

**Magyar Exporthitel Biztosító Zrt.**

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BUSINESS REGULATIONS

These Business Regulations have been prepared in Hungarian and English, English translation for information purposes only.

In the event of discrepancies between English and Hungarian version, the Hungarian version shall prevail.

I. INTRODUCTORY PROVISIONS

1. Introduction

The **Hungarian Export Credit Insurance Private Limited Company** (hereinafter “the Insurer”, or “MEHIB”) is an insurance joint-stock company established under Act XLII of 1994 on Hungarian Export-Import Bank Limited and Hungarian Export Credit Insurance Company Limited (hereinafter: the “Etv.”).

2. General provisions

2.1. The Insurer is a legal successor of the Export Guarantee Insurance Company Limited and was established by way of demerger on 26 May 1994.

The Insurer is a private joint-stock company wholly owned by the Hungarian State. Pursuant to the Etv., the minister responsible for foreign trade is entitled to exercise owner’s (shareholder’s) rights in respect of the corporate shares in the Insurer that are owned by the state.

2.2. The Insurer’s registered office: 1065 Budapest, Nagymező u. 46-48.

2.3. Permanent establishment of the Company: 1011 Budapest, Fő út 1.

2.4. Branch sites of the Company:

- 4025 Debrecen, I. kerület, Petőfi tér 10.
- 9700 Szombathely, Rákóczi Ferenc utca 1.
- 8900 Zalaegerszeg, Petőfi utca 24.
- 9022 Győr, Bajcsy-Zsilinszky utca 44.
- 4400 Nyíregyháza, Széchenyi utca 2.
- 3525 Miskolc, Szentpáli utca 1.
- 7400 Kaposvár, Anna utca 6.
- 7625 Pécs, Dr. Majorossy Imre utca 36.
- 8000 Székesfehérvár, Rákóczi utca 1.
- 6000 Kecskemét, Árpád krt. 4.
- 8200 Veszprém, Szabadság tér 7.
- 6724 Szeged, Párizsi krt. 8-12.

2.5. Address of the Company’s Moscow Office: Russia 121069 Moscow, Povarskaya 21.

2.6. The Insurer’s tax number: 10949621-2-44, co. reg. no.: 01-10-042595, account number: 10918001-00000001-04530003

3. Legislative background relating to the Insurer

With respect to the Insurer and the activities it performs, the provisions of Act V of 2013 on the Civil Code (hereinafter: "Ptk.") that relate to legal persons shall apply, with the variations set out in the Etv. The conditions of non-marketable risk insurance undertaken by MEHIB against the central budget subject to an absolute surety guarantee from the Government are set out in Government Decree 312/2001 (XII. 28) (hereinafter: Government Decree 312/2001).

4. The Insurer's activity

MEHIB's activity comprises, from among the activities defined in Section 3 of the Etv., the provision of insurance and **reinsurance cover for non-marketable risk**, and the provision of information related thereto, in respect of the **following branches of insurance**:

- a) credit,
- b) suretyship,
- c) coverage of various financial losses.

MEHIB is entitled to conduct the above activities in connection with export-purpose foreign trade transactions, international aid transactions and investments of Hungarian investors abroad, as well as travel services offered by domestic travel agencies, or by the domestic branches or commercial representative offices of international businesses in relation to arranging travel to Hungary.

II. GENERAL SECTION

5. The Insurer's Clients

For the purposes of these business regulations (hereinafter: "Business Regulations"), the parties shall be the Client and the Insurer (hereinafter together: the "Parties"). With regard to these Business Regulations, a Client is a party ordering credit limit information, the contracting party, the insured, the beneficiary, the co-insured, the pledgee of the indemnification payment, or another person entitled to use the insurer's services (the assignee of indemnity payment); for the purposes of the provisions on data protection, a person that makes a contract proposal to the insurer shall also be deemed a Client.

6. Legal nature and content of the Business Regulations

Unless the contract set out in writing between the Client and the Insurer provides otherwise, the provisions of these Business Regulations shall apply to any legal relationship between the Insurer and the Client. The Business Regulations stipulate the general provisions applicable to the legal transactions concluded between the Insurer and its clients and constitute a part of the insurance contracts. The special conditions of the legal transactions entered into between the Insurer and its Clients are contained in the List of Terms and Conditions, and the content of insurance relationships associated with the given facility, as well as certain detailed rules of the relationships, are set out in the general terms of contract relating to the individual types of transaction (hereinafter: "GTC"), in commitment letters, credit limit notices and the policies. With regard to the content elements of an insurance legal relationship, established between the

Insurer and a Client, in respect of which no provision is contained in the documents constituting a part of the given insurance contract (credit limit notice, policy, General Terms of Contract, insurance offer, list of terms and conditions, Business Regulations), the provisions of Government Decree 312/2001, the Etv., and the provisions of the latest Civil Code (Ptk.) shall apply.

