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HUNGARY
Magyar Rogbi Szovetseg
Dozsa Gyorgy ut 1-3
H - 1143 Budapest 70.Pf.116
Hungary
HUNGARY

Date: 10 December 2004

Application Ref: D 58/2005

Operational Support Scheme – Letter of Advice

The IRB Trust has considered your Union's application submitted for the period 1 January to 31 December 2005 for financial assistance under the above Scheme.

We are pleased to inform you that the Trust has approved funding to the HUNGARY Rugby Union totalling Stg£32,000 on the basis of the application and supporting document submitted.

The approved projects, the key outcomes expected to be achieved on the implementation or completion of each project, funding specifics and the performance review requirements are detailed on the attached Schedule (Schedule One).

Attached is a Letter of Acknowledgement. If your Union is prepared to accept the recommended Grant detailed in the attached Schedule, please ensure that the final page of this letter is signed and dated by your Union's authorised official and returned to this office. On the receipt of this, the recommended funding will be forwarded to you in accordance with your Union's instructions. When these funds have been received by your Union please return the attached receipt (Schedule Two).

The IRB Trust is pleased to be in a position to assist the promotion and development of the Game in your Union.

Following the Governance Review in 2004 the IRB Council will be addressing prioritisation issues with one of its key goals retaining an increase in participation in Rugby Union Worldwide.

Yours sincerely,

Geoff Evans
Head of Rugby Development

OPERATIONAL SUPPORT SCHEME

LETTER OF ACKNOWLEDGEMENT AND UNDERTAKING

To: The Trustees
IRB Trust
Huguenot House
35 – 38 St. Stephens Green
Dublin 2
Ireland

Fax: +353 1 240 9201

From: HUNGARY Rugby Union
Magyar Rogbi Szovetseg
Dozsa Gyorgy ut 1-3
H - 1143 Budapest 70.Pf.116
Hungary
HUNGARY

1. Acknowledgement

- 1.1 The HUNGARY Rugby Union acknowledges the formal approval of financial assistance by the Trustees of the IRB Trust in a Letter of Advice and attached Schedule dated 09 December 2004.
- 1.2 It is understood that on receipt of this signed Letter of Acknowledgement and Undertaking, the approved funding totalling Stg£ 32,000 ("the Funding") will be forwarded to this Union in accordance with the instructions indicated in the relevant application for financial assistance submitted for the period 1 January to 31 December 2005.
- 1.3 It is further understood that the Trustees shall be under no obligation to make the funding or any part of it available at any time during the term of the approved programme or project if the Union is not, in the informed opinion of the Trustees, complying with the Undertaking, detailed below, given by this Union.

2. Undertaking

The Union has considered carefully the Letter of Advice and attached Schedule received from the Trustees and gives the following Undertakings detailed in paragraphs 3 to 11 inclusive, without qualification.

3. Expenditure of Funding

- 3.1 The Union shall only expend the Funding in order to meet the Key Outcomes Schedule set out in Schedule 1 attached to the Letter of Advice.
- 3.2 If the Union fails to comply with Clause 3.1 to the satisfaction of the Trustees or the Trustees have, in writing, formally waived the Union's obligation to do so, the Trustees may terminate this Agreement in accordance with Paragraph 8 hereof.
- 3.3 In the event that the Union fails to expend the levels of Funding set out in the Key Outcomes Schedule, the Union shall on demand, repay to the Trust the unexpended amount of this Funding unless otherwise agreed in writing. Pending such written agreement, if any, the Union shall hold the unexpended amount of the Funding in trust for the IRB Trust.

4. Accountability – Performance Review

- 4.1 Subject to the monitoring provisions, if any, detailed in the Key Outcomes Schedule, the Union shall produce a written report to the IRB on the date or dates indicated in the Schedule describing:
- a. the progress and outcomes of objectives, projects, and programmes indicated in the Schedule;
 - b. the Union's latest set of audited accounts, a financial statement as to how the Funding and the Union's own funds have been expended within the context of the Schedule; AND,
 - c. the Union's updated Management Plan for the following year, or where such a Plan is being developed, an indication of the progress to date.
- 4.2 At the request of the IRB the Union shall meet nominated persons from time to time and provide them with such information as they may require and consider necessary to determine whether the terms of this Undertaking have and / or are being complied with by the Union.

5. Recognition

- 5.1 The Union, will recognise publicly in an agreed and tangible manner that the Trustees have provided financial assistance for all or part of a specific project.

6. Representatives and Guarantees

- 6.1 The Union represents and warrants that it is a properly constituted and a valid existing legal entity under the legal jurisdiction of the Union's country.

