BUSINESS REGULATIONS

OF HUNGARIAN EXPORT CREDIT INSURANCE

PRIVATE LIMITED COMPANY

Effective from 1 February 2023

Contents

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 in charge of state assets is entitled to exercise owner's (shareholder's) rights in respect of the corporate shares in the Insurer that are owned by the state. According to Annex 2 of Act CXCVI of 2011 on National Assets, Hungarian Export Credit Insurance Plc falls into the category of national assets of primary importance in terms of the national economy, and furthermore, pursuant to Section 5, paragraph (2) of Act CVI of 2007 on State Assets, it qualifies as a body fulfilling a public duty in accordance with the act on the disclosure of data of public interest.

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

2.3. Address of the Company's Moscow Office: 123610 Moscow, Krasnopresnenskaya 12., Russia

2.4. 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

The provisions of the Exim Act shall apply to the **Insurer and the activity performed by it**. In addition to the Exim Act, the provisions of Government Decree 312/2001 (XII. 28.) on the conditions of insuring non-marketable risks by Magyar Exporthitel Biztosító Részvénytársaság (Hungarian Export Credit Insurance Limited) at the expense of the central budget alongside an absolute suretyship from the Government (hereinafter: "Government Decree 312/2001", and Government Decree 232/2003 (XII. 16.) on the conditions and detailed regulations of tied-aid credits to be disbursed by Eximbank (hereinafter: "Tied-aid Credit Decree") shall apply. 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.

4. The Insurer's activity

MEHIB's activity may comprise, 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. MEHIB is also entitled to insure the foreign-exchange risk arising from the listed activities separately.

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 shall mean a party requesting a credit limit, the contracting party, the insured, the co-insured, the pledgee of the claims payment, another person entitled to use the insurer's services (the assignee of the claims payment); for the purposes of the provisions on data protection, a person that makes a contract proposal to the Insurer shall be also deemed a Client.

6. Legal nature and content of the Business Regulations

The provisions of these Business Regulations shall apply to the legal relationship between the Insurer and the Client in connection with the insurance activity, including any business relationship between the Insurer and the Client and any declaration (including, without limitation, promissory notes, preliminary limits) made by the Insurer and the Client prior to concluding the insurance contract. The Business Regulations stipulate the general contractual conditions of the legal transactions between the Insurer and its clients and also constitute a part of the insurance contracts concluded between the Insurer and its clients. The special conditions of the legal transactions between the Insurer and its Client are contained in the List of Terms and Conditions, and the content of the insurance relationships associated with the given facility, as well as in the detailed rules of the general terms of contract relating to the individual types of transaction (hereinafter: "GTC"), in promissory notes, bonds, credit limit applications and credit limit notices. With respect to the content elements of the insurance relationship established between the Insurer and the Client, for which none of the documents forming part of the given insurance contract (the credit limit application, the credit limit notice, the bond, the General Terms of Contract, the insurance proposal, the List of Terms and Conditions, and the Business Regulations) contains a provision, the provisions of Government Decree 312/2001, the Tied-aid Credit Decree and the Exim Act, the latest effective Civil Code, as well as the European Union and OECD regulations, shall apply.

7. Publication, acceptance, scope and amendment of the Business Regulations

7.1. Publication and acceptance 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 at the time of making an insurance offer, or in the case of a preliminary limit, at the time the credit limit application is made. The condition for establishing a contractual relationship is that the Client declares - when the proposal is made - on the form provided for this purpose, that he/she has read and accepts the Business

Regulations and the other terms and conditions of the insurance contracts and acknowledges them as binding.

7.2. Scope of the Business Regulations

The insurance contracts between the Insurer and the Client shall be governed by the provisions of the Business Regulations in force at the time of their conclusion, unless otherwise agreed by the Parties. The Insurer and the Client may agree in the insurance contract concluded between them to exclude the application of any clause of the Business Regulations to their contract, subject to the provisions of the law.

7.3. Amendment of the Business Regulations

7.3.1. The Insurer is entitled to unilaterally amend the Business Regulations, without offering explanations.

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

Amendments to the Business Regulations shall apply only to contracts concluded after their entry into force. However, the Insurer and the Client may agree, in the event the Business Regulations are amended, to apply the amended Business Regulations to the insurance contract already concluded, and to record its terms and conditions in the insurance policy.