7. Publication, acceptance and amendment of the Business Regulations

These Business Regulations are public and may be viewed and consulted by anyone, at the Insurer's premises used for serving Clients, during business hours, and on the Insurer's website (www.exim.hu). The Insurer shall ensure that the Client has an opportunity to study the contents of the Business Regulations prior to making an insurance offer. A prerequisite for the establishment of the contractual relationship is that the Client declare, on the form designed for this purpose, that it has accepted and familiarised itself with the Business Regulations and the other terms and conditions of the insurance contracts.

The Insurer is entitled to unilaterally amend these Business Regulations if:

- it is obligated to do so by a legally binding court judgment or official resolution, or
- it is required to do so by a change in a statutory provision, and
- the amendment does not represent an adverse change for the Client; that is, it does not have an adverse impact on the specific terms of the insurance contract concluded between the Client and the Insurer.

The Insurer shall notify Clients of the entry into force of the amendment, and the time thereof, by displaying the amended Business Regulations at its premises used for serving Clients and on the Insurer's website.

The amendment of the Business Regulations shall apply from the date of its entry into force; that is, also in respect of contracts concluded prior to its entry into force, unless the amendment would affect these adversely.

8. Contact between the Insurer and the Client

Any agreement between the Insurer and the Client may only be made in writing. The Insurer shall – in the absence of an express instruction of the Client to the contrary – hand over to the Client one original copy of the contract concluded with him, in the form of a private deed.

The Insurer's Clients may make their contractual declarations and notices (their declarations on the amendment or termination of the insurance contract, and to the fulfilment of their obligations prescribed in the insurance contract) in writing only, in declarations bearing their official company signature, in the manner and form specified below:

- A signed postal letter sent to the Insurer's address;
- A signed fax message, sent to the fax number indicated and announced by the Insurer;
- A scanned and signed document sent to the electronic mailing address indicated and announced by the Insurer;
- A signed official document presented to, and confirmed as having been received by, the Insurer's representative, either in person or through an agent.

A **written declaration** sent to the email address may only be deemed to have been communicated if the client making the declaration has granted its prior consent to the electronic communication, either in the insurance offer or in a written declaration. The above provisions do not affect the notices and information sent between the parties to their email addresses; however, under these Business Regulations they **shall not constitute a written declaration**, unless the sending thereof takes place in compliance with the provisions of Act XXXV of 2001 on Electronic Signatures, in such a way that the form of the document facilitates the unaltered retrieval of the content set out in the legal declaration, and also identification of the person making the declaration and the time of the making of the declaration.

9. Cooperation, information provision, notices

The Insurer and the Client shall mutually co-operate with one another, and exercise their rights and fulfil their obligations under the contracts in accordance with their respective purposes while acting in the course of their business relationships.

The Client shall notify the Insurer in writing within five (5) working days if:

- the company's name, address (registered office), or electronic notification address, has changed;
- a change has occurred in the company's legal status,
- in the identity of its representative registered with the Insurer, or
- in the Client's ownership structure (see point 12.2);
- the Client has filed for bankruptcy, has initiated liquidation or winding-up proceedings against itself;
- becomes aware of a third party having initiated bankruptcy, liquidation or foreclosure proceedings against the Client;
- as the consequence of a regulatory review procedure or dissolution procedure, the company court takes measures for the purpose of deleting the company or declares the company as dissolved or orders the launch of an involuntary deletion (striking-off) proceeding against the company.

The Client shall provide the Insurer with all such data and information, and shall make available all such documents, as the Insurer considers necessary, in relation to the transaction and the Client, for making its decision or assessing the insurance transaction or the Client, or which is prescribed by a statutory provision. If the Client does not comply with the request for data, the Insurer shall be entitled to reject the Client's proposal. The Client is obliged, furthermore, following conclusion of the insurance contract, to provide the information requested by the Insurer and changes occurring in the data prescribed in this point; the legal consequences arising from a failure to do so shall be borne by the Client.

10. Representation

Persons acting on behalf of a legal entity or business entity without legal personality on the basis of a commission, a statutory provision, a court resolution or other provision, must provide the Insurer with credible proof of their representation right.

The Client may issue a written instruction authorising another person or other persons to act on his behalf in the course of the business relationship. The Client shall report to the Insurer in writing the data, and supply the originals or copies of the specimen signature(s), of the

person(s) who are authorised to represent him. The authorisation of an authorised representative shall be provided to the Insurer in the form of a private or public deed of full probative force but the Insurer may request to have the authorisation notarised.

In the case of an authorisation that has been issued abroad, the Insurer will require an authentic and duly certified translation thereof in compliance with the applicable statutory provisions.

