

GENERAL CONDITIONS OF CARRIAGE

General Conditions of Carriage of Cargo

of

Malév Hungarian Airlines Ltd

Countersignature of approval		
Based on Section 3 (3) of Government Decree 26/1999. (II.12.) on the regulations relating to air transportation of cargo		
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General Conditions of Carriage		

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1. DEFINITIONS

Unless the text or the context herein suggests otherwise, the terms below shall have the following meanings:

Cargo: Any consignment (except for postal consignments) transported by aircraft or by substituting modes of carriage under an air waybill.

Charges Collect (CC) consignment: consignment which is delivered to the consignee at the place of destination against the payment of the total costs of carriage, the transportation costs only, or the other costs only by the consignee.

Charges Prepaid (PP) consignment: consignment whose transportation costs have already been paid by the consignor.

Consignee: a person or organization whose name is shown on the waybill as the party entitled to receive the goods at the place of destination.

Embargo: Ban imposed by the carrier for a definite or indefinite period on the transportation of goods by air altogether or the air carriage of specific types of goods on the carrier's specific routes and/or types of aircraft.

Live animal: consignment subject to veterinary examination which may only be transported compliant to the provision of IATA's Live Animals Regulation and the carrier's directives.

Notification: Communication between the parties in the course of fulfilling their contractual duties, in cases specified herein. Notifications shall be deemed valid if they are said in a personal meeting, made over telephone or fax, via e-mail, or sent by courier, and such notifications shall be substantiated by the records of Malév, its agent, or its proxy.

Sales points: Sales and customer service points operated by Malév, its agent, or its proxy.

Valuable cargo: cargo whose per kilogram value is USD 1,000 or higher, along with any specific types of valuable goods which fall in this category on the basis of the regulations of the carrier or other relevant regulations.

Consignor: shipper; the person or organization shown on the waybill as the party who contracted the airline for the air transportation.

Freight charges: charges to be paid for the carriage of the cargo between the place of departure and the place of destination. They include extra charges Malév may charge on top of the freight costs in the case of extraordinary circumstances.

Carriage: Transportation of goods free of charge or against a freight charge by aircraft or by substituting modes of carriage.

Article 1 (2) of the MC

Article 1 (2) of the WC

Other charges relating to carriage: charges closely related to the carriage and imposed on top of freight charges, as shown on the waybill.

Carrier: any airline company authorized to make out waybills or have them made out, along with airline companies which undertake to perform or perform the carriage of the consignment, or provide or undertake to provide any other service in relation of the carriage on the basis of such waybills.

Carrier's Rules and Regulations: Any document or directive regulating the receipt of goods for transportation, including the rules in IATA The Air Cargo Tariff, IATA Dangerous Goods Regulation and IATA Live Animals Regulation.

Consolidated cargo: consignment transported under a single waybill but consisting of several packages dispatched by various consignors who contracted the same person or organization for the carriage, but this person or organization is other than the carrier.

IATA: International Air Transport Association

Airport of departure: the starting point of the carriage as shown on the waybill. In quotations taken from the Convention, the expression "place of departure" is used instead of "airport of departure".

Applicable law: the laws of a specific country which shall apply in respect of legal relationships arising from the contract.

Damage: damage to or loss of the cargo or other disservice resulting from or arising in relation to carriage or other related services provided by Malév.

Handling costs: costs of services provided in relation to the consignment or cargo by an organization acting in the name and on behalf of the airline company at the airport of departure, airport of destination or interim landing points, calculated on the basis of the schedule of charges published at the station involved in accordance with relevant regulations, such costs being payable to the organization which provided the service.

Unaccompanied baggage: baggage transported to the place of destination for air freight charges under a waybill.

Government Decree: Government Decree 26/1999. (II.12.) on the regulations relating to air transportation of cargo (hereinafter: Government Decree)

Interim landing point: Places shown on the waybill as planned landing points except the place of departure and the place of destination.

Consignment: one or more packages containing goods received by the carrier from the consignor for the purpose of air carriage on a single occasion which are transported to a single place of destination and to a single consignee under a waybill.

