



**BUSINESS REGULATIONS**  
**OF HUNGARIAN EXPORT-IMPORT BANK**  
**PRIVATE LIMITED COMPANY**

**with respect to contracts concluded from 30<sup>th</sup> March, 2023**

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## 1. Definition of terms

For the purposes of these Business Regulations, the terms listed below shall have the following meanings:

**GTC:** the general terms of contract for legal transactions concluded between the Bank and its Clients, which regulate the general substance and the specific detailed rules of the legal transaction, for each type of transaction;

**Bank:** Hungarian Export-Import Bank Private Limited Company (registered office: 1065 Budapest, Nagymező u. 46-48; company registration number: 01-10-042594; court of registration: Company Court of the Metropolitan Court of Budapest);

**Collateral:** the collateral(s) provided as security for the fulfilment of the Client's obligations arising from the Contract concluded between the Bank and the Client;

**Collateral Provider:** the Hungarian or foreign natural person, or the foreign or domestic legal person or entity without legal personality, or other legal entity (including the Sovereign or Sub-sovereign entity) providing the Collateral;

**Bszt:** Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers and the Regulations Governing their Activities;

**Ctv.:** Act V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings;

**Etv.:** Act XLII of 1994 on the Hungarian Export-Import Bank and the Hungarian Export Credit Insurance Company;

**Eximbank:** Hungarian Export-Import Bank Private Limited Company

**Parties:** the Bank and the Client collectively;

**Business Entity:** the term as defined in Section 1, paragraph (5a), point 3 of the Etv. and in Section 2 of Government Decree 59/2023 (28.II.) on certain emergency rules concerning the Hungarian Export-Import Bank;

**Hpt.:** Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises;

**KHR:** the Central Credit Information System approved by the MNB;

**KHR tv.:** Act CXXII of 2011 on the Central Credit Information System;

**IE Decree:** Government Decree 85/1998 (V. 6.) on the Interest Equalisation System of Hungarian Export-Import Bank Limited;

**List of Terms and Conditions:** the latest, effective list of terms and conditions of the Bank;

**MEHIB Zrt.:** Hungarian Export Credit Insurance Private Limited Company (registered office: 1065 Budapest, Nagymező u. 46-48, company registration number: 01-10-042595);

**MNB:** the National Bank of Hungary;

**Working Day:** any such day, other than Saturday, Sunday or a public holiday in Hungary or a bank holiday, on which the Bank is open for business. In respect of transactions in foreign currency, it means all the days when the Bank is open for conducting business and when, in the financial centres of the affected currency, financial settlement occurs in that currency, and when any payments that are to be executed in that currency may be settled, financially, in the generally used settlement systems and in accordance with the generally applied banking practice;

**AML Act:** Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing;

**Pp.:** Act CXXX of 2016 on the Code of Civil Procedure;

**Ptk.:** Act V of 2013 on the Civil Code of Hungary;

**Contract:** the individual or framework agreement(s) concluded between the Bank and the Client;

**Sub-sovereign Entity:** domestic regional government, local authority, as well as territorial or town municipalities with their own budget and partial or full autonomy;

**Sovereign Entity:** an entity or central bank that is part of the central government of a country;

**Client:** a foreign or domestic Business Entity, a Sovereign or Sub-sovereign entity, or another legal entity to whom (which) the Bank provides financial services or who (which) contacts the financial institution for the purpose of using a service, including the Collateral Provider;

With respect to Annex 1A of the Business Regulations, Client shall also mean the debtor under a derivative credit or loan contract that is financed with a refinancing loan provided by the Bank. With respect to Annex 1/B of the Business Regulations, Client shall mean any legal entity defined in the annex, with respect to which Annex 1/B defines a condition for exclusion.

**Business Regulations:** these Business Regulations of the Bank.

## 2. INTRODUCTORY PROVISIONS

2.1. The Bank is a specialised credit institution established under the Etv. The Bank is a legal successor of Export Guarantee Insurance Private Limited Company and was established by way of demerger on 26 May 1994.

2.2. The Bank is a private company limited by shares, wholly owned by the Hungarian State. Pursuant to Section 1(2) of 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 Bank that are owned by the state. According to Annex 2 of Act CXCVI of 2011 on National Assets, the Bank 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.