The Insurer shall examine, with a level of care that may be expected of it, the commissioning instructions and documents presented as proof of personal identity, representation rights and authorisation.

11. Delivery

The Insurer shall send all contractual proposals, declarations, notices and documents to the address that the Client provided as a mailing address or that it specified in the proposal or in the contract as its mailing address. In the absence of a mailing address the Insurer shall send the documents to the registered office or address specified by the Client. Any losses or additional costs incurred due to posting to the wrong address due to an incorrect address having been specified by the Client shall be borne by the Client. If the Client does fails to report a change in its mailing address to the Insurer, the Insurer shall not be obliged to identify the Client's new mailing address and may continue to send its notices to the mailing address known to the Insurer.

12. Due diligence on the Client and the Client's obligation to report changes in its data

12.1. The transparency audit relating to Clients is a complex identification and due diligence process conducted in accordance with the requirements set out in Section 3 of the Etv., in the course of which the Insurer examines fulfilment of the conditions prescribed in Section 3, paragraph (1), point 1 of Act CXCVI of 2011 on National Assets (hereinafter: Nvt.) on the basis of Section 1, point 4 of Act CXCV of 2011 on Public Finance (hereinafter: Áht.).

Before establishing the business relationship with the Client, but no later than the time of issuance of the insurance policy (or commitment letter in the case of individual transactions), the Insurer shall conduct the transparency audit in respect of the Clients, as described in detail in the latest Client Due Diligence Policy.

A business entity is transparent if it meets all of the following conditions together:

- its beneficial owner is identifiable,
- its tax domicile is in a member state of the European Economic Area or OECD, or in a state with which Hungary has a treaty on the avoidance of double taxation,
- it is not classified as a controlled foreign corporation.

The definition of beneficial owner is contained in Act CXXXVI of 2007 on the Prevention and Impeding of Money Laundering and Terrorist Financing, the tax treaties on the NAV website (www.nav.gov.hu), and the definition of controlled foreign corporate in Act LXXXI of 1996 on Corporate Tax and Dividend Tax.

As a part of the transparency audit the Insurer performs, among other checks, the identification of the Client, its authorised representative and the person with signatory

rights, and of the Client's beneficial owner, in view of the fact that, on the basis of Section 3 (11) of the Etv., in the case of transactions concluded utilising assistance charged to the central budget for its operation, or received from appropriations disbursed from the central budget, for Clients that are not classified as transparent on the basis of the Nvt. the Insurer has to conduct special compliance procedures ensuring a greater degree of caution, in order to reduce the risks.

The Insurer examines fulfilment of these conditions prior to conclusion of the contractual relationship, and therefore Clients are required, prior to the establishment of the business relationship, to answer the questions asked in declarations made and provided by the Insurer, in the framework of the transparency audit.

If as a result of the transparency audit the Insurer finds that the ownership structure of the business entity is not transparent, or (in the case of a foreign Client or the foreign owner of a Client) it is classified as a controlled foreign corporation, or if the Insurer is unable to conduct the transparency audit due to the Client's uncooperative conduct, then the Insurer shall not establish a business relationship with such Client.

12.2. The obligation to report changes occurring in data provided during the transparency audit

12.2.1. During the existence of the contractual relationship, the Client is obliged to notify the Insurer in writing of any changes occurring in the data given in the course of the transparency audit or regarding the identity of the beneficial owner within five (5) working days from obtaining knowledge of such changes.

The Insurer shall conduct a repeated transparency audit within 15 days following the reporting of the change.

In this event, if in the course of the repeated transparency audit it can be established that:

- the Client's ownership structure or activity is not transparent, or
- the Client refused to participate in the repeated transparency audit,

the Insurer shall be entitled, on the basis of Section 6:191 (4) of the Civil Code, to make a proposal in writing for the amendment of the insurance contract. The Insurer is entitled, concurrently with communicating the amendment proposal, to suspend further risk assumption on the basis of the insurance contract, until such time as the Insured fulfils the provisions set out in the amendment proposal.

12.2.2. The Insurer may only provide its service to Clients that have a transparent ownership structure, and to this end the amendment proposal may extend to:

- making the Insured's ownership structure transparent, or
- designating a new beneficiary (pledgee, co-insured, assignee), who complies with the conditions relating to the transparent ownership structure.

12.2.3. The Insurer may make a proposal, furthermore, on participation in the repeated transparency audit, and furthermore in the case of a controlled foreign corporation the Insurer is entitled to unilaterally raise the deductible stipulated in the insurance contract, or conduct other risk-mitigating compliance procedures.