Air waybill: a document manifesting the contract between the consignor and the carrier for the carriage of cargo by air, serving as the most crucial evidence of the contract.

Airline Code: a two or three character code which identifies the airline in its capacity as a carrier. Malév Zrt's codes are MA and MAH.

Airline Identification Number: identification number assigned by IATA to each air carrier. Malév Zrt's identification number is 182.

Malév Zrt: Malév Hungarian Airlines Ltd (hereinafter: Malév). Unless the text or the context in these General Conditions of Carriage suggests otherwise, the term “Malév Zrt” shall be construed as also including Malév Zrt’s employees, agents and proxies. In quotations taken from the Convention, the expression “carrier” is used instead of “Malév”.

Day: any calendar day which has already started, including Sundays and bank holidays, however, the day on which the notice about the arrival of the cargo is sent shall not be considered a calendar day.

Heavy cargo: consignment whose individual items are heavier than 150 kg.

International Convention: the international document applicable to any given air passenger contract of carriage:

- The Montreal Convention: Convention for the Unification of Certain Rules for International Carriage by Air signed at Montreal on 28 May 1999, enacted in Hungary by Act VII of 2005 (hereinafter: MC).
- The Warsaw Convention: The text of the Convention for the Unification of Certain Rules Relating to International Carriage by Air signed at Warsaw on 12 October 1929, enacted in Hungary by Act XXVIII of 1936, incorporating the amendments in the Hague Protocol signed on 28 September 1955 and Montreal Protocol No. 4 signed on 25 September 1975 (hereinafter: WC).

Article 55 of the Montreal Convention pertaining to the conditions of applicability stipulates that the Montreal Convention shall prevail over the Warsaw Convention. The provision of the Warsaw Convention on responsibilities shall apply only in cases where the application of the Montreal Convention is excluded.

Combined carriage: carriage performed by Malév and another airline company jointly and in succession under a single or a joint waybill, or carriage performed jointly by Malév and another road, railway or waterway carrier. In the case of carriage falling into the second category, the regulations herein shall apply to air carriage only, unless otherwise stipulated.

Articles 36 and 38 of the MC, Article 31 of the WC

Airport of destination: the place shown on the waybill as the final place of destination of the air carriage. In quotations taken from the Convention, the term “place of destination” is used instead of “airport of destination”.

Part shipment: consignment transported on two or more flights to the place of destination under a single waybill.

SDR: Special Drawing Right whose value is determined by the International Monetary Fund (<http://www.imf.org/>).

Article 23 of the MC

Article 22 (6) of the WC

Agent: a person or organization authorized by another person or organization to act on behalf and in the name of such another person or organization.

Dangerous goods: any goods which may have detrimental effect on or jeopardize health, security, private property or the environment according to the IATA Dangerous Goods Regulation. Such goods include, for example, explosives, inflammables (either in solid, liquid or gas state), compressed or liquid gases, oxidants, poisonous, infectious and radioactive substances etc.

2. GENERAL CONDITIONS OF CARRIAGE

Sections 1 & 3 of the Government Decree

2.1 GENERAL PROVISIONS

The provision in these General Conditions of Carriage are part of the contract between Malév and the consignor. When accepting an order for carriage or other services, Malév shall make references to this document.

2.2 SCOPE OF APPLICATION

Articles 1 & 2 of MC, Articles 1 & 2 of WC

2.2.1. These General Conditions of Carriage shall be applicable to international air carriage of cargo by aircraft performed by Malév, international carriage of cargo by air by non-Malév aircraft, as well as other services provided by Malév for reward in relation of the above.

2.2.2. In the case of combined carriage, when air carriage is used in combination with other modes of carriage, the provision in these General Conditions of Carriage shall also apply to the portion of the carriage not performed by aircraft.

2.3 CONTRADICTION WITH LEGISLATION

Article 26 of ME, Article 32 of WC

2.3.1 Any provisions in these General Conditions of Carriage contradicting effective legislations shall be deemed void. In such cases the regulations set forth by applicable law shall apply instead of the void provisions herein.