7.3.2. Governing rules in the case of a promissory note, preliminary limit:

For Clients who do not yet have an insurance policy and who were issued a promissory note pursuant to section 15.1 of these Business Regulations or a preliminary limit pursuant to section 15.2, the provisions of the Business Regulations in force at the time of the issue of the promissory note or preliminary limit, unless otherwise agreed by the parties. However, if the Business Regulations are amended during the validity period of the promissory note or the preliminary limit and an insurance contract is concluded, the provisions of the Business Regulations in force at the time of conclusion shall apply to the insurance contract to be concluded, irrespective of whether the amendment to the Business Regulations contains a favourable or unfavourable change. Therefore, at the time of concluding the insurance contract, the Insurer shall ensure that the Client has an opportunity to study the contents of the Business Regulations prior to concluding the contract. After the conclusion of the insurance contract, the provisions set out in sections 7.1.-7.2 shall apply.

8. Contact between the Insurer and the Client

The insurance contract entered into by the Insurer and the Client is concluded 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 Clients of the Insurer may make their contractual legal declarations and notifications, unless otherwise provided by the contract concluded by the parties, in the following manner:

a) the conclusion, amendment, termination or cancellation of the insurance contract, as well as other declarations stipulated in the insurance contract, except for those set out in point b) – only in writing, signed by the persons entitled to sign on behalf of the company or by the authorised representative, in the following ways:

   - an official document sent to the address of the Insurer by post and duly signed;
   - a duly signed official document presented to the Insurer's representative in person or through an agent and proven to have been received;
   - an official document sent to the Insurer by email that contains at least an advanced electronic signature in line with Regulation (EU) 910/2014 on electronic identification and trust services related to electronic transactions in the internal market (hereinafter: eiDAS regulation);

b) the submission of credit limit applications, turnover reports, threat of loss reports

   - in the ways indicated in point a) or
   - a signed fax message, sent to the fax number indicated and announced by the Insurer, or
   - a scanned and signed document sent to the electronic mailing address indicated and announced by the Insurer.

Their contractual **legal declarations and notices** identified in points a) and b) that are sent to the email address may only be deemed to have been communicated if the Client making the declaration has consented in advance to electronic communication in the insurance proposal or in a separate written declaration. In addition to the above, other declarations made by fax or email, and orally to the Insurer - in the absence of any provision of the contract to the contrary - shall be treated as guidance only, and any damages resulting from the acceptance or making thereof shall be borne exclusively by the Client.

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 Bank in writing within five (5) working days if:

- the company name of the Client, its address (registered office) or email address for notification purposes has changed;
- its company form;
- the identity of its designated authorised representatives reported to the Insurer,
- the Client's beneficial owner has changed (see section 12.2);

- it has filed for bankruptcy, or has initiated liquidation or winding-up proceedings against itself;
- it becomes aware of a third party having initiated bankruptcy, liquidation or enforcement proceedings against it;
- the company court takes measures for the purpose of winding up the company due to a regulatory review procedure or winding-up procedure, deems the company terminated or orders the launch of an involuntary dissolution (strike-off) procedure 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, the risk to be taken, 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 or request. The Client is obliged, furthermore, following conclusion of the insurance contract, to provide the information prescribed or 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 Client that is 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 of the person(s) authorised to represent it in relation to the insurance contract and provide the original(s) of the specimen signature(s) or sample signature(s) countersigned by a lawyer, or copies thereof, and ad the same time present the original specimen signature(s) or sample signature(s) countersigned by a lawyer. 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 specifically request to have the authorisation notarised. In the case of a foreign Client, the Insurer shall determine individually which documents the Client is required to submit in relation to the persons acting in connection with the insurance contract and authorised to represent the Client.

In the case of an authorisation that has been issued abroad and in the case of a foreign Client, the Insurer will require an authentic translation of the authorisation and he documents presented by the Client, duly certified in compliance with the applicable statutory provisions, or the addition of an authentication clause ("Apostille") as per the Hague Convention (5 October 1961, promulgated by Legislative Decree 11 of 1973), or in the case of countries with which Hungary has concluded a bilateral legal assistance agreement, by a local authority or notary authorised to certify the authenticity of signatures in the country concerned.