12.2.4. The Insured is required to reply to the Insurer's proposal made in accordance with points 12.2.2. and 12.2.3. within 15 days following receipt of the amendment proposal, and if the Insured accepts the Insurer's amendment proposal and, within the deadline stipulated by the Insurer:

- makes its ownership structure transparent, or
- designates a new beneficiary for the Insurer's service, and
- participates in the repeated transparency procedure,

then upon fulfilment of the conditions set out in the amendment proposal the insurance contract shall remain in effect at unaltered terms.

12.2.5. If the Insured is classified as a controlled foreign corporation and it accepts the Insurer's amendment proposal relating to reduction of the risks, then the insurance contract shall become effective from the time specified in the Insurance Policy issued after the Insured's declaration on acceptance of the amendment proposal, or in the case of a unilateral raising of the deductible by the Insurer then from the time of receipt, by the Insured, of the separate notice sent by the Insurer regarding the modified deductible, and the insurance contract shall continue with the amended content.

12.2.6. If the Insured does not accept the Insurer's amendment proposal described in points 12.2.4.-12.2.5, or fails to reply to it within 15 days, the Insurer shall be entitled to terminate the insurance contract from receive of the Insured's letter of rejection or, if the Insured fails to reply, after 30 days calculated from the last day of the available 15-day deadline for replying.

The termination dissolves the insurance contract with respect to any future risk assumption, and thus, in regard to receivables where the Insurer's risk assumption had already commenced prior to the time of termination, the Insurer's potential indemnification obligation still stands.

III. RULES COMMON TO ALL INSURANCE CONTRACTS

13. The insurance contract

On the basis of the insurance contract, the Insurer is obliged to provide cover for the risk defined in the contract, and, upon the occurrence of an insured event that takes place following the start of risk assumption, to perform the service defined in the contract; the party entering into the contract with the Insurer is obliged to pay a premium.

13.1. The parts of the insurance contract:

A list of the documents that constitute part of the insurance contract is contained in the general terms of contract of the individual insurance contracts, which – depending on the provisions of such contracts – may be the following:

- **Insurance offer:** an offer form completed by the Client, on the basis of which the policy proposal or the commitment letter, and eventually the policy, are prepared;

- **Credit limit notice:** a notice issued by the Insurer which contains the maximum insurance amount per buyer;
- **Policy:** the special terms of contract issued by the Insurer relating to the given insurance legal relationship;
- **General terms of contract:** contains the valid terms of contract of the insurance policies, for each facility;
- **List of Terms and Conditions:** a document specifying the legal title and the extent of insurance premiums and other fees charged by the Insurer for the services extended to the Client, as well as other specific conditions for the provision of the services;
- **Business Regulations:** this document, which contains the comprehensive provisions on the Insurer's insurance activity.

14. Insurance facilities

The Insurer offers the following non-marketable risk insurance products against the central budget subject to an absolute surety guarantee from the Government, on the basis of the Etv. and Government Decree 312/2001 (XII. 28):

For individual transactions

Facility V: Buyer's credit insurance (interbank credit, buyer's credit),

Facility KV: Supplier credit discounting insurance

Facility TA: Tied-aid credit insurance

Facility G: Manufacturing risk insurance

Facility S: Supplier's credit insurance

For turnover-type transactions

Facility C: Deferred-payment receivables insurance

Facility CF: Factoring insurance

For other types of *facilities*

Facility AI: Export letter-of-credit confirmation insurance

Facility B: Investment insurance

Facility VHK: Interbank buyer's credit insurance

14.1. Conditions of eligibility for insurance, provisions on the fulfilment of minimum Hungarian content

The conditions of eligibility for insurance are specified in the General Terms of Contract relating to the individual products.

14.2. Provisions on the fulfilment of minimum Hungarian content

In respect of exports performed in the context of credit provision, the Insurer's risk assumption – provided that the provisions relating to the fulfilment and certification of the Hungarian share of content are met – shall in all cases extend to the Hungarian share of content.

14.2.1. In the case of goods export, it is a precondition for risk assumption by MEHIB that at least a half of the goods delivered within the context of the foreign trade transaction be classed as being of Hungarian origin; MEHIB checks the fulfilment of this condition in accordance with the provisions set out in its internal regulations. Partial performance shall be considered acceptable if the extent of the Hungarian share of content of the goods export at the time of partial performance is equal to the Hungarian share of content specified in the delivery schedule stipulated in advance in the insurance policy. If the delivery schedule for the goods export is not stipulated in the insurance policy and the goods export performed in the context of the foreign trade transaction does not attain the level of Hungarian content specified in this point, then MEHIB's risk assumption – with the exception set out in point 14.3 – shall only extend to the Hungarian share of content. With respect to determining and certifying the Hungarian origin of the goods, the provisions of Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code, the provisions of Section 19 of Act CXXVI of 2003 on the implementation of Community customs law, and the provisions of the Ministerial Decree on the detailed rules of implementation of the Community customs law, must be applied with the proviso that the economic organisation engaged in foreign trade activity is required to obtain the certificate of origin from the chamber office authorised to issue the same and to hand over such certificate of origin to the Insurer.