2.3.2 In the case of contradictions between the provision in these General Conditions of Carriage and other relevant Malév regulations, the provision herein shall prevail.

3. SCHEDULE OF CHARGES, TIMETABLE

3.1. Malév shall publish its effective air freight charges and other related costs, including cargo handling costs, in IATA The Air Cargo Tariff (hereinafter: T ACT) and the www.malev.hu website.

3.2. Malév shall provide information about its official charges at the sales points. Malév offers verbal information on the various types of carriage, while information about other services is also available in writing. Advice given concerning freight charges and other costs are for information purposes only. Air carriage is subject to freight charges and other costs effective on the date of issue of the air waybill.

3.3. Malév reserves the right to change freight charges and the charges of its related services at any time without advance notice.

3.4. In the case of carriage of cargo by scheduled Malév flights, the departure and arrival times in the Timetable and other Malév publications are for information purposes only, and are not part of the contract. Information provided by Malév's employees, proxies or agents in this regard shall also serve information purposes only.

4. THE CONTRACT OF CARRIAGE

Sections 2 & 4 of the Government Decree

Article 11 (1) of MC

Article 11 (1) 33 of WC

4.1 GENERAL PROVISIONS

4.1.1 The terms of the contract are set forth in these General Conditions of Carriage and the rules in the air waybill pertaining to the carriage, and such provision combined shall represent the agreement between Malév and the consignor.

4.1.2 Provision in the contract contradicting these General Conditions of Carriage or the air waybill shall be void. The invalidity of individual provision in the contract shall not invalidate the entire contract. If a stipulation in the contract is deemed void, the relevant provision in these General Conditions of Carriage shall apply.

4.1.3 The contract of carriage is made by Malév's undertaking to perform the carriage. In the absence of agreement to the contrary, Malév undertakes to perform the carriage on receiving the consignment for the purpose of carriage and stamping the waybill. The consignor and the consignee shall receive one original copy of the waybill each.

4.1.4 Malév shall receive the cargo at the airport for the purpose of carriage unless an agreement has been made with the consignor to the contrary.

4.2 TERMINATION OF THE CONTRACT OF CARRIAGE

Section 16 of the Government Decree

4.3.1 The consignor shall be entitled to cancel the carriage prior to the commencement of the carriage, up to 2 hours before the scheduled departure time of the flight.

4.3.2 In the case of cancellation, Malév shall have the right to collect any costs and charges incurred in relation to the consignment, including handling charges as published at the place where such charges incurred. In specific cases, Malév shall have the right to claim penalties.

4.3.3 After the commencement of the carriage, the consignor may cancel the carriage if it was interrupted as a result of Malév's fault, provided that the consignor can show proof of lapse of interest. In such cases Malév shall return the consignment to the airport of departure free of charge.

4.3.4 Malév may terminate the contract of carriage without notice if Malév confirms that the consignment contains items banned from carriage. In such cases Malév shall have the right to claim the payment of all of its costs and losses by the consignor.

5. THE WAYBILL

Section 5 of the Government Decree

Articles 4-11 & Article 51 of the MC

Articles 5-10, Article 11 (2) & Articles 12, 16 and 34 of the WC

5.1 Waybills serve as proof of the existence and the provision of the contract of carriage.

5.2 Waybills are made out by Malév or its agent on the basis of a Carriage Order form completed by the consignor. The consignor shall be responsible for the exactness of the data and statements disclosed to Malév for the purpose of entering them in the waybill, and shall bear all consequences which may arise from the absence, irregularity or incorrectness of such statements or data.

5.3 The consignor shall attach to the waybill all documentation required in the course of the carriage and the delivery of the consignment. Malév or its agent shall not be responsible to verify the correctness of such documents.

5.4 Malév or its agent shall make out waybills in three original parts and at least five copies, using a standardized form designed for this purpose.

5.5 The first original part shall be given to Malév, the second one to the consignee, and the third one to the consignor. The third original part of the waybill, the one to be given to the consignor, shall be signed and stamped by Malév in evidence of Malév's receipt of the cargo.