### 2.3. General company registration data

The Bank's registered office:	1065 Budapest, Nagymező u. 46-48.
The Bank's tax number:	10949638-2-44
Company registration number:	01-10-042594
Bank account number:	14800016-06000008-11111128

2.4. The Bank operates on the basis of operating licence no. 118/1998/F issued on 9 February 1998 by the Hungarian Financial and Capital Markets Supervisory Authority (whose current legal successor is the National Bank of Hungary) pursuant to resolution 63/1994 issued by the Hungarian Banking Supervisory Authority on 10 August 1994.

2.5. With respect to the Bank and the activities it performs, the Hpt. and the Bszt. and the provisions of the Ptk. relating to legal entities shall be applied, with the exceptions set out in the Etv. In addition to the Etv. as well as the relevant emergency government decrees, with respect to the Bank's activity, the IE Decree and Government Decree 435/2012 (XII.29.) on the guarantees assumed by Eximbank with a state payment guarantee and on the conditions and detailed regulations of the replacement and interest costs of foreign currency and interest swap transactions and Government Decree 232/2003. (XII. 16.) on the conditions and detailed regulations of tied-aid loans to be disbursed by Eximbank shall apply.

## **3. Scope of application of the Business Regulations**

3.1. These Business Regulations contain the general terms applicable to legal transactions concluded between the Bank and the Client, and the provisions therein shall apply to all business relations between the Bank and the Client arising from the activities of the Bank as a credit institution.

3.2. The list of Clients excluded from the services provided by the Bank is contained in Annexes 1/A and 1/B of the Business Regulations, with the additional stipulation that Clients are required to comply with a part of the conditions defined in these annexes (as indicated therein) throughout the term of the Contract concluded with the Bank. The list of transactions excluded from financing is contained in Annex 2 of the Business Regulations.

3.3. The provisions of the Business Regulations shall – even without a separate stipulation to

this effect – constitute an integral part of the Contract and shall be binding on both the Bank and the Client unless otherwise provided in the Contract concluded between the Bank and the Client or in the GTC for the given type of transaction. If there is a discrepancy between the Business Regulations, the relevant GTC and the Contract in respect of any matter, the provisions of the GTC and of the Contract shall apply, whereas in the case of any discrepancy between the GTC and the Contract, the provisions of the Contract shall apply.

3.4. With respect to those substantive elements of the legal relationship between the Bank and the Client to which neither the provisions of the given contract, nor of the relevant GTC, nor of these Business Regulations apply, the effective provisions of the Ptk. as well as the latest effective Hungarian legal rules and the legal sources of the European Union pertaining to payment services, banking transactions and the relationship established between the Bank and the Client, shall prevail.

3.5. These Business Regulations have been prepared in Hungarian and English, and in the event of a legal dispute or any discrepancies between the two versions, the Hungarian version shall apply.

#### **4. Public nature of the Business Regulations**

These Business Regulations are public and may be viewed and studied by anyone at the Bank's premises used for receiving clients, during business hours, and on the Bank's website ([www.exim.hu](http://www.exim.hu)). Upon separate request, the Bank shall provide the Business Regulations to the Client free of charge.

#### **5. Unilateral amendment of the Business Regulations and the terms of contract**

5.1. The Bank shall be entitled to unilaterally amend the Business Regulations at any time, and shall also be entitled to unilaterally amend the interest rates, fees, costs and other terms of contract related to the financial services provided by it, provided that the conditions for such as specified in this section exist.

##### **5.2. Unilateral amendments unfavourable to the Client**

5.2.1. The Bank shall be entitled to amend the Business Regulations and the interest, fees, costs and other terms of contract related to the financial services provided by it in a manner unfavourable to the Client in the event that any or all of the following conditions or circumstances prevail:

- a) a change in the law or in the regulatory environment that relates to or affects the Bank's activity or operating conditions, including without limitation the following:
  - (i) a legislative change,
  - (ii) a change in the regulatory instrument of public law,
  - (iii) a change in a recommendation of the central bank,
  - (iv) a change in the regulations issued by an authority,
  - (v) a change in other regulators or
  - (vi) a change in the application of the law;
- b) a change in money market funding opportunities or funding costs, in particular, but not exclusively
  - (i) a change in Hungary's credit rating,
  - (ii) a change in the country's risk premium (CDS),
  - (iii) a change in the central bank base rate,
  - (iv) a change in the central bank secured lending (repo) or deposit interest rates,
  - (v) a change in the yield on government securities with a maturity of more than one year,
  - (vi) a change in the yield on securities publicly issued by the Bank,
  - (vii) a change in interbank lending rates,
  - (viii) a change in the refinancing rate,
  - (ix) a change in the reference rate,
  - (x) a change in inflation, or in the consumer or producer price index,
  - (xi) a change in the state interest subsidy,
  - (xii) a change in the Bank's public-liability (e.g. tax or duty) payment obligation,
  - (xiii) a change in the minimum reserve requirements, or
  - (xiv) the shift in FX swap and other yield curves relative to each other;
- c) Changes in the risks related to the financial service provided by the Bank, to the transaction or to the Client, in particular, but not exclusively
  - (i) a change, as perceived by the Bank, in the Debtor's financial position, solvency and willingness to pay,
  - (ii) a change, as perceived by the Bank, in the value of the Collaterals,
  - (iii) a change, as perceived by the Bank, in the enforceability or marketability of the Collaterals, or
  - (iv) a change in the risk and risk factors of the financial service provided by the Bank, at transaction-portfolio level.