14.2.2. In accordance with Government Decree 312/2001, the Insurer's risk assumption shall extend to a service if more than half of the persons employed by the domestic economic organisation providing the service, or by its subcontractor classed as a domestic economic organisation participating in the provision of such exported service, are persons that are in an insurance relationship with it in accordance with the rules of the Act on the Eligibility for Social Security Benefits and Private Pensions and the Funding for these Services and of Act CXLVII of 2012 on the Fixed-rate Tax of Small Taxpayer Enterprises and Small Company Tax. The provider of the service certifies the fulfilment of the conditions specified in this paragraph, supported with documents issued by the Policy Administration Services Unit of the National Health Insurance Fund of the Government Office of Budapest and Pest County. The Insurer checks the compliance with the conditions in accordance with the procedure set forth in the Insurer's internal regulations.

14.2.3. At least a quarter of the value, less the financing costs, of contracts for the performance of construction, assembly, technological installation, planning and other directly related services, must qualify as being an export of Hungarian origin. The Hungarian Chamber of Commerce and Industry issues a certificate of origin in this regard, based on a procedure approved by MEHIB.

If the Hungarian share of content is less than that stipulated in this point, the Insurer's risk assumption – with the exception specified in point 14.3. – shall only extend to the Hungarian share of content. If the foreign trade contract permits partial performance, partial performance is considered acceptable if the extent of the Hungarian content at the time of

partial performance is equal to the Hungarian share of content defined in advance in the insurance policy.

14.2.4. With regard to the application of the provisions under points 14.2.1. and 14.2.3., any content reinsured by another insurer – not constituting risk assumption by the Insurer – must not be taken into account. In the case of reinsurance provided by MEHIB, the content reinsured by MEHIB must be taken into account.

14.2.5. In the case of the export of machinery and equipment that is used for its intended purpose for at least five years by a company that has a registered head office in Hungary, regardless of the origin of such items, the Insurer's risk assumption may extend to the total value of the export.

14.2.6. For the purposes of applying the provisions of points 14.2.1-14.3, a foreign trade contract is defined as a valid contract, specifying inter alia the extent of the export that originates from Hungary, signed

- by the domestic economic organisation, or
- if, pursuant to the prevailing statutory provisions of the country of the place of performance, the domestic economic organisation is not entitled to effect performance in the country concerned, then by an incorporated economic entity established – by the domestic company or through its direct or indirect majority influence as per Section 8:2 of the Civil Code – in the case of contracts for the performance of construction, assembly, technological, planning and other directly related services pursuant to point 14.2.3, with at least its 33% stake – in accordance with the law of the given country, or
- if these conditions are not in place, then by an economic organisation registered in a country other than the country of the place of performance.

14.2.7. If only subcontractors from one or more EU member countries participate in the performance of a general contracting agreement covered by insurance provided by the Insurer, the risk assumption by the Insurer shall extend to these subcontracting agreements, provided that the general contracting agreement contains the products or the services that are provided in the context of the subcontracting agreement or they are used as major requisites for the performance of the general contracting agreement and if the value of such subcontracting contracts is

- no more than 40% of the value of the general contracting agreement in the case of general contracting agreements of a value less than EUR 7,500,000,
- no more than EUR 3,000,000 in the case of general contracting agreements of a value between EUR 7,500,000 and EUR 10,000,000,
- no more than 30% of the value of the general contracting export agreement in the case of an export agreements of a value exceeding EUR 10,000,000.

If a general contracting agreement is also associated with subcontracting agreements originating from both EU member countries and non-EU member countries, the credit insurance coverage provided by the Insurer extends to the contracts concluded with the subcontractors of the member countries, provided that the total value of the subcontracting agreement does not exceed the values listed in point 14.2.7.

Within the framework of the EU's Policy Coordination Group for Credit Insurance, Credit Guarantees and Financial Credits, information is exchanged subsequently in respect of contracts to which a non-EU member subcontractor is a party in excess of 30% or to which a joint EU member and a non-EU member subcontractor is a party in excess of this ratio.

The exchange of information referred to in the above paragraph will be only performed with regard to export agreements of an amount exceeding EUR 500,000 and financed with a loan of a term longer than three years.

For the purposes of this point, the conditions of the Insurer's risk assumption shall be consistent with respect to the general contractor employing domestic or other subcontractors or suppliers from other EU member countries.