6. THE FREIGHT CHARGES

Section 6 of the Government Decree

6.1. GENERAL PROVISIONS

6.1.1. Freight charges are the reward for the carriage from the place of departure to the place of destination. Unless an agreement is made to the contrary, the freight charges shall be Malév's officially published charges. Unless an agreement is made to the contrary, the freight charges shall not include the costs of carriage to the place of departure, the cost of onward transportation from the place of destination, nor other costs which may occur at the place of departure, place of destination or elsewhere, nor the charges to be paid for other service used, except in the case that Malév provides such carriage by land or other services free of charge.

6.1.2. Other costs shown on the waybill pertaining to the carriage of a consignment include non-freight charge type costs payable at the airport of departure as well as transit and transfer airports. Costs payable at the airport of destination are not included in other costs; they must be paid by the consignee at the place of destination on receiving the cargo.

6.1.3. The costs of carriage are calculated on the basis of the actual weight or the volume weight, whichever is higher, of the consignment and, unless an agreement is made to the contrary, the published charges between the place of departure and the place of destination effective on the date of issue of the waybill. The amount of the freight charges shall not be affected by changes in the applicable freight charges between the date of acceptance of the carriage order and the date of commencement of the carriage. Changes in the itinerary and the date of the carriage after the date of acceptance of the carriage order may have an effect on the freight charges.

6.1.4. In the case of carriage without reward, Malév reserves the right to deviate, either partially or completely, from the provision in these General Conditions of Carriage.

6.1.5. Freight costs shall either be paid by the consignor at the place of departure (Charges Prepaid consignment) or by the consignee at the place of destination (Charges Collect consignment).

6.1.6. In the case of the following types of consignment, the waybill shall not stipulate Charges Collect payment terms:

- a. unaccompanied baggage or items intended for personal use,
- b. perishable goods,
- c. live animals,
- d. human relics (either in coffins or urns),
- e. commercial samples, publications, photographs intended for use by the press,
- f. gifts,
- g. goods whose commercial value is below the freight charges,
- h. if the consignee's address is in a country other than the country where the place of destination is located,
- i. if the consignor and the consignee is the same natural person.

6.1.7 Malév reserves the right to impose extra charges with reference to fuel or under other title, and the amount and the temporal effect of such extra charges shall be determined at the sole

discretion of Malév. By concluding a contract with Malév, the consignor agrees to pay such extra charges on paying the freight charges at the latest. Upon request, Malév shall provide information about possible extra charges.

6.2. TAXES AND DUTIES

6.2.1 Freight charges are not inclusive of the taxes and duties imposed by governments, authorities and airport operators effective on the date of commencement of the carriage; such costs shall be paid separately by the consignor.

6.2.2 Taxes and duties shall be paid by the consignor upon the payment of the freight charges, or, if so requested, separately (depending on the nature of the tax).

6.3. THE PAYMENT OF THE FREIGHT CHARGES

6.3.1. In the case of Charges Prepaid consignments, the consignor shall pay the freight costs in cash or by some form of cash substitute (e.g. bank transfer) accepted by Malév or its agent upon the issue of the waybill at the latest. In the case of Charges Collect consignments, the consignee shall pay the freight charges to Malév or its agent by cash or bank transfer before receiving the cargo. In the case of Charges Collect consignments, the cargo may not be delivered to the consignee until the freight charges have been duly settled.

6.3.2. The freight charges shall be paid in a currency accepted by Malév. If the payment requires currency conversion, the exchange rates published at the sales points, as determined by Malév, shall be used.

6.3.3. Malév shall have the right to refuse the carriage, forward carriage or delivery of the consignment, and impose handling charges as published at the www.malev.hu website if the consignor or the person obliged to pay fails to settle, either in part or in full, the freight charges, taxes, duties, handling charges, or if the related contract of carriage is violated.

6.3.4. In the event that the freight charges, taxes, duties, handling charges were not calculated in accordance with the www.malev.hu website, or such calculations were otherwise incorrect, the consignor shall pay the difference, or, in the case of overpayment, the surplus shall be refunded to the consignor or the person who paid for the carriage.

