport.

Any additional costs incurred with the failure to give this performance shall be borne by the customer.

The amount of damages payable for damaged parts of railway vehicles rolling on their own wheels is equivalent to the cost of repair, which cannot exceed the amount payable in case of the loss of the railway vehicle being transported, with the exception of the case of damage caused deliberately.

The railway company shall not be liable for the loss of parts that are not indicated on the longitudinal side of the railway vehicle rolling on its own wheels, or those not indicated in the list attached to the consignment note.

## **IV. Hauling**

### **4.1. General requirements**

Based on these Business Regulations, LTE-HU provides hauling services and other associated, complementary services on both the open access railway networks and private railway networks/industrial railways to its partners in contractual relations with LTE-HU (hereinafter referred to as: the Customer, in order to move trains running for the purpose of freight transport and otherwise, such as track construction.

LTE-HU is entitled to provide its services as per these Business Regulations in the entire territory of Hungary, on all open access railway networks and – based on an agreement between LTE-HU and the owner of the private railway – on private railway networks/industrial railways. Regarding hauling services provided on the railway networks beyond the axle change stations located outside the territory of Hungary, mainly the provisions of the relevant international agreements are applicable.

## **4.2. Hauling services**

### **4.2.1. Train movement service**

**Train movement:** load movement on the line segment based on the route permit provided to LTE-HU by the Customer, as a complex service, including – depending on the contents of the order – providing the engine, the engine driver, and the traction power required for movement.

If the service is ordered, the Customer is required to place an order for the route prior to the date of performance determined in the order for the movement of the train – in conformance to the provisions of the legislation and the Network Statement in force at any time – and to verify the ordering of the route to the Service Provider. The possession of the safety, technical, regulatory permits, certificates and inspections required for the movement of the railway vehicles assembled into a train, and the commissioned train, as well as hanging over the schedule(s) relating to the route to LTE-HU are the duties of the Customer, for the inappropriate performance of which they shall be liable.

Train movement may be performed by using the equipment in LTE-HU's possession or disposal, and in possession or at the disposal of the Customer, based on the order.

If train movement is performed by LTE-HU using the equipment in its own possession or disposal, the service shall also extend to the provision of the engine, engine driver, and traction power required for movement.

If train movement is performed by LTE-HU using the equipment in the possession or at the disposal of the Customer, the service shall also extend to the provision of the engine driver and traction power required for movement.

In the case of train movement services provided with the use of external equipment, LTE-HU shall be responsible for the professional operation of the vehicle used for the performance of the service in compliance with the relevant technical and safety provisions, and its use in conformance to its intended purpose if the documentation and information in relation to the operation of the vehicle has been handed over by the Customer to the engine driver fulfilling the order in a justifiable manner, at the appropriate time defined in a separate agreement between the Parties for the use of external equipment.

In the case of train movement services provided with the use of external equipment, the Customer is responsible for the suitability of the vehicle used for the performance of the service for use in conformance to its intended purpose, and thus its technical condition, readiness for operation, and the possession of the required permits in particular.

#### **4.2.2. Shunting service**

Shunting: disassembly of trains into wagons, assembly of trains from wagons, and their changeover at stations (marshalling yards, places of load processing, load shunting technical and engineering equipment, and other non-public places of service). The shunting service includes – depending on the contents of the order – the provision of the engine, engine driver and – in the case of a diesel hauling vehicle –traction power required for shunting. If the shunting service is ordered, the Customer is required to order the traffic activities required for the performance of the shunting service, as well as the provision of station shunting personnel from the infrastructure operator prior to the date of performance determined in the order, and to verify this. .

The Customer is obliged to indemnify the Service Provider for all damage arising due to the failure to perform its obligations defined in this Section, or its inappropriate performance.

If the shunting service is ordered, the minimal order period shall be 24 hours.

Shunting may be performed by using the equipment in the possession or at the disposal of LTE-HU, and that is in the possession or at the disposal of the Customer, based on the order.

If shunting is performed by LTE-HU with the use of the equipment in its possession or at its disposal, the service shall also extend to the provision of the engine, engine driver and – in the case of a diesel hauling vehicle –traction power required.