If the Insurer provides insurance cover to subcontractors participating in the performance of general contracting agreements under point 14.2.7., the provisions set forth in Section 6, paragraph (1), points c)–d) of Government Decree 312/2001 shall also apply to these subcontractors.

14.2.8. If an insurance contract also covers risks arising from receivables that have arisen prior to the performance of an export-purpose foreign trade contract, the requirements on the certification and the fulfilment of the Hungarian share of content, set forth in points 14.2.1. and 14.2.2-14.2.5. shall not be applicable with regard to the period preceding export performance. In such cases, the Insurer's assessment of data supplied by the exporter/credit institution in respect of Hungarian origin will serve as the basis for determining whether the transaction complies with the requirements on the Hungarian share of content, facilitating the Insurer's decision as to whether to accept the business transaction.

However, after the performance of the export is commenced, the insured must certify the satisfaction of the requirements pertaining to the Hungarian origin of the performed export as set out in points 14.2.2-14.2.5., in the manner specified in points 14.2.1. and 14.2.2 and 14.2.3.

14.3. Provision of cover in the national interest

If a national interest is associated with the export transaction, then the full loan amount may also be insured if the Hungarian content is lower than that determined in points 14.2.1. and 14.2.3. and 14.2.3., though in such cases the Hungarian content may not be lower than half the proportion determined in points 14.2.1. and 14.2.3.

The approval of an insurance transaction involving the provision of cover in the national interest belongs to the authority of the Board of Directors of the Insurer, in the course of which the Board of Directors, with a view to the provisions set forth in Hungary's foreign trade strategy for 2012–2020, shall consider the following criteria from among the characteristics of the transaction:

- employment creation, employment protection;
- retention and acquisition of export markets, contribution to further export growth;
- contribution to improving the competitiveness of small and medium-sized enterprises;
- expansion of opportunities for suppliers;

- proportion of domestic added value within the share of content deemed to be of Hungarian origin;
- environmental considerations, the strengthening of the renewable energy sector.

14.4. The procedural rules and documentation requirements serving the certification of the criteria determined in point 14.3. are as follows:

- At the request of the Client or the exporter, the Insurer conducts a procedure to determine whether the provision of cover in the national interest is applicable.
- By completing the form issued by the Insurer, the exporter makes declarations, provides data, and supports and certifies with documents the necessity of providing cover in the national interest.
- The information provided by the exporter (form, data reporting, documents) must provide evidence for the Insurer relating to whether the characteristics of the transaction – taking at least one of the criteria listed in point 14.3. into consideration – warrants the provision of cover in the national interest.

The evaluation of the transaction is included in the business proposal in the form of a recommendation based on an assessment of the transaction in accordance with the criteria specified in point 14.3. The Board of Directors will make a decision on the provision of cover in the national interest on the basis of the recommendation in the business proposal.

Fulfilment of the commitments made by the Client and serving as the basis for the provision of cover in the national interest is checked by the Insurer. During the procedure, the Client certifies fulfilment of its earlier commitments by providing data and documents in accordance with the criteria stipulated by the Insurer. The Insurer is entitled to conduct on-site inspections, and – if it deems it to be necessary – to use an external consultant.

Frequency of the checks:

- Turnover-based transactions: as per the decision of the body approving the provision of cover in the national interest, but at least every three years, on the policy anniversary
- Non-standard type transactions and other facilities: as per the decision of the body approving the provision of cover in the national interest.

14.5. The Insurer reviews the procedural rules set out in points 14.3 and 14.4, the documentation requirements, and the system of criteria for defining the national interest, once a year.

15. Procedure for concluding transactions

Prior to establishing a business relationship the Insurer performs the transparency audit in respect of the Clients in accordance with point 12.1. If this is concluded with a satisfactory result, a business relationship may be established with the Insurer for the provision of non-standard or turnover-based transactions.

15.1. For individual transactions

- To file an application for insurance, a Client must submit an **insurance offer** by filling out the form issued by the Insurer. After the data provided in the insurance

offer and all the information necessary for appraising the transaction is available, the Insurer makes a decision regarding assumption of the given risk, and the Insurer determines the transaction appraisal fee.

- Following a positive decision the Insurer issues a **commitment letter** to the Insured in respect of the given transaction, or given a satisfactory decision the Insurer may also issue an insurance policy. The Insurer issues the commitment letter in writing; the commitment letter is valid for a maximum of 6 months. Prior to the expiry of the validity, the Client may submit a written request for an extension of the validity of the commitment letter, about which the Insurer shall make a decision. The commitment letter contains the terms under which the Insurer would undertake the conclusion of an insurance contract for the given transaction based on the data provided by the Client.
- The Client acknowledges that prior to the expiry of the commitment letter, the Insurer may unilaterally withdraw it or may unilaterally refuse to conclude the contract, or may change the premium rate indicated in the commitment letter if, due to changes that have occurred in the data and circumstances constituting the basis for the commitment letter, the Insurer is of the view that the insurance contract may not be entered into at the specified terms.
- During the validity period of the insurance commitment letter, after fulfilment of the terms of issuance prescribed in the insurance commitment letter, the Insured may request from the Insurer the issuance of the insurance **policy**, which is signed by the Insurer and the Insured.