6.3.5 Malév shall have lien over the consignment to the extent of the unpaid portion of the freight charges and its other costs. In the event that the person obliged to pay for the carriage fails to settle the debt (including interests, if any, the costs of the enforcement of the claim and the establishment of the lien, and other costs incurred in relation of the cargo) by the due date, Malév shall have the right to satisfy its claim through the sale of the cargo. Malév shall ensure that appropriate notice is sent to the consignor or the consignee before such sale concerning the circumstances thereof. The proceeds from the sale of the consignment shall be retained by Malév, however Malév shall settle with the person obliged to pay in accordance with the provision above. Malév shall not be responsible for any damages which the consignor, the consignee or their agents may suffer in relation of such notice.

6.4. REFUNDING

6.4.1 Malév shall refund the freight charges, either in part or in full, if it failed to perform the carriage paid under the waybill. The charges of partial carriage shall not be refundable.

6.4.2 Freight charges shall be refunded as follows:

- a. if no carriage has been performed under the contract, the total amount of the freight charges shall be refunded,
- b. if the consignment has been handed over at an interim landing place, the difference between the freight charges paid for the carriage to the final destination and such interim landing place shall be refunded.
- c. if the carriage is interrupted due to an insoluble difficulty, the freight charges pertaining to the section where no carriage took place shall be refunded.

7. COMPLETING THE CARRIAGE

Section 7 of the Government Decree

7.1. GENERAL PROVISIONS

7.1.1 The consignment shall be loaded and unloaded by Malév.

7.1.2 Malév shall transport the consignment from the airport of departure to the airport of destination in accordance with the contract of carriage.

7.1.3 The consignor shall have the right to choose the itinerary. In the absence of such instructions, Malév shall be entitled to choose an itinerary following consideration of issues related to economies of scale and safety.

7.1.4 Malév may change the itinerary specified in the waybill for reasons occurring in its scope of operation.

7.1.5 Upon the request of the consignor, Malév may agree to transport the consignment on a specific date and flight.

7.1.6 In the absence of an agreement with the consignor to the contrary, Malév shall have the right to determine the order in which the consignments are transported.

7.1.7 Malév may accept orders for other services supplementing carriage.

7.1.8 Malév may accept orders for the door-to-door delivery of the consignment from either the airport of departure or the airport of destination to the consignee's home (premises).

7.2. RIGHT OF DISPOSITION OF CARGO

Articles 12-15 of the MC, Articles 12-15 of the WC

7.2.1 The consignor may amend the contract of carriage subsequently, instructing Malév to

- a. withhold the consignment at an interim landing point,
- b. deliver the consignment to the consignee originally designated in the waybill or another person at an interim landing point
- c. deliver the consignment to a person other than the consignee originally designated,
- d. return the consignment to the airport of departure.

7.2.2 The consignor shall present his copy of the waybill in order to exercise his right of disposition. Malév shall have the right to require written instructions from the consignor.

7.2.3 The consignor may exercise his right of disposition until such time as the receipt of the cargo by the consignee has started or the consignee has given any instructions regarding the receipt thereof.

7.2.4 Malév shall not be liable to carry out an instruction if it is impossible to perform, or if such instruction would disrupt Malév's operations or interfere with the interests of other consignors

whose consignments are carried by the same aircraft. In such cases Malév shall inform the consignor immediately, and request another instruction.

7.2.5 All additional costs which may arise in performing the instructions shall be borne by the consignor who shall pay such costs to Malév. Malév shall have the right to claim such additional costs or an appropriate advance payment from the consignor before carrying out the instructions.

7.3. IMPEDIMENTS TO CARRIAGE

7.3.1 With regard to reasons occurring within its scope of operation, Malév is entitled to:

- a. transport the consignment on a different flight,
- b. appoint another airline as substitute,
- c. warehouse the consignment.

7.3.2 Malév shall not impose extra charges in relation of amendments in the contract made due to reasons occurring within its scope of operation.

7.3.3 In the case of an insoluble difficulty in the carriage, Malév shall guarantee the safety of the consignment, require instructions from the consignor immediately, and act accordingly. Malév shall have the right to sell quickly perishable goods without prior notice to the consignor.

