

CONSULTANCY AGREEMENT

This Agreement, dated as of 1 July 2017 (the "Effective Date"), is made by and among **BSI PUBLIC AFFAIRS, INC.** (a corporation organized under the laws of the State of Delaware, U.S.A ("BSI") and the **Consulate General of Hungary in Los Angeles (11766 Wilshire Blvd, Los Angeles, CA 90025)**, the diplomatic mission of the Republic of Hungary in Washington, D.C. (the "Client") BSI and the Client will be referred to collectively as "the Parties" or sometimes individually as a "Party."

WHEREAS, the Client requires up-to-date and accurate information about economic, political and other developments in the United States of America in connection with the development and implementation of its global strategic program and therefore has requested BSI's assistance in providing government relations and consulting services as more specifically described below (the "Consulting Services") and project initiation and implementation services as more specifically described below (the "Project Services") as well as media relations, government relations and public relations services in the United States of America and elsewhere; *and*

WHEREAS, BSI, having the necessary expertise, is willing to provide such services to the Client on the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the foregoing recitals, the promises hereinafter set forth and for other good and valuable consideration the receipt, sufficiency and adequacy of which are hereby acknowledged, it is hereby agreed, declared, covenanted and promised as follows:

1. **Engagement.** The Client hereby engages BSI to provide the Consulting Services and Project Services and BSI hereby accepts such engagement all on the terms and conditions set forth below.

2. **Scope and Nature of the Consulting Services.**

A. The Consulting Services to be provided by BSI consist of general advice and recommendations concerning the policies and programs of the United States federal, state and local governments, American business enterprises and non-governmental organizations, issues pertaining to the American media and United States public opinion to the extent they may affect the present and future activity of the Client or otherwise are of concern to the Client. These issues will be specified from time to time by the Client in coordination with BSI and shall comprise the Client's strategic program (the "Strategic Program").

B. The Consulting Services will be provided in the following manner:

(i) **Monthly Project Meetings:** These meetings will take place at the Client's offices in Washington, D.C., at the Ministry of Foreign Affairs in Budapest, Hungary or at such other locations as the Parties may determine by mutual agreement from time to time. BSI undertakes to provide at least one qualified representative to attend each Monthly Project Meeting. The dates and times of the Monthly Project Meetings will be determined by the Parties jointly and set not less than two weeks prior to each such meeting

(ii) **Tri-monthly Project Reports:** Upon request by the Client, BSI shall provide written summaries of its activities under this Agreement every three (3) months during the Term of this Agreement.

(iii) **Periodic Teleconferences:** Upon request by the Client BSI shall be available to participate in secure teleconferences with the Client representatives throughout the Term of this Agreement. Such conferences shall not occur more frequently than weekly and shall last no longer than one (1) hour for each conference session.

C. To remove any doubt the Parties have agreed that Consulting Services, Project Services, and any Media, Government Relations and Public Relations Services shall be deemed "commercial activity" for purposes of applicable law.

3. **Scope and Nature of Project Services**

A. At the request of the Client BSI shall provide Project Services to the Client. Project Services will consist of planning, development and implementation of specific programs and projects which are intended to further the Strategic Program. Examples of covered Projects may include but which are not limited to:

(i) **Organizing Private and Public Conferences and Symposia** on topics of interest to the Client and which are related to the Strategic Program.

(ii) **Organizing delegations of policy-makers, public opinion-makers and members of public interest groups and the general public to and from the United States of America;**

(iii) **Arranging meetings with public officials, academics, media representatives and others on matters of interest to the Client and which are related to the Strategic Program.**

B. Covered Projects and related Project Services will be defined on a case-by-case basis as determined by the Client in consultation with BSI.

4. **Media, Government Relations and Public Relations Services.** In addition to the Consulting Services and the Project Services, BSI shall upon request by the Client provide such media, government and public relations services in or without the United States of America as the Client shall specify in writing from time to time.

5. **Compensation.** As its sole consideration for the various services to be provided under this Agreement, BSI shall be entitled to receive, and the Client shall remit to BSI, compensation (exclusive of expenses/disbursements) as follows:

A. Consulting Services.

(i) In consideration of the Consulting Services the Client shall remit to BSI a non-refundable monthly fixed fee of U.S. \$15,000 per month (the "Consulting Fee") against presentation of a commercial invoice, exclusive of any applicable sales, use, value-added or similar taxes.

(ii) The Consulting Fee will be payable on the first day of each calendar month during the Term of this Agreement, subject to the provisions of this Agreement regarding the Advance Fee Deposit as described below.

(iii) Upon signature of this Agreement, the Client will remit to BSI an Advance Fee Deposit equal to two (2) months' Consulting Fees in order to secure payment of the Consulting Fees due for the last two months of the Term of this Agreement.