If shunting is performed by LTE-HU with the use of the equipment in the possession or at the disposal of the Customer, the service shall also extend to the provision of the engine driver, and traction power required for movement.

In the case of shunting services provided with the use of external equipment, LTE-HU shall be responsible for the professional operation of the vehicle used for the performance of the service in compliance with the relevant technical and safety provisions, and its use in conformance to its intended purpose if the documentation and information in relation to the operation of the vehicle has been handed over by the Customer to the engine driver fulfilling the order in a justifiable manner, at the appropriate time defined in a separate agreement between the Parties in relation to the use of external equipment.

In the case of shunting services provided with the use of external equipment, the Customer shall be responsible for the suitability of the vehicle used for the performance of the service for use in conformance to its intended purpose, and thus its technical condition, readiness for operation, and the possession of the required permits in particular.

#### **4.2.3. Other traction services**

Other hauling services provided by the Service Provider:

1. hauling services requested for running test or measurement train purposes;
2. hauling services requested for track construction, track maintenance purposes, services ordered in relation to trains running from the place of deposition to the construction site transporting construction materials (a so-called construction train);
3. movement of railway vehicles and construction equipment performed on the segment of track obstruction.

#### **4.2.4. Complementary services relating to hauling**

The Customer is obliged to accurately define other services relating to hauling in relation to the provision of which the Parties have agreed, simultaneously with the placement of the hauling order.

#### **4.3. Placing orders for hauling services**

The demand for the conclusion of an Agreement between LTE-HU and the Customer (hereinafter jointly referred to as the Parties) and the ordering of services shall be announced in writing to the commercial organization of LTE-HU.

The conclusion of an agreement between the Parties shall be conditioned on the Customer's being in possession of a railway company operating license, a railway safety certificate and to report the number of this to the Service Provider simultaneously with the declaration of demand.

By signing the Agreement, the Customer acknowledges that it has become familiarized with the provisions of these Business Regulations, and expressed its consent to be bound by them. Should there be any contradiction between the Agreement and the Business Regulations, then the provisions of the Agreement shall prevail.

Simultaneously with the conclusion of the Agreement, the Customer shall communicate to the Service Provider its approximate demands for train movement, shunting, other and complementary services by engine category and by month in relation to the given business year. The Customer shall send the list of requested services for the next week until 12:00 am on the previous Thursday each week at the latest to LTE-HU, in order to provide the efficient performance of services.

Either Party may terminate the Agreement with a 30-day term of notice, without a cause, by means of a written statement served to the other Party. The termination of the Agreement shall not affect the fulfillment of orders already confirmed.

Either Party may terminate this Agreement with immediate effect, by means of a written statement with a cause, which shall become valid upon receipt by the other Party, in case the other Party has grossly violated the Agreement.

Gross violation of the Agreement by the Customer shall specifically extend to – without limitations – the following instances:

- failure to perform, or the gross or repeated violation of one of its material contractual obligations set out in these Business Regulations or the Agreement – thus its obligation to provide the conditions required for the fulfillment of individual orders in particular;

- failure to fulfill its payment obligation even in spite of the payment notice of the Service Provider including a second deadline.

Failure to perform, or the gross or repeated violation of one of its material contractual obligations defined in these Business Regulations or the Agreement shall be considered as the gross violation of the Agreement by LTE-HU.

The Parties also have the option of cancellation with immediate effect if bankruptcy or liquidation proceedings are initiated against the other Party, or if the railway company operating license of the other Party is revoked or it is no longer valid.

If extraordinary cancellation is performed due to any reason that is attributable to the Customer, LTE-HU is not obliged to fulfill the individual orders of the Customer from the day of the termination of the Agreement.

Neither Party assumes any liability, nor does it qualify as a violation of the Agreement if any of the Parties is unable to fulfill any of its obligations existing based on the Framework Agreement or an individual order due to an unexpected and unpredictable event that cannot be avoided by the Parties (force majeure). In particular, natural disasters (earthquake, flood, etc.), states of emergency, wars, strikes, etc. belong to such events.