7.3.4 If, upon the request of Malév, the consignor fails to provide instruction which can be carried out immediately, or if it is impossible to notify the consignor, Malév shall be entitled to forward or sell the consignment through other means.

7.3.5 In the event that Malév enters into an agreement in the course of acting on the basis of Clause 7.3.3 or 7.3.4 above, Malév shall be considered as the consignor's agent. Malév shall be entitled to claim the payment of its additional costs incurred in relation of the above.

8. CONTENT AND PACKAGING OF THE CONSIGNMENT

Sections 8-10 of the Government Decree

8.1. CONTENT AND INSPECTION OF THE CONSIGNMENT

8.1.1 Items (substances) banned from carriage:

- a. goods whose carriage is banned by international treaties or the laws of any of the countries involved in the carriage,
- b. consignments which may harm the vehicle of transport, the people involved in the carriage, other goods or baggage,
- c. consignments which may cause inconvenience to passengers traveling by the aircraft.

8.1.2 Malév shall have the right to inspect the contents of the consignment, preferably in the presence of the consignor. If such inspection takes place in the absence of the consignor, Malév shall ensure that an official is present. If this is impossible, inspection may also be carried out in the presence of two witnesses. Malév shall prepare records of all inspections. The records shall include the findings of the inspection, the weight of the consignment, a description of the contents of and damages, if any, to the consignment. Malév shall send to the consignee and the consignor a copy of the records each.

8.2. PACKAGING OF THE CONSIGNMENT

8.2.1 Consignments shall be packaged in such a way that the packaging should resist the impacts resulting from the transportation, preserve the cargo throughout the carriage, prevent the cargo from damaging people, objects, other cargo or baggage, and guarantee that the consignment will not compromise flight safety.

8.2.2 The consignor shall display appropriate signs on the packaging if the cargo requires special handling due to being either fragile or dangerous.

8.2.3 In accordance with the IATA Live Animal Regulations, live animals shall be transported in a case, cage or container.

8.2.4 Dangerous goods shall be packaged and signed according to the IATA Dangerous Goods Regulation.

8.2.5 Substances which may provoke disgust shall be packaged in such a way that their unpleasant qualities are concealed.

8.2.6 If Malév considers the packaging of a consignment inappropriate, the consignor shall change the packaging if so instructed. If the consignor fails to fulfill such request, Malév shall have the right to decline the receipt of the consignment.

9. DELIVERY OF THE CONSIGNMENT

Section 2 of the Government Decree

Article 16 of the MC

Articles 12 -16 of the WC

9.1. DELIVERY OF THE CONSIGNMENT

9.1.1 Malév shall inform the consignee or another person designated by the consignor immediately about the arrival of the consignment to the airport of destination. Such notice shall specify the latest pickup date.

9.1.2 Following the completion of the carriage, Malév shall hand over the appropriate copy of the waybill along with the consignment to the consignee against the payment of the carriage costs which may have arisen in the course of the carriage.

9.1.3 The place of delivery shall be the airport. In the event that Malév provides door-to-door delivery service, the consignment is delivered to the home (premises) of the consignee.

9.1.4 Malév hands over the consignments on the basis of their weight and the number of packages.

9.1.5 Malév shall use a copy of the waybill and/or the delivery and warehouse note, the group delivery note, or a detailed delivery note pertaining to the consignments for the purpose of having the consignee acknowledge the receipt of the consignment. In the case of legal entities, acknowledgement shall be performed by signing and stamping the appropriate document, otherwise a signature is sufficient.

9.1.6 If the consignee received the consignment without complaints, such consignment shall be deemed to have been delivered by Malév in good conditions and in accordance with the contract of carriage.

9.1.7 The consignee shall receive the consignment within two business days of being notified. If the consignment is not received by such date, Malév shall charge a fee for warehousing the consignment as set forth in its relevant publications.

9.1.8 Malév shall not be liable to deliver the consignment until all charges and costs in relation of the carriage have been settled.