(iv) The Consulting Fees shall be payable in United States currency in such manner as BSI shall direct from time to time.

(v) In addition to any other remedies BSI may be entitled to under this Agreement and applicable law, in the event the Client fails to pay any month's Consulting Fee in a timely manner, the Client shall pay interest on the late payment at the annualized rate of 10% for each day the Consulting Fee is overdue.

B. Project Service Fees. Project Service Fees and the terms and conditions of payment of such fees will be established by the Parties for each Project on a case-by-case basis and shall be attached as addenda to this Agreement from time to time.

C. Media Relations, Government Relations and Public Relations Fees. Attached to this Agreement as Schedule "A" is a list of BSI's fees for media relations, government relations and public relations services.

D. No Withholding or Gross-Up. All compensation provided by the Client to BSI shall be payable without deductions or withholding of any sums for taxes of

any description, including but not limited to deduction for federal income, social security or state income taxes; unemployment insurance; or any other contribution or benefit including but not limited to workers compensation insurance or any health or accident insurance. Accordingly, BSI shall be responsible for the payment of all taxes incident to compensation paid under this Agreement.

E. **Payments.** All payments under this Agreement shall be made to BSI in United States currency at a financial institution(s) designated by BSI in its sole discretion in the United States, unless otherwise agreed by the Parties in writing.

6. **Expenses/Disbursements.**

A. Without regard to the Consulting Fees, Project Services Fees and Media/Government/Public Relations Fees, the Client shall fully reimburse BSI for all direct expenses and disbursements incurred by BSI and its personnel and affiliated consultants in connection with the performance of this Agreement promptly upon demand and against presentation of supporting documentation. Such expenses shall include but shall not be limited to: (a) business class travel; (b) lodging at hotel accommodations of BSI's choice; (c) ground transportation (taxis, car-service, rail, rental cars etc.); (d) messengers; (e) photocopying and printing; (f) extraordinary postage and communications costs; (g) experts and consultants in specialized fields; (h) advertising; (i) food costs; (j) database usage; etc.

B. The Client will fully reimburse BSI for all travel and related costs incurred by BSI and its personnel prior to the date of this Agreement. A list of these expenses is attached as Schedule "B" to this Agreement. Payment of these pre-Agreement expenses shall be remitted together with the Advance Fee Deposit due upon signature of this Agreement.

7. **Term and Termination.**

A. This Agreement shall take effect on the Effective Date and shall expire six (6) months thereafter (the "Term"), unless sooner terminated as provided below.

B. This Agreement may be extended by mutual agreement of the Parties memorialized in writing.

C. The Client shall have the right to terminate this Agreement immediately hereunder at any time for Cause (as hereinafter defined). the Client shall have "Cause" to terminate this Agreement upon written notice of termination to BSI upon BSI's:

- (i) misconduct that is materially injurious to the Client, its customer or its affiliates;
- (ii) commission of an act of moral turpitude in connection with the services provided by BSI;

(iii) conviction of a felony under the laws of the United States of America or engaging in unethical conduct as determined by an agency of the United States government; or

(iv) breach of any material term or condition of this Agreement provided that BSI shall not have cured any such breach capable of being cured within 14 days of the notice of termination.

In the event this Agreement is terminated for Cause by the Client, BSI shall be entitled to all compensation earned through the date of notice of termination.

D. BSI shall have the right to terminate this Agreement for "Cause" upon written notice of termination to the Client in the event, the Client:

fails to pay any compensation due under this Agreement within the time required for such payment and such non-payment has not been cured within five (5) business days after written notice from BSI. the Client has committed a violation of United States law in connection with the subject matter of this Agreement.

In the event this Agreement is terminated for Cause by BSI, BSI shall be entitled to receive Consulting Fees for the entire Term less whatever such fees have already been paid to BSI, as well as any unpaid Project Services Fees and Media/Government/Public Relations Fees, plus interest as allowed by applicable law at the post-judgment rate.

8. **Confidentiality**

A. BSI acknowledges that it is the policy of the Client and its affiliates to maintain as strictly secret and confidential all Confidential Information, as hereinafter defined. BSI shall not disclose or appropriate to its own use or to the use of any third party, at any time during or subsequent to the term of this Agreement any Confidential Information, including Proprietary Information (as defined below).

(i) "Confidential Information" shall mean any information, heretofore or hereafter acquired, discovered, developed, conceived, originated, used, proprietary or prepared by the Client its affiliates, or by a consultant of the the Client or its affiliates (including BSI and its affiliates), whether oral, written or stored in digital, electronic or any other medium, and which the Client or its customer, clients and affiliates either designate as confidential or proprietary or which it or they otherwise

treat as confidential or proprietary whether or not expressly so legended. For the sake of clarity, Confidential Information shall not include (a) information in the public domain; (b) information created by BSI or its affiliates without use of the Client's Confidential Information; or (c) information obtained by BSI or its affiliates from third-parties without misappropriating or misusing the Client's Confidential Information.

