

LIST OF TERMS AND CONDITIONS

(VAT-exempt service)

Valid from: April 01, 2021

I. BUYER RATING-BASED C, CI AND CF, CFI FACILITY TURNOVER-TYPE INSURANCE

1. Facilities:
 - C** - Deferred-payment receivables insurance (with supplementary collateral for manufacturing risk),
 - CI** - Deferred-payment receivables insurance for exports to countries temporarily classified as non-marketable risk countries due to the impact of COVID-19 on the economic situation
 - CF** - Factoring insurance,
 - CFI** - Factoring insurance, for exports to countries temporarily classified as non-marketable risk countries due to the impact of COVID-19 on the economic situation
2. In accordance with the provisions set out in the Policy, the insurance fee shall be settled in arrears, based on the turnover report. The fee shall depend on the composition of the portfolio, on the rating of the debtor/surety/guarantor (buyer rating), on the amount of the suretyship/guarantee, on the term, and on the value of the deductible. In the case of a change in the buyer rating or in the amount of the suretyship/guarantee, the new buyer rating, as well as the new coverage rate determined on the basis of the amount of the amended suretyship/guarantee, as a fee-setting parameter, shall be applied for the first time in respect of the deliveries of the month following the start of the validity of the fee-modifying factor indicated in the limit notice. A suretyship or guarantee may only be taken into account as a fee-influencing factor if it has been stipulated as a condition of validity of the limit applicable to one debtor, regardless of the fact that the limit would be or could have been applied even without the existence of the suretyship/guarantee. If surety/guarantee is included as a limit security, the higher rating category among the rating categories of (i) debtor and (ii) surety/guarantor will be applied for the calculation of the fee.
3. The fee shall be based on the total value of the performances/deliveries realised (C and CI), contracts concluded (C + manufacturing risk) and receivables purchased (CF and CFI) in the reporting period.
4. A condition for the commencement of the insurance contract is payment of the initial minimum premium. The minimum premium is for one insurance year, and the amount is payable once a year on the renewal date unless the insurance policy provides otherwise. It will be deducted by the insurer from the monthly premium charged for covering the risks. The minimum premium is

a) for those clients having Facility C and CF already in force before September 01, 2020: HUF 200,000 (EUR 670, USD 740), and for those clients having Facility CI and CFI already in force before September 01, 2020: HUF 150,000 (EUR 500, USD 555)

b) for new Facility C, CF, CI and CFI concluded after September 01, 2020: HUF 10,000 (EUR 33, USD 37), uniformly.

5. The insurer shall always be entitled to the minimum fee regardless of the actual amount thereof. Payment of the initial minimum fee shall be due on the date indicated on the invoice issued in respect thereof.

6. Turnover fee items of facilities C and CF:

Deductible: 1%		Term						30-day "Silent term" surcharge
Buyer rating	1 month	2 months	3 months	4-6 months	7-12 months	13-18 months	19-23 months	
1	0,171%	0,209%	0,247%	0,284%	0,343%	0,428%	0,514%	0,038%
2	0,279%	0,340%	0,402%	0,463%	0,558%	0,697%	0,837%	0,061%
3	0,454%	0,554%	0,654%	0,753%	0,908%	1,135%	1,362%	0,100%
4	0,739%	0,901%	1,064%	1,226%	1,477%	1,847%	2,216%	0,163%
5	1,202%	1,467%	1,731%	1,996%	2,404%	3,006%	3,607%	0,264%
6	1,957%	2,387%	2,818%	3,248%	3,913%	4,892%	5,870%	0,430%

Deductible: 5%		Term						30-day "Silent term" surcharge
Buyer rating	1 month	2 months	3 months	4-6 months	7-12 months	13-18 months	19-23 months	
1	0,164%	0,201%	0,237%	0,273%	0,329%	0,411%	0,493%	0,036%
2	0,268%	0,326%	0,385%	0,444%	0,535%	0,669%	0,803%	0,059%
3	0,436%	0,531%	0,627%	0,723%	0,871%	1,089%	1,307%	0,096%
4	0,709%	0,865%	1,021%	1,177%	1,418%	1,772%	2,127%	0,156%
5	1,154%	1,407%	1,661%	1,915%	2,307%	2,884%	3,461%	0,254%
6	1,878%	2,291%	2,704%	3,117%	3,755%	4,694%	5,633%	0,413%