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

a) The Insurer shall send all contractual proposals, declarations, notices and documents - with the exception of the case described in point b) - to the address specified by the Client as its mailing address or designated in the proposal and the contract concluded with the Insurer. 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.

b) The Insurer shall send the Credit Limit Notice regulated in section 13.1 of the Business Regulations to the Client in the following ways:

- duly signed, in scanned form to the email address provided by the Client in the insurance proposal or in a separate statement, as an attachment to an email,
- in accordance with the provisions of the eiDAS regulation, duly signed with at least an advanced electronic signature, to the email address provided by the Client,
- duly signed, to the fax number provided by the Client in the insurance proposal or in a separate statement.

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.").

The Insurer shall conduct the transparency checks related to Clients in accordance with the details of the latest effective Customer Due Diligence Regulations of the Insurer until the issuance of the insurance policy at the latest.

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 concept of beneficial owner is defined in Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing, the tax conventions are defined by NAV (www.nav.gov.hu), and the definition of controlled foreign corporation is set out 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 the conditions of this prior to the conclusion of the contractual relationship, and therefore Clients shall - prior to the establishment of the business relationship, in the framework of a transparency check - provide answers in writing to the questions asked in the declaration forms drafted and provided by the Insurer.

If, as a result of the transparency check, the Insurer establishes that the ownership structure of the business entity is not transparent or (in the case of a foreign Client or foreign owner of a Client) the entity is classed as a controlled foreign corporation, or the Insurer is unable to conduct the transparency check due to the non-co-operative conduct of the Client, the Insurer may not establish a business relationship with these Clients.

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

During the existence of the contractual relationship, the Client is obliged to notify the Insurer electronically or by post of any changes that occur in the data provided in the course of the transparency check or concerning the person of the beneficial owner within five (5) working days from becoming privy of such changes. If there is any doubt as to the authenticity or up-to-dateness of the data provided, the Client shall be obliged to co-operate in the taking of all further measures as may be specified by the Insurer until the data is verifiable by the Insurer.

12.2.1. 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 and/or prescribe additional

measures in order to conduct the transparency check. The Insurer is entitled, concurrently with communicating the amendment proposal, call for taking measures, 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, measures.

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, call for measures 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. Furthermore, the Insurer may make a proposal requesting participation in the repeat transparency check, and in the case of a controlled foreign corporation, the Insurer is entitled to conduct other risk mitigation compliance procedures. The Insurer is entitled to determine the method of the risk mitigation procedure individually, in connection with which the Client is obliged to co-operate.

12.2.4. The Insured is required to reply in writing 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, call for measures, and if the Insured accepts the Insurer's amendment proposal, call for measures, and, within the deadline stipulated by the Insurer:

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

then the amendment to the insurance contract shall take effect from the date specified in the insurance policy, once the recommendations for measures have been met. If, on the other hand, the measures required by the Insurer are completed and no further amendments or additional conditions are imposed, the insurance contract shall remain in force with unchanged conditions and the Insurer shall decide to reinstate the risk assumption, of which the Insured shall be informed in writing.

12.2.5. If the Insured is classed as a controlled foreign corporation and accepts the amendment proposal of the Insurer regarding the mitigation of risks, the amendment of insurance contract shall enter into force on the date specified in the amended insurance policy issued after the Insured's declaration of acceptance of the proposed amendment and signed by the parties, and the insurance contract shall remain in force with the amended content.

12.2.6. If the Insured does not accept the Insurer's proposed amendment drafted in accordance with points 12.2.4-12.2.5, or does not respond to it within 15 days, the Insurer is entitled to terminate the insurance contract within 30 days from the receipt of the Insured's rejection letter or, if the Insured does not respond, from the last day of the available 15-day response period.

The termination will cancel the insurance contract with respect to the future, and thus, in respect of claims where the Insurer's risk bearing has already begun before the date of

termination, the Insurer’s potential indemnification obligation remains valid; however, the Insurer is not obliged to assume any additional risk during the 30-day notice period.