15.2. For turnover-type transactions

The establishment of a business relationship/conclusion of a contract may be initiated with the Insurer in two ways:

15.2.1. To file an application for insurance, a Client must submit an insurance offer by filling out the form issued by the Insurer. The Insurer issues a policy based on the information indicated on the data form, and after the necessary consultations have been held. The policy, besides setting out the necessary individual content, also specifies the duration of the insurance period and the applied condition of the GTC. The Insurer sends the insurance policy by post, in paper format, bearing its official corporate signature, to the Client for signing.

Based on the policy signed and returned by the Client, the Insurer issues the invoice for the minimum premium in its invoicing system, and sends it to the Client.

15.2.2. A Client that does not yet have a policy sends a limit request to the Insurer using the form provided for this purpose. The Insurer performs the requested limit appraisal for the Client, and issues a limit notice in written form on the results thereof, and sends it to the Client. The limits issued to Clients without a policy are recorded by the Insurer as test limits in its internal system, and these are valid for 180 days counted from the date of issuing the limit. If an insurance offer is received from the Client during this period, the Insurer proceeds in accordance with the provisions of point 15.2.1. in the interest of concluding the contract, and, concurrently with the entry into force of the insurance policy, assigns the previously issued test limits to the insurance policy in its internal system. Bringing turnover

under the insurance cover will be possible from the start date of the validity period of the limits set in this manner – but no earlier than the date of commencement of the insurance period specified in the policy – in the manner regulated in the policy.

In the event that a Client without a policy does not send the insurance offer to the Insurer, the test limits maintained for it will lose their validity after 180 days following the issuance of the limit, and after this the Client will have to submit a new limit request to the Insurer.

15.3. For other types of facilities

15.3.1. In the case of Facility B, the procedure relating to non-standard transactions, as described in point 15.1., applies.

15.3.2. In the case of Facility AI, to file an application for insurance, a Client must submit an insurance offer by filling out the form issued by the Insurer. The Insurer issues a master insurance policy, which is signed by the Insurer and the Insured. At the request of the Insured, the Insurer conducts the bank limit investigation, regarding which it sends notification to the Insured and at the same time preemptively charges the bank limit for 90 days.

15.3.3. In the case of Facility VHK, to file an application for insurance, a Client must submit an insurance offer by filling out the form issued by the Insurer. If the appropriate bank limit is in place, the Insurer issues a master insurance policy for the Insured's interbank buyer's credit facility agreement. The Insurer issues a certificate of coverage in respect of the transactions included in the cover.

16. The insurance premium, principles of premium calculation

16.1. MEHIB determines the principles for calculating premiums on the basis of Government Decree 312/2001, and the requirements of the OECD Agreement.

MEHIB determines its insurance premiums in line with the country risk rating, the rating of the debtor and the guarantor, the extent of the agreed deductible, the duration of risk taking, the terms of repayment and the manner of premium payment, and, if the given facility involves the insurance against performance risk, the performance risk of the participants in fulfilment of the export-purpose foreign trade contract. The premium charged must reflect the risks taken by the Insurer in the policy, and must cover MEHIB's long-term costs.

16.2. When determining the premiums, MEHIB also takes into account the criteria set out in its business policy. In the case of products where MEHIB does not have its own loss experience, and international norms relating to the premium level have not been issued, the premiums associated with the risk taking shall be aligned with the premiums charged by credit insurers providing a similar service that have their registered offices in member states of the European Union, taking into account the limited number of foreign buyers, the characteristics of the financed undertaking, and the incidental costs. The premium calculations are based on MEHIB's own claim statistics with respect to the facilities and the available market data that is relevant in terms of pricing.

16.3. The premium associated with export credit insurance contracts with a repayment of two years or more must not be lower than the minimum premium calculated on the basis of the OECD Arrangement. For individual export credit insurance contracts with a term of less than two years, MEHIB determines the insurance premiums on the basis of the principles applied to export credit insurance contracts with a term of two years or more.

16.4. The legal title and the extent of insurance premiums and other fees charged by the Insurer for the services provided by MEHIB to the Client, the conditions taken into account when calculating the premium, as well as other specific conditions for the provision of the services, are specified in the latest effective List of Terms and Conditions and in the GTC. MEHIB shall post the List of Terms and Conditions, which is public information and is available for everyone, at its premises used for serving Clients, and on its website, and, at request, shall provide a copy thereof to the Client free of charge. The List of Terms and Conditions also constitutes a part of the insurance contract.