5.2.2. The Bank shall notify the Client of any amendment of the terms and conditions unfavourable to the Client in writing at least 15 (fifteen) calendar days before the amendment enters into effect, or by placing the amended Business Regulations on the Bank's premises open to clients and on its website. If the Bank complies with its

reporting obligation both in writing and by publication, then the earlier date shall apply in terms of the date of reporting.

5.2.3. Unless the Client raises an objection in writing to the conditions containing an amendment which is unfavourable for the Client before they take effect, the new conditions shall be deemed to have been accepted by the Client. If the Client objects to the planned amendment in writing, the Client is entitled to terminate the Contract in writing, with a notice period of 15 (fifteen) calendar days. Upon termination, all outstanding debts of the Client arising from the Contract shall immediately become due and payable.

### 5.3. Unilateral amendments not unfavourable to the Client

5.3.1. The Bank may amend the interest rates, fees, costs and other contractual terms and conditions related to financial services in a manner not unfavourable to the Client for any reason.

5.3.2. The Bank shall notify the Client of any amendment of the terms and conditions that does not represent a change unfavourable for the Client in writing no later than on the Working Day before the amendment enters into effect, or by placing the amended Business Regulations or List of Terms and Conditions on the Bank's premises open to clients and on its website. If the Bank complies with its reporting obligation both in writing and by publication, then the earlier date shall apply in terms of the date of reporting.

5.4. Neither the interest rates, fees, costs and other terms of contract relevant to the financial service, nor the Business Regulations, may be amended unilaterally by introducing a new fee or cost. The method of calculation of each interest rate, fee or cost element may not be modified unilaterally to the detriment of the Client. The Bank is entitled to unilaterally amend these Business Regulations if so required by a final court order or an official resolution.

5.5. Unless otherwise provided by the Bank, amendment of the Business Regulations shall, starting from its effective date, apply also to Contracts that were concluded prior to such effective date.

## **6. Communication between the Bank and the Client**

6.1. Any contract between the Bank and the Client may only be made in writing. The Bank shall – in the absence of an express provision of the Client to the contrary – give the Client one original copy of the contract that has been concluded with the Client.

6.2. The Bank shall only accept orders and declarations from the Client that are provided to it in writing.

6.3. In the absence of a provision to the contrary in the Contract concluded with the Client,

- i. any notice, message, order or contract
- ii. that has been duly signed by the authorised representative(s) and has been sent by the Parties in a letter or
- iii. delivered by hand or forwarded via the SWIFT (Society for Worldwide Interbank Financial Telecommunication) system or

provided with a qualified electronic signature or enhanced-security electronic signature based on a qualified certificate of the authorised representative(s) holding a certificate registered in the trade registry and sent electronically shall be deemed to have been made in writing.

6.4. The Bank shall only accept the Client's declarations made or sent by fax or email, and the Bank shall only make declarations made or sent by fax or email, in exceptional cases, and even then only if the written contract concluded with the Client so provides. In the absence of any provision of the contract to the contrary, declarations made by fax or email, and orally, shall be treated as guidance only, and any damages resulting from the acceptance or making thereof shall be borne exclusively by the Client.

6.5. The Client shall be liable for all losses caused by an error, misunderstanding or mistake arising in relation to the fax, email or SWIFT message, unless the error occurred for a reason attributable to the Bank.

6.6. For security purposes, the Bank shall reserve the right to reject the received order, suspend its execution, or request a written confirmation thereof, if it significantly departs from the usual practice, and the Bank excludes any responsibility in relation to such. The Bank shall inform the Client of the above within 2 (two) working days.