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 damage occurring as a result of an insured event that takes place during the risk assumption, to perform the service defined in the contract; the party entering into the contract with the Insurer is obliged to fulfil the obligations provided for in the insurance contract, and – as consideration for the Insurer's assumption of the risk – pay an insurance 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 promissory note, and eventually the policy, are prepared;
- **Credit limit application**: an application completed by the Client, which contains the requested insured amount (limit) for a given customer as well as additional information and declarations necessary for the risk appraisal of the customer (buyer);
- **Credit limit notice**: a notice issued by the Insurer which contains the maximum insurance amount per buyer, and other specific terms and conditions of risk assumption and restrictions applicable to the given buyer;
- **Policy**: the document certifying the conclusion of the insurance contract between the Insurer and the Client, which contains the main terms and conditions and special terms and conditions of the insurance relationship;
- **General terms of contract (GCT):** contains the valid general terms of contract of the insurance policies, for each facility, the GTC applicable to the given insurance contract are referred to in the insurance policy in each case
- **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 general and comprehensive provisions related to the Insurer’s insurance activity and insurance contracts.

14. Insurance facilities

The Insurer offers the following insurance products relating to non-marketable risk in accordance with the Exim Act, Government Decree 312/2001 (XII. 28.) and the Tied-aid Credit Decree, charged to the central budget and with absolute suretyship provided by the Government:

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 credit insurance

Turnover-type transactions

Facility C: Deferred-payment receivables insurance

Facility CF: Factoring insurance

Insurance with C+Manufacturing module

Other types of transactions

Facility B: Investment insurance

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

The conditions of eligibility for insurance are specified in the General Terms of Contract relating to the individual products, these Business Regulations and other documents forming the part of the insurance contracts.

14.2. Provisions on the fulfilment of minimum Hungarian share of origin

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 origin, as well as the terms and conditions specified in the insurance contract are met – shall in all cases extend to the Hungarian share of origin.

14.2.1. In the case of export of goods:

a) MEHIB's risk bearing for medium and long-term transactions covered by the OECD Agreement may at most extend to the extent specified in the OECD Agreement (including foreign content and local costs), if in the foreign trade contract at least half of the contractual value of the export - or at least 25% in the case of provision of cover in the national interest - is considered to be of Hungarian origin,

b) with respect to short-term transactions, MEHIB's risk bearing may extend to the foreign content if at least half of the goods delivered in the framework of a foreign trade contract – or at least 25% in the case of provision of cover in the national interest – are considered to be of Hungarian origin.

Compliance with the conditions set out in paragraphs a) and b) shall be verified in accordance with the internal regulations of MEHIB.

c) In the case of transactions described in paragraphs a) and b), part-performance is considered acceptable if the Hungarian share of origin of the exported goods at the time of the partial performance is equal to the Hungarian share of origin specified in the delivery schedule stipulated in advance (that is, at least before the insurance cover) in the insurance policy (that is, the Hungarian share of origin is reached or exceeded). If the delivery schedule for the export of goods is not stipulated in the insurance policy and the export of goods performed in the context of the foreign trade transaction does not attain the Hungarian share of origin specified in point a) and b), then MEHIB's risk assumption – with the exception set out in point 14.3 – shall only extend to the Hungarian quota.

d) the insured shall submit to MEHIB a certificate of origin (certificate) in the manner prescribed in the insurance contract to establish and certify the Hungarian origin of the goods, which certificate is obtained from the body (chamber) authorised to issue it, with the proviso that the non-preferential rules of origin applied by the body (chamber) authorised to issue the certificate of origin (certificate) available on the website of the authorised body and the rules of the procedure for issuing a certificate of origin (certificate) shall be used to establish and certify the Hungarian origin of the goods;

e) if a business entity engaged in foreign trade activities exports goods to the same customer under the foreign trade contract in respect of goods of the same name, tariff number and place of origin more than once, in order to prove the Hungarian origin of the goods it is sufficient to obtain a certificate of origin (certificate) complete with a special clause issued by the competent body (chamber) after the performance of the first export of the goods and send such certificate to MEHIB. The certificate furnished with this clause shall, with regard to the goods specified therein (which are identical in terms of their designation, customs tariff number and place of origin), adequately attests to the Hungarian origin of these goods and of all subsequent exports of goods of this type destined for the same customer (buyer);

f) if a change occurs in the designation, tariff number or place of origin of the goods described in the certificate of origin complete with a clause or in the person of the buyer (customer), the Insured shall obtain a new certificate of origin from the competent body (chamber) for the first export after the change and shall send such certificate to MEHIB.