17. Business and insurance secrets

17.1. The Insurer is subject to a confidentiality obligation, without any time limit, with respect to its handling of all such data, information and facts – not containing classified data – as relate to the personal circumstances, asset position and business operations of the Client (including the claimant) or to the Client's contracts entered into with the Insurer, the insurance broker or the re-insurer.

17.2. Any person who comes into possession of business and insurance secrets is obliged to safeguard them without any time limit. Based on the confidentiality obligation, facts, information, solutions or data deemed business and insurance secrets, with the exceptions specified in the Etv., may not be disclosed to third persons or used for purposes falling outside the scope of regular duties without authorisation from the Insurer, the insurance broker and advisor, or the Client.

Any person who comes into possession of a business or insurance secret may not use it for the purpose of directly or indirectly securing an advantage for themselves or for another person or in a manner that is detrimental to the Insurer, the insurance broker and advisor, or to the Clients thereof.

17.2.1. With respect to insurance secrets – unless stipulated otherwise by law – a confidentiality obligation with no time restrictions shall be borne by the owners, managers and employees of the insurer, the independent insurance broker and insurance advisor, and by all those who have gained access to such secrets in any way in the course of their activity related to the insurer.

17.2.2. The Insurer may disclose to third parties information deemed business and insurance secrets – on the basis of Section 25, paragraph (2) of the Etv. – only in the cases specified in Section 137 of Act LXXXVIII of 2014 on Insurance Activity (hereinafter: Bit.), with the proviso that the confidentiality obligation defined in Section 137 of the Bit. and in Section 2:47 (1) of the Civil Code does not apply – in addition to the provisions set out in Sections 137-139 of the Bit. and in Section 2:47 (2)-(3) of the Ptk. – with respect to data supplied to the ministry headed by the minister for foreign trade and to the ministry headed by the minister for the state budget and to data forwarded to Hungarian Export-Import Bank Private Limited Company.

18. Data handling

18.1. The Insurer is entitled to handle such insurance secrets of its clients as are related to the insurance contract, the conclusion and recording thereof, and the service.

18.2. The Insurer may handle personal data during the existence of the contract entered into with the Client, and of any other legal relationship established in connection with the given

transaction, as well as for the period during which a claim may be asserted with respect to the given legal relationship.

- 18.3. Data handling is only permitted as necessary for the conclusion and amendment of the insurance contract, the assessment and enforcement of claims originating from the insurance contract, or for the purposes defined in the Etv. The Client's prior, voluntary consent is required for data handling performed for any other purpose.
- 18.4. The Insurer may handle personal data relating to a contract or legal relationship not entered into as long as a claim may be asserted in connection with the failure to establish the contract or legal relationship.
- 18.5. The Insurer shall delete any and all personal data relating to its clients, former clients or to a contract or legal relationship not entered into in respect of which the purpose for data handling has ceased or if an approval from the party affected is not available for the handling of such data, or if there is no statutory legal basis for the handling of such.
- 18.6. Upon request the Insurer, pursuant to Act CXII of 2011 on Informational Self-determination and the Freedom of Information, shall in every case provide information about the Client's personal data.

19. Complaint handling

The procedure for handling complaints is regulated by the Insurer's Complaint Handling Regulations, which are published by the Insurer on its website (www.exim.hu) and displayed at its registered office.

Order of administration of complaints:

- The Legal Office at the Insurer's permanent establishment specified in point 2.3 of these Business Regulations,
- The Financial Arbitration Board operating alongside the National Bank of Hungary (1013 Budapest, Krisztina krt. 39.),
- National Bank of Hungary Consumer Protection Centre (1013 Budapest, Krisztina krt. 39.),
- The Hungarian Competition Authority (1054 Budapest, Alkotmány u. 5.).

20. Procedure in the event of a legal dispute

The legal relationships between the Insurer and a Client, including both contractual and non-contractual legal relationships, shall be governed by the contract(s) entered into by them, or in the absence of any contractual provisions in this regard, by the relevant GTC, these Business Regulations and the Hungarian statutes in force, unless the Parties jointly stipulate otherwise.

In the event of a legal dispute, an action may be filed against the Insurer or against the Client with the court that has competence and jurisdiction in accordance with the rules on civil proceedings.

Disputes arising from the contractual legal relationship entered into by the Insurer and the Client may also be settled in an arbitration court proceeding, if the Parties have expressly stipulated this in the contract.

IV. ENDORSEMENT CLAUSE

These Business Regulations have been approved by MEHIB's Board of Directors, proceeding within the authority vested in it by the effective Articles of Association, through Board Resolution of number 12/2017 (II.23).