9.2. IMPEDIMENTS TO DELIVERY

9.2.1 If the consignee fails to receive the consignment, settle all due costs upon receipt thereof, or the delivery of the consignment is otherwise hampered, Malév shall warehouse the consignment and inform the consignor immediately.

9.2.2 After receiving the notification specified in Clause 9.2.1 above, the consignor shall give instructions regarding the consignment. Costs arising from such instructions and warehousing charges shall be borne by the consignor. If the consignor fails to give feasible instructions within five days of being notified, Malév will sell the consignment. Malév shall carry out the sale in accordance with the regulations applicable at the place of such sale. Malév shall deduct the amount of its claims from the proceeds from the sale, and pay the remainder to the consignor.

10. SPECIAL CARRIAGE

10.1. DANGEROUS GOODS

Section 12 of the Government Decree

Section 12 Regarding the carriage of dangerous goods under an air transportation contract, the provisions of a separate law¹ shall apply.

10.2. MILITARY SUPPLIES AND MILITARY EQUIPMENT

Section 13 of the Government Decree

(1) In the case of the carriage of military supplies and military equipment, the carrier shall before the commencement of the carriage verify whether the licences required by law for activities involving military supplies and military equipment along with the permits required by the countries affected by the carriage in relation of the performance of the carriage are present with respect to the consignor or the natural or legal person authorized in writing by the consignor and the consignment, and whether such military supplies and military equipment can be transported in accordance with the laws and international conventions pertaining to the carriage of such cargo, and compliant to the laws and regulations made by the authorities of the countries affected by the carriage. If any of these conditions are violated, the carrier shall decline the carriage of military supplies and military equipment without receiving the consignment. In order to guarantee public safety, the carrier may seek advice from the relevant authorities before making such decisions.

(2) Military supplies and military equipment shall be transported unloaded, or in a state in which they may not be used directly for their intended purpose, in packages which are impossible to open by unauthorized personnel.

(3) The carrier shall retain all documents (licences, waybills etc.) pertaining to the carriage of military supplies and military equipment for at least one year.

11. LIABILITY FOR DAMAGES

Sections 17-18 of the Government Decree

Articles 18-20, 22 (3)-(4) & (6), 31 & 39-45 of the MC

Articles 18 (2)-(5), 19-20, 21 (2), 22 (2) b-c, 22 (4) & (6), 23, 24 (2), 25/A, 26 & 32 of the WC

11.1. GENERAL PROVISIONS

11.1.1 With respect to carriage considered as international carriage under the International Convention, the provision of the International Convention shall be applied along with those provisions in this chapter which do not conflict with the International Convention.

11.1.2 If the carriage falls outside the scope of application of the International Convention, the provision in the Decree shall prevail.

11.1.3 Malév's liability for indemnification is limited to damages caused by the partial or complete destruction, loss or damage of the consignment in the course of air transportation, and damages caused by delays.

11.1.4 For fail of an express agreement by the parties to the contrary, Malév's liability for

¹ Decree No. 120/1997 (X.21.) of the Minister of Transport, Telecommunication and Water Management

indemnification shall only prevail if Malév's airline code is shown in the appropriate box of the waybill relating to the flight or flight section involved. If Malév receives a consignment for carriage by another airline, Malév shall act as the agent of such other airline.

11.1.5 Carriage performed by another cooperating airline shall be governed by the conditions of carriage and the liability regulations set forth by such other airline.

11.1.6 Malév shall be liable for damages caused in relation of the carriage by its employees as well as other persons commissioned by Malév for the performance of the carriage and performing their duties. Malév shall not be liable if such persons provide services upon the instruction of the consignor or other third party other than Malév, provided that such services are not the responsibility of the carrier.

11.1.7 The regulations pertaining to Malév's liability for indemnification, including exclusions and limitations of liability, shall be applicable to Malév's agents, proxies and employees, as well as third parties whose aircraft is used by Malév, including the agents, proxies and employees of such third parties. The total amount of the indemnification payable by Malév and the persons specified above shall not exceed Malév's maximum liability, if any.