6.7. The Client shall provide the Bank – in the form and in the manner defined by the Bank – with all such data and information, and shall make available all such documents, as the Bank considers necessary in relation to the transaction and the Client, or the recording of which is prescribed by a statutory provision. Should the Client breach this obligation, he shall be liable to the Bank for the damages caused.

6.8. Should any document submitted by the Client and/or any document created in the course of the legal relationship between the Bank and the Client be destroyed, the Client, within 2 (two) working days, shall at the Bank's request replace it with an original copy, re-sign the document, or – if the original document is available or can be obtained – have a certified copy made of the original document at the Bank's expense.

6.9. As a general rule, contracts and agreements concluded with the Bank shall be prepared in Hungarian, and declarations addressed to the Bank shall also be made in Hungarian. Contracts (agreements) concluded with a foreign natural or legal person or an organisation without legal personality or other legal entity may also be drawn up in a foreign language. If a contract is signed in both a Hungarian and an English version, then, in the event of any disputes of interpretation – in the absence of a contractual agreement to the contrary – the Hungarian version shall prevail.

6.10. In the case of documents issued in languages other than Hungarian, the Bank may request from the Client an authentic or official translation made by the Hungarian Office For Translation and Attestation (OFFI) or by a specialised translator, or a specialised translator and proofreader, based in Hungary, the costs of which shall be borne by the Client. In the case of translations provided by a specialised translator or a specialised translator and proofreader, a copy of the specialised translator and interpreter certificate must also be attached.

6.11. Written declarations made by persons who are illiterate or otherwise unable to write shall only be valid in the form of a notarised deed or a private document of full probative force on which the declaring party's signature or initials have been authenticated by a court or a notary public, or on which it is certified by a lawyer's endorsement or by the signatures of two witnesses that the declaring party has signed or initialled, in their presence, the document that was not written by him, or that he has recognised the signature on the document as his own. In the case of a person who is not able to read or does not understand the language in which a document containing his written declaration is made, a further condition for the validity of a written legal declaration is that it must be clearly stated in the document itself that its contents have been explained to the declaring party by one of the witnesses or by the attesting person.

## **7. Co-operation, information provision, notices**

7.1. The Bank and the Client shall be obliged to co-operate with one another, exercise their rights and fulfil their obligations under the contracts in a compliant manner in the course of their business relationships.

7.2. The Client shall notify the Bank – within 2 (two) working days after taking notice thereof – of any material data, facts or circumstances, and any change thereto, with a bearing on the conclusion and execution of the banking transaction.

7.3. The Client shall provide all such data and information related to the transaction as the Bank deems necessary in order to arrive at a decision or to assess the transaction or the Client, as well as any such information as the Bank might request from the Client during the existence of the legal relationship entered into between the Bank and the Client. Should the Client breach this

obligation, he shall be liable to the Bank for the damages caused.

7.4. The Client (though not the Collateral Provider in the case of section 7.4.g)) shall notify the Bank within 2 (two) working days if:

- a) any changes affecting the Client's identity and legal status, change of name or address (registered office), change in the identity of its designated authorised representatives reported to the Bank, or a change in the Client's ownership structure;
- b) it has filed for bankruptcy, or has initiated liquidation or winding-up proceedings against itself;
- c) it becomes aware of a third party having initiated bankruptcy, liquidation or enforcement proceedings against it;
- d) it is subject to collective insolvency proceedings in any member state of the European Union under Regulation (EU) No 2015/848 of the European Parliament and of the Council;
- e) in the case of a business entity, 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;
- f) in the case of a sole trader Client, the competent authority has initiated a termination procedure against its sole trader activity, or the authority has prohibited the performance of its sole trader activity, or has suspended its sole trader activity;
- g) any of the reasons, circumstances and conditions referred to in Annex 1/A, 1/B or 2 of the Business Regulations arise.

7.5. The Client, during the term of its debt arising from any legal relationship established with the Bank, shall provide the Bank, on a regular basis, with its annual financial statements prepared in compliance with the Accounting Act, consolidated annual financial statements together with an auditor's clause (balance sheet, profit and loss account, notes to the financial statements), and the relevant documents, business statements and its business report prepared in connection with the annual financial statements, within 15 (fifteen) calendar days after they have been prepared and approved, and shall also provide information about its asset and financial position at intervals specified in the Contract, by sending the Bank a copy of its general ledger or in any other manner specified by the Bank. The Bank or its representative shall be entitled to perform an on-site inspection of the Client's books and other records.