B. The Client acknowledges that it is the policy of BSI and its affiliates to maintain as strictly secret and confidential all Confidential Information, as hereinafter defined. the Client shall not disclose or appropriate to its own use or to the use of any third party, at any time during or subsequent to the term of this Agreement any Confidential Information, including Proprietary Information (as defined below).

(i) "Confidential Information" shall mean any information, heretofore or hereafter acquired, discovered, developed, conceived, originated, used, proprietary or prepared by BSI its affiliates, whether oral, written or stored in digital, electronic or any other medium, and which BSI or its affiliates either designate as confidential or proprietary or which it or they otherwise treat as confidential or proprietary whether or not expressly so legended. For the sake of clarity, Confidential Information shall not include (a) information in the public domain; (b) information created by the Client or its affiliates without use of BSI's Confidential Information; or (c) information obtained by the Client or its affiliates from third-parties without misappropriating or misusing BSI's Confidential Information.

C. Upon the termination or expiration of this Agreement, each Party shall immediately deliver to the other Party, all of the latter's books, records, memoranda, data, documents and all Confidential Information relating to the other Party or its customers, clients or affiliates, in the possession, custody or under the control of receiving Party.

9. General

A. This Agreement reflects the entire understanding between the parties in relation to the subject matter hereof and supersedes all agreements and understandings between the parties concerning the subject matter hereof.

B. It is expressly agreed that BSI is acting as an independent contractor in performing the services specified under this Agreement and BSI is not subject to regular supervision and control by the Client.

C. This Agreement shall not constitute BSI the agent or legal representative of the Client for any purpose.

D. This Agreement creates no relationship of joint venturers, partners, associates, employment or principal and agent between the Parties.

E. Neither Party shall have the right to exercise any control or direction over the operations, activities, employees or agents of the other Party. BSI is not granted any right or authority to, and shall not attempt to, assume or create any obligation or responsibility for or on behalf of the Client or any of its customers, clients or affiliates. BSI shall have no authority to bind the Client or any of its customers, clients or affiliates to any contract.

F. BSI shall be solely responsible for its own employees and for their acts or omissions.

G. No failure by either Party to insist upon the strict performance of any term or condition of this Agreement or to exercise any right or remedy available to it will constitute a waiver. No breach or default of any provision of this Agreement will be waived, altered or modified, and the Parties may not waive any of their rights, except by a written instrument executed by the Party in whose favor the term or condition applies. No waiver of any breach or default will affect or alter any term or condition of this Agreement, and such term or condition will continue in full force and effect with respect to any other then existing or subsequent breach or default thereof.

H. Should any court or tribunal of competent jurisdiction find any provision of this Agreement to be unenforceable to any extent under the laws of any particular jurisdiction, then such provision shall, if entirely unenforceable, be deemed separable, or shall be modified and enforced to the greatest extent permitted by law, and shall in any event not affect the enforceability of any other provision of this Agreement in that jurisdiction or of the particular provision in any other jurisdiction.

I. All notices, requests, consents and other communications hereunder shall be in writing and may be delivered personally or sent by mail, courier, fax, or other written means of communication to the Parties at their addresses (as listed below) or to other such addresses as may be furnished in writing by one Party to the other Party.

The Client:

Care of the General Consul
Consulate General of Hungary in Los Angeles
11766 Wilshire Blvd
Los Angeles
California CA 90025

BSI:

Mr. Tzvika Brot
Care of:
L. Marc Zell, Esq.
350 Fifth Avenue
59th Floor
New York, NY 10118

10. **Assignment/Delegation Prohibited.** The Client shall not delegate, assign or transfer any of its obligations or undertakings under this Agreement to any person or enterprise. Any such attempted delegation or transfer shall be deemed a material breach of this Agreement and a violation of Paragraph 1 hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

SIGNED for and on behalf of
BSI PUBLIC AFFAIRS, INC.

By: 

Name: L. Marc Zell

Title: Director

BSI
International consulting
Rogovin-Tidhar Tower
11 Menachem Begin St.
Ramat-Gan, Israel 5260104

SIGNED for and on behalf of
Consulate General of Hungary in Los Angeles

By: 

Name: Mr. Csaba Balogh

Title: Minister of State for Public Administration




2017.08.15.
ATTILA VÁRBIK
HEAD OF LEGAL DEPARTMENT

Pénzügyi ellenjegyzés
Holtz
PATAI-SZABÓ RENÁTA
Sp. 2017.08.21.