Deductible: 10%		Term						30-day "Silent term" surcharge
Buyer rating	1 month	2 months	3 months	4-6 months	7-12 months	13-18 months	19-23 months	
1	0,156%	0,190%	0,224%	0,259%	0,312%	0,389%	0,467%	0,034%
2	0,254%	0,309%	0,365%	0,421%	0,507%	0,634%	0,761%	0,056%
3	0,413%	0,503%	0,594%	0,685%	0,825%	1,032%	1,238%	0,091%
4	0,672%	0,819%	0,967%	1,115%	1,343%	1,679%	2,015%	0,148%
5	1,093%	1,333%	1,574%	1,814%	2,186%	2,732%	3,279%	0,240%
6	1,779%	2,170%	2,561%	2,953%	3,557%	4,447%	5,336%	0,391%

Deductible:
15%

Buyer rating		Term						30-day "Silent term" surcharge	
		1 month	2 months	3 months	4-6 months	7-12 months	13-18 months		19-23 months
1		0,147%	0,179%	0,212%	0,244%	0,294%	0,368%	0,441%	0,032%
2		0,239%	0,292%	0,345%	0,397%	0,479%	0,599%	0,718%	0,053%
3		0,390%	0,475%	0,561%	0,647%	0,779%	0,974%	1,169%	0,086%
4		0,634%	0,774%	0,913%	1,053%	1,268%	1,586%	1,903%	0,140%
5		1,032%	1,259%	1,486%	1,713%	2,064%	2,581%	3,097%	0,227%
6		1,680%	2,049%	2,419%	2,789%	3,360%	4,200%	5,040%	0,370%

Deductible:
20%

Buyer rating		Term						30-day "Silent term" surcharge	
		1 month	2 months	3 months	4-6 months	7-12 months	13-18 months		19-23 months
1		0,138%	0,169%	0,199%	0,230%	0,277%	0,346%	0,415%	0,030%
2		0,225%	0,275%	0,325%	0,374%	0,451%	0,563%	0,676%	0,050%
3		0,367%	0,447%	0,528%	0,609%	0,734%	0,917%	1,100%	0,081%
4		0,597%	0,728%	0,860%	0,991%	1,194%	1,492%	1,791%	0,131%
5		0,971%	1,185%	1,399%	1,613%	1,943%	2,429%	2,914%	0,214%
6		1,581%	1,929%	2,277%	2,625%	3,162%	3,953%	4,743%	0,348%

Deductible:
25%

Buyer rating		Term						30-day "Silent term" surcharge	
		1 month	2 months	3 months	4-6 months	7-12 months	13-18 months		19-23 months
1		0,130%	0,158%	0,187%	0,215%	0,260%	0,325%	0,389%	0,029%
2		0,211%	0,258%	0,304%	0,351%	0,423%	0,528%	0,634%	0,046%
3		0,344%	0,419%	0,495%	0,571%	0,688%	0,860%	1,032%	0,076%
4		0,560%	0,683%	0,806%	0,929%	1,119%	1,399%	1,679%	0,123%
5		0,911%	1,111%	1,312%	1,512%	1,822%	2,277%	2,732%	0,200%
6		1,482%	1,808%	2,134%	2,461%	2,965%	3,706%	4,447%	0,326%

7. Turnover fee items of facilities CI and CFI

Deductible: 5%		Term				
Buyer rating	1 month	2 months	3 months	4-6 months	7-12 months	
1	0,082%	0,136%	0,191%	0,245%	0,329%	
2	0,134%	0,222%	0,310%	0,399%	0,535%	
3	0,218%	0,361%	0,505%	0,649%	0,871%	
4	0,354%	0,588%	0,822%	1,056%	1,418%	
5	0,577%	0,958%	1,338%	1,719%	2,307%	
6	0,939%	1,558%	2,178%	2,798%	3,755%	

