

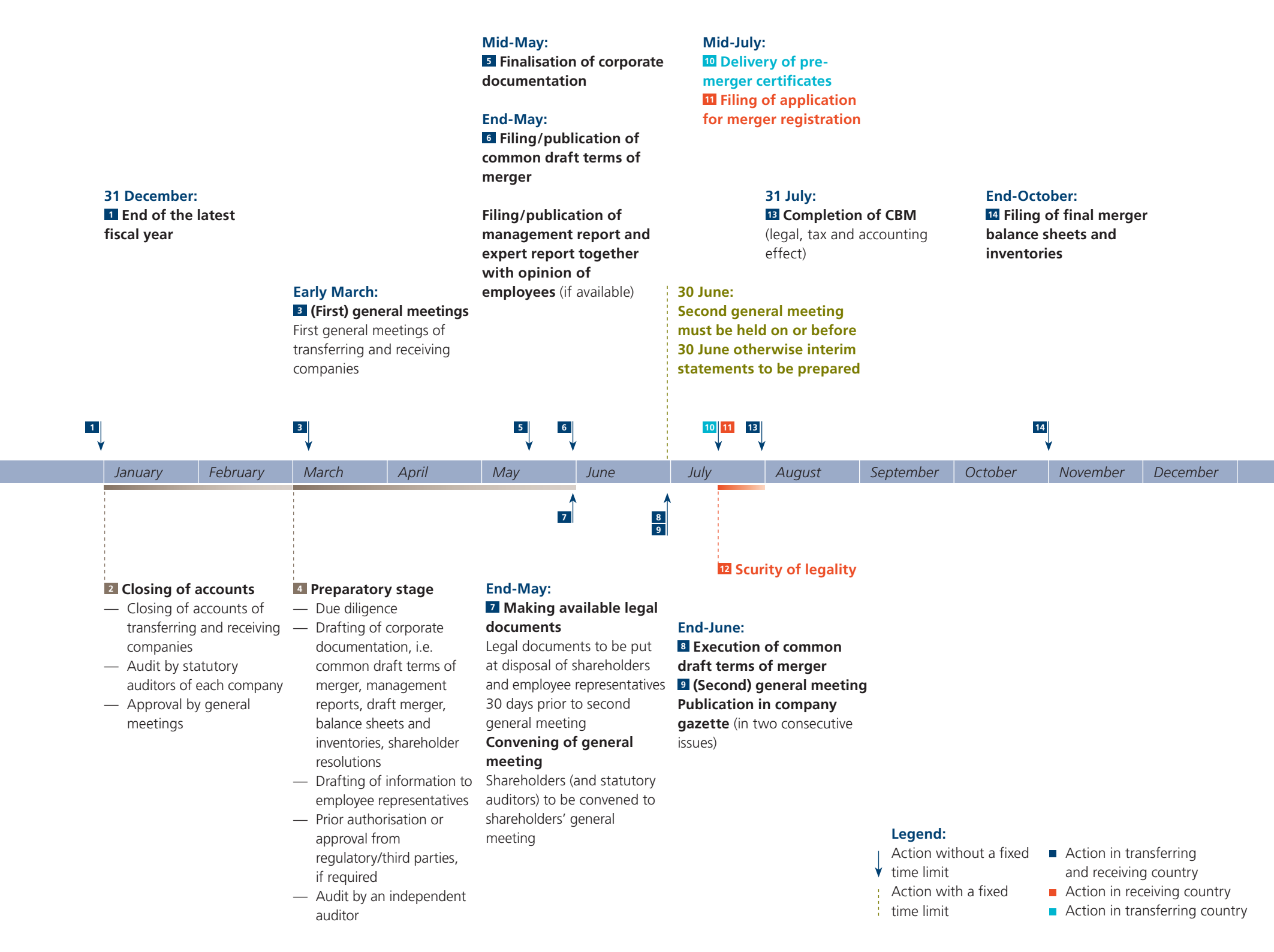
Hungary: simplified timeline of a CBM



Assumptions regarding an envisaged cross-border merger (CBM)

1. Both transferring and receiving companies are governed by the laws of a Member State of the EU (two distinct States by definition), and cross-border merger is governed by the EU directive.
2. Latest financial years of both transferring and receiving company entities match calendar year.
3. Latest financial statements are approved prior to execution of draft cross-border merger agreement.
4. Shareholders of both companies decide not to involve an independent expert.
5. All shareholders consent to merger.





31 December:
1 End of the latest fiscal year

Early March:
3 (First) general meetings
 First general meetings of transferring and receiving companies

Mid-May:
5 Finalisation of corporate documentation

End-May:
6 Filing/publication of common draft terms of merger

Filing/publication of management report and expert report together with opinion of employees (if available)

Mid-July:
10 Delivery of pre-merger certificates
11 Filing of application for merger registration

31 July:
13 Completion of CBM (legal, tax and accounting effect)

End-October:
14 Filing of final merger balance sheets and inventories

30 June:
 Second general meeting must be held on or before 30 June otherwise interim statements to be prepared



2 Closing of accounts

- Closing of accounts of transferring and receiving companies
- Audit by statutory auditors of each company
- Approval by general meetings

4 Preparatory stage

- Due diligence
- Drafting of corporate documentation, i.e. common draft terms of merger, management reports, draft merger, balance sheets and inventories, shareholder resolutions
- Drafting of information to employee representatives
- Prior authorisation or approval from regulatory/third parties, if required
- Audit by an independent auditor

End-May:
7 Making available legal documents
 Legal documents to be put at disposal of shareholders and employee representatives 30 days prior to second general meeting
Convening of general meeting
 Shareholders (and statutory auditors) to be convened to shareholders' general meeting

End-June:
8 Execution of common draft terms of merger
9 (Second) general meeting
Publication in company gazette (in two consecutive issues)

12 Scurity of legality

Legend:

- ↓ Action without a fixed time limit
- ⋮ Action with a fixed time limit
- Action in transferring and receiving country
- Action in receiving country
- Action in transferring country