14.2.2. In accordance with Government Decree 312/2001, the Insurer's risk assumption applies to a service if at the time of performing the service, more than 50 percent of the persons employed by the domestic economic organization providing the service or by its subcontractor deemed a domestic economic organisation, contributing to the provision of such exported service are persons that possess 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 with a certificate issued by the body responsible for recording the insured relationship.

14.2.3. At least a quarter of the value, less financing costs, of construction, assembly, technical fitting and planning contracts and contracts directly associated with the performance of services related thereto must be classed as exports of Hungarian origin. The Hungarian Chamber of Commerce and Industry issues a certificate of Hungarian share of origin in this regard, based on a procedure approved by MEHIB.

If the Hungarian share of origin 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 origin. If the foreign trade contract also allows for completion in stages, the part-completion shall be deemed accepted if the extent of the Hungarian share of origin at the time of the part-completion matches (that is, reaches or exceeds) the Hungarian share of origin specified in advance (before the insurance cover) in the insurance policy.

14.2.4. With regard to the application of those set forth in sections 14.2.1 and 14.2.3, a quota reinsured by another 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. With respect to the export of machinery and equipment that has been in use in the intended manner for at least five years at a business entity with a registered seat in Hungary – regardless of the origin of such items – the Insurer's risk assumption may include the total value of the export of such machines and equipment in accordance with the provisions of the Business Regulations and the conditions of the GTCs applicable to the relevant insurance.

14.2.6. For the purposes of applying the provisions of sections 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

a) by a Hungarian business entity,

b) if, pursuant to the prevailing statutory provisions of the country of the place of performance, the domestic business entity is not entitled to effect performance in the country concerned, then such business entity established in accordance with the law of the country in question, or

c) in the absence of the conditions specified in sections a) and b), a business entity registered in a country other than the country of the place of performance.

14.2.7. If an insurance contract also covers risks arising from receivables that have arisen prior to the performance of an export-related foreign trade contract, the following requirements shall be applicable with regard to the period preceding export performance.

14.2.7.1. In the case of non-standard insurance transactions:

a) Pursuant to the Tied-aid Credit Decree, in the case of items included in the cover of advances paid on the basis of an aid credit contract, the provisions set out in sections 14.2.1.14.2.2. and 14.2.3. concerning the fulfilment and certification of the Hungarian quota shall not be applied for certifying the Hungarian origin.

b) In the case of manufacturing risk insurance:

In such cases, the information provided by the exporter/credit institution regarding the Hungarian origin shall serve as a preliminary basis for assessing the adequacy of the Hungarian share of origin, and the submission of this declaration is prescribed by the Insurer as a condition for the entry into force of the insurance contract. If the insured transaction is interrupted before the export is performed and an indemnity claim is submitted and if:

- the manufacturing of the export goods affected by the claim has not been completed or has not even started, then the Insured's preliminary declaration on the adequacy of the Hungarian share of origin is used to prove the Hungarian origin of the goods,
- the manufacturing of the export goods affected by the claim has already been completed but the performance of the export has not yet taken place, the Insured must obtain the certificate of origin from the chamber that is authorised to issue it to prove the Hungarian origin of the manufactured goods, and must send such certificate to the Insurer.

However, after the performance of the export is commenced, the insured must certify – in the case of transactions specified in this section – the satisfaction of the requirements pertaining to the Hungarian origin of the performed export in the manner specified in sections 14.2.1 and 14.2.3.

14.2.7.2. In the case of turnover-type facilities (supplemented by a C manufacturing module):

a) The Insured declares, in the context of the data provision to be performed as part of the turnover report, that the minimum Hungarian share of origin in accordance with the relevant and effective statutory requirements will be fulfilled in respect of the goods to be delivered, and it will obtain the prescribed certificates. If the insured transaction is interrupted before the export is performed and an indemnity claim is submitted and if:

- the manufacturing of the export goods affected by the claim has not been completed or has not even started, then the Insured's declaration provided in the

turnover report shall serve as the basis with respect to the adequacy of the Hungarian share of origin in order to prove the Hungarian origin of the goods,

- the manufacturing of the export goods has been completed, the Insured shall obtain the certificate of origin from the chamber that is authorised to issue it, to prove the Hungarian origin of the manufactured goods, and shall send such certificate to the Insurer.