Deductible: 10%		Term				
Buyer rating	1 month	2 months	3 months	4-6 months	7-12 months	
1	0,078%	0,129%	0,181%	0,232%	0,312%	
2	0,127%	0,210%	0,294%	0,378%	0,507%	
3	0,207%	0,342%	0,478%	0,615%	0,825%	
4	0,335%	0,557%	0,779%	1,000%	1,343%	
5	0,547%	0,908%	1,268%	1,629%	2,186%	
6	0,890%	1,476%	2,063%	2,651%	3,557%	

Deductible: 15%		Term				
Buyer rating	1 month	2 months	3 months	4-6 months	7-12 months	
1	0,074%	0,122%	0,171%	0,219%	0,295%	
2	0,120%	0,198%	0,278%	0,357%	0,479%	
3	0,196%	0,323%	0,451%	0,581%	0,779%	
4	0,316%	0,526%	0,736%	0,944%	1,268%	
5	0,517%	0,858%	1,198%	1,539%	2,065%	
6	0,841%	1,394%	1,948%	2,504%	3,359%	

Deductible: 20%		Term				
Buyer rating	1 month	2 months	3 months	4-6 months	7-12 months	
1	0,070%	0,115%	0,161%	0,206%	0,278%	
2	0,113%	0,186%	0,262%	0,336%	0,451%	
3	0,184%	0,304%	0,424%	0,547%	0,733%	
4	0,297%	0,495%	0,693%	0,888%	1,193%	
5	0,487%	0,808%	1,128%	1,448%	1,944%	
6	0,792%	1,312%	1,833%	2,357%	3,161%	

Deductible: 25%	Term				
Buyer rating	1 month	2 months	3 months	4-6 months	7-12 months
1	0,066%	0,108%	0,151%	0,193%	0,261%
2	0,106%	0,174%	0,246%	0,315%	0,423%
3	0,173%	0,285%	0,398%	0,513%	0,687%
4	0,278%	0,464%	0,650%	0,833%	1,118%
5	0,457%	0,758%	1,058%	1,358%	1,823%
6	0,743%	1,230%	1,718%	2,210%	2,963%

8. Fee items for facility C with supplementary manufacturing risk:

The fee items + 15%

9. General turnover-type discount only applicable for Facility C and CF:

The customer will be entitled to the given discount from the fee if its turnover reaches a threshold value in the given insurance period. The discounted fee only applies to the part of turnover in excess of the threshold value. The extent of the discounts is determined according to a band-based system. The insurer determines which band(s) the turnover of the given reporting period falls into based on the turnover report sent by the customer. The fee-discount percentage determined on the basis of the turnover band is applicable in respect of tariff-based fees, which are specified on the fee invoice associated with the turnover report.

The turnover bands and the percentage extent of the fee discount associated with the bands is determined as follows:

Facility C

Turnover discount bands (HUF)		Band discount
0	100,000,000	0%
100,000,001	250,000,000	10%
250,000,001	500,000,000	20%
500,000,001	1,000,000,000	30%
1,000,000,001	5,000,000,000	40%
5,000,000,001	10,000,000,000	45%
10,000,000,001	20,000,000,000	50%
20,000,000,001	-	70%

Facility CF

If the currency of fee payment under the policy is HUF:

Turnover discount bands (HUF)		Band discount
0	100,000,000	0%
100,000,001	250,000,000	5%
250,000,001	500,000,000	10%
500,000,001	1,000,000,000	15%
1,000,000,001	5,000,000,000	20%
5,000,000,001	10,000,000,000	25%
10,000,000,001	20,000,000,000	30%
20,000,000,001	-	40%

If the currency of fee payment under the policy is EUR:

Turnover discount bands (EUR)		Band discount
0	275,000	0%
275,001	689,000	5%
689,001	1,377,000	10%
1,377,001	2,755,000	15%
2,755,001	13,774,000	20%
13,774,001	27,548,000	25%
27,548,001	55,096,000	30%
55,096,001	-	40%

If the currency of fee payment under the policy is USD:

Turnover discount bands (USD)		Band discount
0	303,000	0%
303,001	758,000	5%
758,001	1,515,000	10%
1,515,001	3,030,000	15%
3,030,001	15,152,000	20%
15,152,001	30,303,000	25%
30,303,001	60,606,000	30%
60,606,001	-	40%

10. “Longstanding buyer” discount (only applicable for Facility C)

