

Rules on the fees and expenses of Arbitration and the Parties' expenses

(Rules on Fees)

1. § Definitions

(1) „**Registration Fee**”: a non-refundable fee payable simultaneously with the filing of the Statement of Claim as a pre-condition of the commencement of the Arbitration that constitutes part of the Arbitration fees.

(2) „**Arbitration Fee**”: a fee for the coverage of the general expenses of the procedure of the Arbitration Court (fees of the arbitrators, fees of the legal and technical staff and administrative services, etc.). It shall be the pre-condition of the conduct of the Arbitration proceedings that the claimant (or claimant of a counter-claim) advances such fees. The Arbitration Fee includes the stamp duty set out in Section 55 of ACT XCIII of 1990 on Stamp Duties.

(3) „**Arbitration Expenses**”: other expenses incurred at the Arbitration Court in the course of the proceedings (additional expenses incurred in connection with experts' involvement or proceedings conducted in a language other than Hungarian, German, Russian or English [see Article 5 of the Rules of Procedure], expenses incurred in connection with other translations, fees of interpreters, experts and witnesses, travel and accommodation costs of the arbitrators and their out-of-pocket expenses).

(4) „**Parties Expenses**”: expenses incurred by the Parties in connection with the protection of their interests before the Arbitration Court (Parties' travel and accommodation costs and their out-of-pocket expenses, legal fees, etc.).

2. § Registration Fee

(1) The Registration Fee is fixed in the schedule of these Rules on Fees. The Claimant must transfer the Registration Fee to the bank account as notified by the Secretariat of the Arbitration Court.

(2) Payment of the Registration Fee will be governed by the rules applicable to the payment of the Arbitration Fee (Article 3).

3. § Arbitration Fee

(1) The Arbitration Fee will be determined on the basis of the case value, and it must be paid, as a pre-condition of the commencement of the Arbitration, to the bank account as notified by the Secretariat of the Arbitration Court.

(2) The Secretariat will determine the amount of the Arbitration Fee in accordance with the fee schedule annexed hereto.

(3) If a claim is determined in a foreign currency, the Secretariat will determine its Hungarian Forints equivalent at the foreign exchange mid-rate of the Hungarian National Bank prevailing on the day of filing of the Statement of Claim.

(4) The Arbitration Fee must be paid in Hungarian Forints.

(5) The Arbitration Fee will be deemed as being paid upon the Claimant having given an unconditional payment instruction to its bank located at the Claimant's domicile, provided that the amount is credited to the bank account of the Arbitration Court within thirty days from such payment instruction.

4. § Reduction and partial refund of the Arbitration Fee

(1) 50% of the Arbitration Fee (always excluding Registration Fee and stamp duties) will be refunded to the Claimant if the Claimant withdraws its Statement of Claim not later than at the first hearing (including the case when the Parties have resolved their dispute through a settlement), or if the Parties notify the Arbitration Court on their withdrawal from the resolution of their dispute through arbitration by the foregoing deadline, or the tribunal terminates the case on the first hearing at the latest on any other grounds.

(2) In the event set out in paragraph (1) above the tribunal will adopt its decision on the partial refund of the Arbitration Fee simultaneously with its ruling that terminates the case. If the tribunal has not been constituted, the ruling on the partial refund of the Arbitration Fee will be adopted by the President of the Arbitration Court.

(3) If the tribunal terminates the case following the first hearing either because it lacks jurisdiction or it is impossible to conduct the arbitration proceedings, 50% of the Arbitration Fee (always excluding Registration Fee and stamp duties) will be refunded to the Claimant (or claimant of a counter-claim or set-off claim). If the proceedings are terminated without rendering an award on grounds of (i) the Parties' joint request submitted following the first hearing, or (ii) a Party's withdrawal of its Statement of Claim following the first hearing and the other Party has not objected to such withdrawal, 25% of the Arbitration Fee (always excluding Registration Fee and stamp duties) will be refunded to the Claimant (or claimant of a counter-claim or set-off claim). In this event, unless the Parties have agreed otherwise, legal fees will be awarded to the other Party or Parties calculated as the product of the number of hours, estimated by the tribunal as the amount of counsel's work necessarily carried out in the case, and an hourly rate determined by the tribunal at its discretion.

5. § Arbitration Fee for counter-claims and set-off claims

(1) In the event of a counter-claim the same Arbitration Fees will be applicable as in respect of the Statement of Claim.

(2) In the event of a set-off claim the tribunal will determine the Arbitration Fee, payable by the party submitting such set-off claim, in the same manner as in respect of counter-claims.

(3) If the party submitting a counter-claim or set-off claim fails to pay the respective Arbitration Fees within the deadline set by the tribunal, the tribunal will deem such counter-claim or set-off claim as non-presented.

6. § Apportionment of Arbitration Fee

(1) Except as set out in paragraph (2), the Arbitration Fee will be borne by the unsuccessful party in proportion with its ratio of loss of the case.

(2) The tribunal may, in justifiable circumstances, deviate from the provisions of paragraph (1) above.

(3) The Parties may agree on the apportionment of the Arbitration Fees other than as set out in paragraphs (1) and (2) above.

(4) If the proceedings are terminated without rendering an award, unless the Parties agree otherwise, the Arbitration Fee will be borne by the Party that advanced such fees.

7. § Arbitration Expenses

(1) Arbitration Expenses will be borne by the Parties in accordance with the provisions of Article 6 above.

(2) If the language of arbitration is other than Hungarian, English, Russian or German (Rules of Procedure Article 5), the Parties will advance and bear in equal proportions the excess costs incurred in connection with the application of such foreign language. If the Defendant fails to advance such expenses within the deadline set by the tribunal, they will be advanced by the Claimant upon the order of the tribunal. If the Claimant fails to comply with such order, the tribunal will order the Parties to agree on Hungarian, English, Russian or German as the language of arbitration within a deadline set by the tribunal. If the Parties fail to comply with this order, the tribunal will determine Hungarian, English, Russian or German as the language of arbitration with a view on all circumstances of the case. If no tribunal is constituted, the foregoing measures will fall into the scope of competence of the President of the Court of Arbitration.

(3) The tribunal may order the Claimant to advance expenses to cover costs of measures that are necessary for the continuation of the proceedings. The tribunal may also order such party to advance expenses that motioned a procedural measure, and the tribunal finds such motion justified.

(4) The tribunal may order such party that appointed an arbitrator of foreign residence, or both parties in the event of a chairman of foreign residence, to advance the travel and accommodation expenses of such arbitrator or chairman and the fees of the translator acting for such persons. In the event of a chairman of foreign residence the Parties will advance the expenses in 50-50 percent proportions.

(5) The Arbitration Expenses must be determined in the currency in which they are incurred and must be paid to the bank account of the Arbitration Court as notified by the Secretariat.

(6) The provisions of Article 3(5) will be applicable to the payment of expenses and advances.

8. § Parties' Expenses

The provisions of Article 6 will be applicable to the defrayal of the Parties' justified expenses.

9. § Exceptions

Notwithstanding Articles 6, 7 and 8 the Arbitration Court may order a Party to bear such excess costs that have been incurred in consequence of that Party's unsuitable, unjustified or bad-faith procedural actions. Such actions will non-exclusively include those that cause excess expenses through procedural measures that prove to be unnecessary (such as inappropriate extension of time not justified by the circumstances of the case).

10. § Advance of arbitrators' fees

The Presidential Board of the Arbitration Court may, upon the request of the tribunal (sole arbitrator), order to pay proportionate advance of arbitrators' fee to the tribunal (sole arbitrator) in the event of a partial award.