However, after the performance of the export is commenced, the insured must certify – in the case of goods transport specified in this section – the satisfaction of the requirements pertaining to the Hungarian origin of the performed export in the manner specified in sections 14.2.1. and 14.2.2.

14.3. Provision of cover in the national interest

If a national interest is associated with the export transaction, then the full loan amount, or the total amount of the trade credit resulting from the deferred export transaction (excluding insurance for manufacturing risk), may also be insured if the Hungarian content is lower than that determined in points 14.2.1. and 14.2.3, though in such cases the Hungarian share of origin 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 and of the risk assumption falls under the authority of the Board of Directors of the Insurer; in the course of such, and in consideration of the provisions of Hungary's latest foreign trade strategy, the Board of Directors shall, in respect of the risk characteristics associated with the transaction, inspect the following criteria:

- job creation, job protection;
- the 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;
- extent of the share of domestic added value within the content classed as of Hungarian origin; and
- 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 conditions of providing cover in the national interest.
- The information provided by the exporter (form, data reporting, documents) must provide evidence for the Insurer as to whether the characteristics of the risks to be assumed and the transaction – taking at least one of the criteria listed in point 14.3 into consideration – warrant providing cover in the national interest.

The evaluation of the transaction and the risk to be assumed is included in the business proposal in the form of a recommendation based on an assessment of the transaction in accordance with the criteria set forth 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 the establishment of a business relationship, the Insurer shall perform the transparency check of Clients in accordance with the provisions set forth in section 12.1. If the results of this are satisfactory, a business relationship may be established with the Insurer to secure non-standard or turnover-type or some other type of transaction.

15.1. 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 **promissory note**, or if the relevant conditions exist, an insurance policy, to the Insured in respect of the given transaction. The Insurer issues the commitment letter in writing; the promissory note is valid for a maximum of 6 months from its issuance. Prior to its expiry, the Client may submit a written request for an extension of the validity of the promissory note, on which the Insurer shall make a decision. The promissory note 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 promissory note, the Insurer may unilaterally withdraw or amend it or may unilaterally refuse to conclude the contract, or may change the premium 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.

- The promissory note may be unilaterally amended by the Insurer during its period of validity if:

  a) any data provided by the client change, or if it is necessary to amend the insurance/reinsurance conditions related to the promissory note that does not result in increasing the risk (e.g. technical amendments, application of clauses),

  b) or there is a significant increase in the level of risk.

- During the validity period of the insurance promissory note, after fulfilment of the terms of issuance prescribed in the insurance promissory note, the Insured may request from the Insurer the issuance of the insurance **policy**, which is signed by the Insurer and the Insured.

15.2. Turnover-type transactions

Establishing a business relationship/concluding 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 shall send the duly signed insurance policy 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. Clients that do not yet possess a policy shall submit a limit application to the Insurer in the manner specified in point 8.b) of the Business Regulations on the form provided for this purpose. The Insurer shall examine the requested limits for the Client, and then issue a limit notice on the results of the examination and send it to the Client in accordance with the provisions of section 11. The limits issued to Clients without a policy are recorded by the Insurer as preliminary limits in its internal system, and these are valid for 6 months counted form 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 order to conclude the insurance contract, and after the signed insurance policy is received by the Insurer, it assigns the previously issued preliminary 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 Insurance Contract.

If the Client that does not possess a policy fails to send the insurance proposal to the Insurer, the preliminary limits reserved for the Client shall expire after 6 months after the issuance of the limit, and after this, the Client must submit another limit application to the Insurer.

15.3. For other types of facilities

15.3.1. In the case of facility B, the procedure applicable to non-standard transactions set out in section 15.1 shall apply.