The insured party shall be entitled to the “Longstanding buyer” discount in a given relationship of the customer with its buyer if, in the course of at least two insurance periods, the customer has achieved insured turnover of at least HUF 100 million per year in respect of the buyer concerned, that is, at the earliest, starting from the third insurance period. The extent of the discount is constant during the insurance period; it is determined based on the already closed insurance periods, as follows:

The value of the discount shall be determined in such a way that 2.5% is assigned to each previous closed insurance period in which the buyer's insured turnover has reached HUF 100 million, and 5% is assigned to it if the annual turnover for a customer has reached the "significant turnover" mark (HUF 1 billion). The discount for the given insurance period is the aggregate of the discount percentages assigned to the previous closed insurance periods.

It is further stipulated, the maximum cumulative "Longstanding buyer" discount for a buyer cannot exceed 80%.

11. “Double non-payment” discount only applicable for Facility C

“Double non-payment” means when the debtor has a surety/guarantor, and neither the debtor nor the surety/guarantor performs its payment obligation. The insured party is entitled to the “Double non-payment” discount if the original loan debtor is rated at least 6, and in respect of the suretyship or bank guarantee stipulated by the insurer as a condition of limit validity for the given debtor, the surety/guarantor is rated at least 5. The extent of the discount in the case of a bank guarantee is 50%, and in the case of a suretyship from some company, it is 20%. In the case of a partial suretyship undertaking, a “Double non-payment” discount may only be granted off the fee charged for the part covered by the suretyship.

The double non-payment discount cannot be used in cases where the insurer only bears the original loan-debtor risk and the suretyship or guarantee associated with the debtor is not stipulated by the Insurer as a condition of validity of the limit.

12. Maximum combined effect of the “Longstanding buyer” discount and the “Double non-payment” discount

The combined fee-reducing effect of the discounts is determined in a multiplicative manner.¹ The upper limit of the combined fee reduction of these two new buyer-specific discounts is 80%.

¹ If several discounts are applied at the same time, the extent of the final discount is as follows:
 $1 - (1 - \text{discount}_1) * (1 - \text{discount}_2) * \dots * (1 - \text{discount}_n) = \text{Extent of final discount}$

13. Limit appraisal fees:

13.1. Pre-screening for Facility CI and CFI:

- The limit screening fee for the customers without having policy who submit limit request for the debtors from the countries with temporarily non-marketable risks as set out in the Annex to the Commission Communication “to member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance” - whose code is CI or CFI -, as well as the limit screening fee for limit applications submitted by our customers who already have CI and CFI mode insurance policies: HUF 0/buyer.

If the result of the pre-screening is positive, the limit assessment will be made afterwards at the costs specified in points 13.2 - 13.4.

13.2. New limit appraisal fee

- Limit appraisal fee charged for each new buyer rating: **HUF 17,000/buyer**.
- If, where needed by MEHIB, the customer provides authentic financial data on the buyer that does not require additional verification by MEHIB, the limit appraisal fee shall be **HUF 10,000/buyer**.
- If due to the absence of financial data a limit cannot be determined, the limit appraisal fee shall be **HUF 5,000/buyer**.
- In case of customers already having valid insurance policy on August 31, 2020, **the first two limit appraisals are free of charge**, in all other cases **the first five limit appraisals are free of charge**, uniformly.
- Urgency surcharge (only applicable for Facility C and CF)*: **HUF 10,000/buyer**, to be applied in the cases listed above, with the addition of the above fees (also to be paid in the case of a free limit appraisal)

*This is applicable to an urgent limit issued, at the customer's request indicated on the application form, within 5 working days from receipt of the request. If it is not possible to issue the limit within this time frame, then only the basic fee will be invoiced.

13.3. Appraisal fee for limit-increase request

- The appraising of a limit-increase request is free of charge. Urgency surcharge (only applicable for Facility C and CF)*: **HUF 10,000/buyer**.

13.4. Appraisal fee for renewed limit

- Fee for the maintenance of each renewable credit limit requested by the customer at the anniversary date of the insurance period: **HUF 17,000/buyer**, regardless of whether the financial data are provided by the customer or not.
- Maintenance of credit limits issued within six months preceding the policy anniversary day and having been subject to limit appraisal fee, is free of charge.