7. Indemnity

- 7.1 The Union shall be solely liable for all its debts, losses and expenses arising out of its obligations under this Undertaking.
- 7.2 The Union shall indemnify the Trustees in respect of any claim, loss, cost, liability, damage or expense incurred by the Trustees by reason of the Union's breach of any term of this Undertaking.

8. Termination

- 8.1 If the Trustees consider the Union is failing to meet any of its obligations under this Undertaking, which, in the opinion of the IRB, is capable of being remedied, it shall notify the Union in writing of such a breach ("Breach Notice") and the course of action to remedy it.
- 8.2 If:
- a. the Union fails, in the opinion of the IRB to comply with the course of action outlined in a "Breach Notice" within twenty-eight (28) days of receipt of it; or
 - b. the Union commits any other breach of this Undertaking which, in the opinion of the IRB, is not capable of remedy; or
 - c. the Union is, in the Trustees' opinion, insolvent, or wound-up or any steps are taken for the winding up, dissolution or termination of the Union; or
 - d. any change occurs in the conduct, assets or financial condition of the Union which may, in the opinion of the Trustees, have a serious adverse affect on the ability of the Union to perform its obligations under this Undertaking or on the ability of the Trustees to exercise any rights or remedies it may have against the Union;

the Trustees may, by notice in writing to the Union, terminate immediately all funding relationships.

8.3 Upon termination of the relationship, the Union shall forthwith repay on demand to the Trustees the unexpended funds of the Funding in accordance with the level set out in the Key Outcomes Schedule. Pending such repayment, the Union shall hold such amount in trust for the Trustees.

9. Variation or Modification

No modification or variation of this Undertaking shall be binding on either party to the Undertaking unless such modification or variation is in writing and signed by both the Trustees of the IRB Trust and the Union's legally authorised representative.

10. Complete Agreement

This undertaking constitutes the entire understanding between the Trustees and the Union in respect of the matters dealt with in this Undertaking and supersedes all oral or written understandings representations or commitment of any kind expressed or implied.

11. Jurisdiction

This Undertaking shall be governed by and construed in accordance with Irish law and the parties hereby submit to the non-exclusive jurisdiction of the Irish Courts.

Execution of Undertaking

Signed by:

(print name)

(signature)

for and on behalf of the HUNGARY Rugby Union.

Date: _____

PERFORMANCE REVIEW AND NEXT APPLICATION DUE BY: 15th August 2005

IRB TRUST - DEVELOPMENT GRANT APPLICATION REVIEW 2005

SCHEDULE ONE

Union: HUNGARY

Category: E

Region: FIRA-AER

No. of Players 2004: 1,901

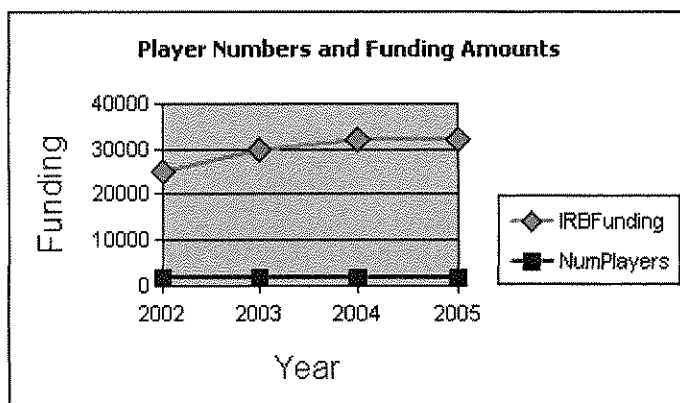
No. of Players 2003: 1,870

2004 Grant: 32,000

2003 Grant: 30,000

2005 Request: £124,400

Regional Recommendation: £32,000



Development Department Recommendation

Recommended Grant 2005 **£32,000**

Breakdown of Figures	Amount	In Kind	Total
20 Sport teachers Request:	6,000	0	6,000
Development Officer Request:	7,800	0	7,800
Increase Player Numbers Request:	10,400	0	10,400
Participation in Competitions Request:	7,800	0	7,800
TOTAL: (IRB Amount + InKind)	£32,000	£0	£32,000

Reasons for Recommendation

- The employment of a Development Officer is a priority. The Union must provide the IRB with the CV of the potential Development Officer PRIOR to appointment. The Union needs to focus on strengthening the base of the Game in Hungary.

IRB TRUST
SCHEDULE 2

(Please complete and return to the IRB once funds have been received by your Union)

TO: Development Department
International Rugby Board

FAX: +353 1 240 9201

FROM: HUNGARY Rugby Union.

DATE:

I wish to confirm receipt of STG£ 32,000 on behalf of HUNGARY Rugby Union as payment of our 2005 IRB Trust Grant.

Signed: _____

Position in Union: _____

Dated: _____