After the force majeure has become known, the Party shall notify the other Party without fail in order to inform the other Party at the same time in relation to the expected duration of the event of force majeure.

Based on the Agreement concluded, the Customer is entitled to order individual hauling services (hereinafter referred to as individual orders), in the relation of either the national open access railway network, or a private railway network.

The following are considered to be individual orders:

- in the case of train movement, the simultaneous ordering of services requested for the one-time running of a given route at a designated time;
- in the case of shunting ordered separately, the ordering of shunting services for a given place of service and a given day.

Individual orders shall be submitted to the commercial organization of LTE-HU in writing or electronically.

Individual orders may also be submitted in a consolidated manner, as annual or mid-year orders.

Relating to annual routes, the services requested for a given schedule period shall be ordered by the Customer from the Service Provider at least 5 days in advance of the first day of the given schedule period.

If the modification of an order already submitted is submitted by the Customer within 5 days before the planned starting date of the requested annual service, this qualifies as an operative order, for which, as an individual order, an urgency fee shall be charged by the Service Provider.

The orders submitted in relation to the given schedule period in addition to the annual order qualify as mid-year orders.

If an order, or the modification of an order having been already submitted is submitted by the Customer within 5 days before the planned starting date of the requested service, it shall be deemed as an operative order for which – as an individual order – an urgency fee shall be charged by LTE-HU.

#### **4.4. The performance of hauling services**

The hauling services ordered based on the individual orders and confirmed by LTE-HU shall be performed by the Service Provider at the place and time defined in the individual order, taking the additional conditions determined in the confirmed order into consideration, and in compliance with them.

In the course of the performance of the order, the Parties are required to act in cooperation with each other. In favor of the fulfillment of the order, LTE-HU shall act in the manner generally expected in the given situation, and the Customer is obliged to aid the fulfillment of the order in the same manner.

The Parties are required to notify each other without fail in relation to all material circumstances affecting the performance of the Agreement.

The maintenance of the running certificate – in conformance to the provisions of the Network Statement – shall be the responsibility of LTE-HU.

Ordering of the track capacity required for the fulfillment of the individual order shall be the duty and responsibility of the Customer, while ordering the track capacity required for running machines prior to the initiation and following the performance of the hauling service is that of LTE-HU. The Parties are required to incur the costs of ordering the track capacity requested by them themselves.

Prior to the initiation of the fulfillment of the individual order, the Customer is obliged to verify the ordering of the track capacity, the possession of the appropriate route, and the performance of the train inspection and the braking test serving safety purposes – the Customer is required to record the performance of which on the running certificate – to LTE-HU.

If the stopping time over the scheduled stopping time exceeds 2 hours – due to reasons that fall outside the scope of control of LTE-HU –, LTE-HU shall serve an obstruction announcement to the Customer in the manner regulated in the Agreement, and may transfer the hauling vehicle. The Parties are obliged to agree in relation to the time of the performance of the hauling service. In such a case, LTE-HU assumes no responsibility for the damages of the Customer.

#### **4.5. The fees of hauling services**

The fees of hauling services are included in the Tariffs.

#### **4.6. The settlement of Customer complaints**

If the Customer intends to lodge a complaint in relation to the performance of the hauling service, they are entitled to announce this to LTE-HU prior to the completion of the fulfillment of the individual order, or within 30 days following the completion of the fulfillment of the individual order.

The written complaint of the Customer shall be investigated by LTE-HU within 20 (twenty) days, and they shall notify the Customer in writing in relation to the result of the investigation. Disputes shall be resolved by the Parties primarily by conciliation with each other, through negotiations.

#### **V. Final provisions**

The Parties are obliged to send all official notifications and other messages to the other Party in writing, which shall be considered to have been delivered if they have been received by the representative of the other Party in a certified manner, in the case of delivery by mail, at the date and time of receipt indicated on return receipt, and in the case of sending by email, at the date and time specified in the confirmation of receipt.

The fees of the services of the railway company, as well as the method and conditions of determining the fees can be found in the Tariffs, which is available to the Customers at the customer service and goods acceptance sites of LTE-HU, and at its website.