14. By submitting the limit request form, the customer orders from MEHIB Zrt. a buyer-risk appraisal service, the fee for which must be paid by the due date as stated on the invoice, except the limit appraisal is free of charge, regardless of whether the insurance contract is concluded. With respect to the settlement of any disputes stemming from the service related to the limit request, the general rules on jurisdiction and competence set out in the Act on Civil Procedure shall apply.
15. MEHIB accepts limit requests exclusively in written form, on its latest form, signed with a corporate signature, and it always sends a written confirmation of its limit decision to the insured party.
16. List of countries eligible for insurance under Facility C and CF

The prevailing list of countries eligible for insurance under Facility C and CF is on the „exim.hu” website. The list is available at:

<https://exim.hu/kondiciok/biztosito/orszagkockazat/orszagkockazati-besorolas>

In the case of countries not listed, please contact our staff.

17. List of countries eligible for insurance under Facility CI and CFI

The prevailing list of countries eligible for insurance under Facility CI and CFI is on the „exim.hu” website. The list is available at:

<https://exim.hu/kondiciok/biztosito/orszagkockazat/ideiglenesen-nem-piackepes-orszagok-listaja>

II. SPECIAL INSURANCE TRANSACTIONS

1. Facilities: **V** - Buyer credit insurance
 KV - Supplier-credit discounting insurance
 G - Manufacturing risk insurance
 S - Supplier credit insurance
2. Transaction appraisal and commitment-letter extension fee, depending on the insured amount of the transaction:

Insured amount (USD)	Transaction appraisal fee			Commitment-letter extension fee		
	(HUF)	(EUR)	(USD)	(HUF)	(EUR)	(USD)
under 500,000	84,000	280	310	84,000	280	310
under 1 million	116,000	390	430	84,000	280	310
1 million or more	290,000	970	1070	84,000	280	310

3. The transaction appraisal fee is due following the decision on acceptance of the transaction according to the insurance offer. It includes the fee for the one-time extension of the commitment letter, for a maximum period of 6 months.
4. The commitment-letter extension fee is due upon the second extension of the issued commitment letter, following submission of the extension request.
In the case of interbank credit lines the transaction appraisal fee is due upon the issue of the insurance contract relating to the individual accepted transactions, and its extent is 50% of the relevant items above.
5. The insurance fee depends on the country-risk classification, on the rating of the debtor and the surety, on the value of the deductible, on the length of risk-taking, on the repayment terms, and on the means of fee payment, and in the case of the insurance of performance risk it also depends on the performance risk of the exporter.

III. OTHER INSURANCE TRANSACTIONS

1. Facility: **B** - Investment insurance
 - 1.1. Transaction appraisal and commitment-letter extension fee: see sections II. 2, 3 and 4.
 - 1.2. The insurance fee and the optional insurance fee depend on the risk rating of the given country and on the value of the deductible. The calculation base for the fee is the insured amount. The insurance fee is due in a lump sum, one year in advance.
2. Facility: **VHK** - Interbank buyer credit line
 - 2.1. Transaction appraisal and commitment-letter extension fee: see sections II. 2, 3 and 4.
 - 2.2. The insurance fee depends on the country-risk classification, on the rating of the debtor and the surety, on the value of the deductible, on the disbursement period (between 0 and 2 years) and the length of the repayment period (between 2 and 10 years).

2.3. The maximum length of the repayment period applicable to each country depends on the classification set and published by the World Bank from time to time based on per capita GNI. Categories used by the World Bank:

- Category I: high income OECD countries
- Category II: all other countries not in category I.

Applicable repayment periods depending on the classification:

Repayment period (year)	Category I countries	Category II countries
2	applicable	applicable
2-2,5	applicable	applicable
2,5-3	applicable	applicable
3-3,5	applicable	applicable
3,5-4	applicable	applicable
4-4,5	applicable	applicable
4,5-5	applicable	applicable
5-5,5	applicable	applicable
5,5-6	applicable	applicable
6-6,5	applicable	applicable
6,5-7	applicable	applicable
7-7,5	applicable	applicable
7,5-8	applicable	applicable
8-8,5	applicable	applicable
8,5-9	not applicable	applicable
9-9,5	not applicable	applicable
9,5-10	not applicable	applicable