11.1.8 For fail of an express agreement to the contrary, the provision herein shall not be construed as Malév's waiver of its rights to exclude or limit its liability under the Convention or the applicable law.

11.1.9 Malév's liability for indemnification shall not exceed the amount of proven damages, also taking into account the statutory limitations of liability quoted above.

11.1.10 Malév shall be exempt, either partially or completely, from under its liability against the claimant if the damage occurred as a result of the negligence, unlawful conduct or omission of the consignor or the consignee, or if such negligence, unlawful conduct or omission contributed to the damage.

11.1.11 Malév shall not be liable for damages resulting from legislations, resolutions, regulations or requirements imposed by authorities, or the failure of the consignor or the consignee to abide by the same.

11.1.12 The right to damages shall be extinguished if an action is not brought within a period of two years, reckoned from the date of arrival at the destination, or from the date on which the aircraft ought to have arrived. The method of calculating that period shall be determined by the court seized of the case.

11.1.13 Malév shall not be liable for damages caused to the consignment by third parties.

11.2. LIMITS OF LIABILITY, SUBMISSION OF CLAIMS

11.2.1 Malév's liability for indemnification shall be based on the weight of the consignment as shown on the waybill. Malév's liability shall be limited to 17 SDR per kilogram, except if the consignor issued a statement upon handing the consignment over to Malév confirming its interest in receiving the same at the place of destination, and paid a corresponding extra charge. In such cases, the carrier shall be liable for claims up to the previously specified amount, except if Malév proves that such previously specified amount is higher than the actual interest of the consignee in receiving the consignment at the place of destination.

11.2.2 Malév shall only be liable for damages caused by the destruction, loss or damage of the consignment if the event causing the destruction, loss or damage of the consignment occurred on board the aircraft or during a period when the consignment was under the control of the carrier. Nevertheless, Malév shall not be liable for damages resulting from inherent defects, quality or incompleteness of the consignment, its covering or packaging.

11.2.3 Malév shall not be liable for damages to or delay of items placed in the consignment despite them being banned from carriage, nor for damages to or delay of items which may be allowed in carriage on specific conditions but were placed in the consignment irregularly, regardless of whether Malév was aware of the placement of such items in the consignment.

11.2.4 If the consignment is apparently incomplete or damaged upon receipt, Malév shall be informed without delay. If the incompleteness or damage was impossible to detect upon receipt, a subsequent report may be submitted in writing within fourteen days of the arrival date of the flight. In such cases, the recipient shall prove that the damage occurred in the course of the carriage. The receipt of the consignment without any complaints shall constitute circumstantial evidence to the effect that the consignment was delivered in good conditions, in accordance with the carriage documents or other records.

11.2.5 Malév shall prepare written records on any reports specified in Clause 11.2.4 above, and do likewise upon discovering that the consignment is incomplete or damaged, or if the consignment cannot be delivered on time, and Malév shall provide the recipient with a copy of such records.

11.2.6 Complaints regarding the delay of the consignment may be lodged within 21 days of the delivery of the consignment to the recipient.

11.2.7 In the event that the consignment has not been delivered at the place of destination and it has been declared lost by Malév, or it is deemed lost by the consignor 30 days after the scheduled arrival date, a complaint may be lodged within 120 days of the date on which the consignment ought to have arrived at the place of destination.

11.2.8 In the event that no complaint is lodged within the periods specified above, there shall be no ground for actions against Malév.

11.2.9 All complaints and claims shall be made in writing and submitted or sent within the time periods specified above. The failure to observe these deadlines shall result in the loss of the right to claims.

11.2.10 In the event that the consignment was damaged in combined carriage and it is impossible to determine which carrier caused the damage, the consignor shall have the right to claim damages from any of the carriers involved in the carriage. The carriers involved in the carriage shall have joint liability toward the consignor and the consignee.

11.3. SUBMISSION OF CLAIMS

Articles 29-30, 33-35, 37 & 46 of the MC; Article 28-30/A of the WC

11.3.1 The above provisions shall not affect the parties' rights to bring actions.

11.3.2 The right to damages shall be extinguished if an action is not brought within a period of two years reckoned from the date of such damage.