16. The insurance premium, principles of premium calculation

16.1. MEHIB determines the principles for calculating premiums on the basis of the provisions of Government Decree 312/2001 (XII.28), the Communication from the Commission to the 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 as well as the OECD Agreement.
MEHIB determines its insurance premiums in line with the country risk rating, the rating of the debtor, the suretor or the guarantor, the extent of the agreed deductible, the duration of risk assumption, the terms of repayment and the manner of premium payment, and, if the given facility involves the assumption of performance risk, the performance risk of the participants in fulfilment of the export-purpose foreign trade contract. The premium charged must reflect the risks assumed by the Insurer in the Insurance Contract, 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 the international norms relating to the premium level have not been issued, the premiums associated with the risk assumption shall be adjusted in line 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 purchasers, 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 expiring in two years or more must not be lower than the minimum premium to be calculated on the basis of the OECD Agreement. For non-standard 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 for the services extended by MEHIB to the Client, the conditions taken into consideration in the course of calculating the premium, as well as the other specific conditions for the provision of the services, are specified in the latest effective List of Terms and Conditions and the GTCs. 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 adviser, 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 trade secrets pursuant to Section 1(1) of Act LIV of 2018 on the protection of trade secrets, and insurance secrets pursuant to Section 25(2) of the Exim Act. only in the cases specified in Section 137 of Act LXXXVIII of 2014 on Insurance Activity (hereinafter: Insurance Act) – with the proviso that the confidentiality obligation defined in Sections 137-139 oft the Insurance Act does not apply to data supplied to the ministry headed by the minister responsible for the supervision of state assets, 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 processing

18.1. The Insurer will endeavour to process the personal data of its Clients or of other data subjects only to the extent necessary for the provision of the service and will apply the most appropriate technical and organisational measures to ensure data security. The personal data shall be processed in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the

processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (hereinafter: "GDPR"), Act CXII of 2011 on the Right to Informational Self-Determination and Freedom of Information (hereinafter: "Infotv.") and other legislation on data protection and data security.

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 processing is only necessary for concluding and amending the insurance contract, and for assessing and enforcing claims arising from the insurance contract, and it is only possible for the purpose specified by the Etv. Data processing for a purpose other than that mentioned above requires the prior, voluntary consent of the Client.

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 longer any statutory legal basis for the handling of such.

18.6. Upon request, pursuant to the Information Act, the Insurer shall in any case provide the Client with information about the personal data processed by the Insurer, and allow the Client to exercise his/her other rights of disposal over the personal data processed, as provided for by the GDPR and the Information Act.

18.7. Pursuant to section 24/A of the Etv., the Insurer is entitled, in accordance with section 30, paragraphs (2)-(4) of Act CLII of 2017 on the Implementation of the EU Customs Law (hereinafter: Vtv.), for the purpose defined in Section 29, paragraph (1) (r) of the Vtv., to familiarise itself with the following information relating to the party entitled to conduct export activity involving the trade of goods, services and pecuniary rights:

a) sole trader's name, residential address, correspondence address, sole trader's registration number, tax identification code,
b) legal entity's name, registered office, correspondence address, company registration number, statistical code, tax number, and
c) in respect of the subjects defined in points a) and b), the aggregate data relating to the value of exports, as stated in the customs authority's records.

18.7.1. The Insurer is entitled to handle this data – with the exception specified in section 18.7.2 – for 5 years from becoming privy to such data.

18.7.2. The Insurer shall, without delay upon receiving the notification described in Section 30, paragraph (4) of the Vtv., delete the data of the party making a declaration in accordance with Section 30, paragraph (4) of the Vtv., entitled to conduct the export activity in the trade of the goods, services and pecuniary rights.

18.8. The detailed information on data processing is available on the Insurer's website at: Data Protection and Data Security Regulations (exim.hu)

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.

Procedures for the handling of complaints:

Verbal complaints may be made:

a) personally, at the Insurer's registered office (on Monday through Thursday between 09.00 and 16.00 and on Friday between 09.00 and 14.00),

b) by phone, using the Insurer's 06/1-374-9200 central phone number or its 06/1-374-9318 phone number – suitable for making voice recordings – reserved for receiving complaints (call reception hours: Monday 08.00-20.00, Tuesday through Thursday: 09.00-16.00, Friday 09.00-14.00).

Written complaints may be filed:

a) by submitting a document either personally or through another person to the Insurer's registered office,

b) by post to postal address 1243 Budapest, Pf. 510.,

c) by fax-to-fax numbers 06/1-269-4476, 06/1-269-1198,

d) by email to exim@exim.hu.

If a verbal complaint cannot be resolved immediately, the Insurer shall investigate and respond to it in writing within thirty (30) days from receipt.

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 general 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.