7.6. In the absence of a contractual provision to the contrary, the Bank is entitled to assign its claims and rights, based on agreements that have been concluded with the Client, to a third party without seeking the Client's separate consent. By signing the Contract between the Bank

and the Client, the Client expressly and irrevocably consents to the Bank's assigning its contractual position based on Contract(s) that have been concluded with the Client, to a third party.

7.7. If the Bank calls upon the Client to submit additional documents (i.e. missing items) needed for evaluating his application, and the Client does not fulfil such request within 30 (thirty) calendar days from the date of the notice, the Bank shall terminate the procedure and notify the Client of this in writing. If the procedure is closed due to the late provision of missing items, the request shall – if it is submitted again – be treated as a new application.

7.8. If the Bank, based on information provided by the Client or other data or facts that have come to the Bank's attention, due to any changes in the Client's legal or financial position, the Client's breach of contract or any material circumstances as may have occurred within the Client's sphere of interest, believes that the recovery of the liquid assets that it has placed with the Client or the status of its assets used as collateral thereof is in jeopardy, the Bank may take steps as set forth in the Ptk., other statutory regulations or agreements concluded with the Client in order to remedy the situation, and thus the Bank is primarily entitled to suspend the fulfilment of its payment obligations vis-à-vis the Client.

## **8. Representation**

8.1. The identity of a natural-person Client, and the identity/identities and right(s) of representation of a person or persons acting on behalf of a business entity on the basis of a mandate, a statute of law, a court resolution or other provision, shall be evidenced by such persons to the Bank in a convincing manner, prior to commencement of the procedure in their capacity as representatives.

8.2. 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. A Client who is not a natural person may not be represented by an agent who has been barred from practicing, with legally binding effect, in accordance with Sections 9/B – 9/D of Act V of the Ctv. The Client shall report to the Bank in writing the data, and supply the originals or copies of the specimen signature(s), of the person(s) who are authorised to represent the Client at the same time that the original specimen signature(s) is (are) presented, with the proviso that the right of representation and the compliance of the signatures of persons acting on behalf of a foreign Client may also be certified – in a form acceptable to the Bank – in a different manner. The authorisation of an authorised representative shall be provided to the Bank in the form of a fully authenticated private legal document, although the Bank may ask to have the authorisation notarised.

8.3. In the case of an authorisation that has been issued abroad, the Bank may require an authentic translation thereof prepared by the Hungarian Office For Translation and Attestation

(OFFI), 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).

8.4. The Bank shall accept the signatures of any person(s) registered with it as having the right of representation until such time as it receives written notification advising it of the termination of such right of representation, assuming that the documents at the Bank’s disposal do not imply otherwise.

8.5. If an instruction given in the name of the Client bears the signature of an unauthorised person or someone who has used a signature that differs from that on the registered specimen, or if the authenticity of the authorisation is in doubt, or if the personal data do not match, the Bank is entitled to refuse to implement the measure that would cause the legal effect intended to be produced through the representation. The Bank shall notify the Client of this within 2 (two) working days, while at the same time indicating the reason for such. Should a dispute arise with regard to the representation rights of the authorised persons, and any party informs the Bank of this, the Bank may refuse execution of all the orders given in the name of the Client until the issue concerning the right of representation is resolved. The Bank shall be exempt from any liability for losses arising from the execution, non-execution or late execution of orders that have been suspended in the manner set out in this section. The Bank assumes no liability for any damages occurring because a representative registered with it exceeds his/her authority, and the Client is obliged to reimburse the Bank for damages occurring due to the representative’s unauthorised actions. The Bank shall be exempt from any liability for losses originating from the execution of any unauthorised or falsified orders that it cannot have reasonably been expected to recognise as such notwithstanding a rigorous application of the usual checking procedures.

8.6. With respect to the providing of documents and to the making of payments based on orders, the Bank shall perform these to the person that it considers to be entitled to receive the documents or the payment on the basis of an examination of his/her documents evidencing such. The Bank shall examine the orders and documents submitted to prove personal identity, the right of representation and the authorisation (power of attorney) with the degree of care that may be expected of a credit institution.

## **9. Delivery**

9.1. The Bank shall send all contractual proposals, declarations, notices and documents to the address specified or designated by the Client in the Contract as its mailing address. In the absence of a mailing address, the Bank shall send the documents to the registered office or residential address specified by the Client. Any losses or extra costs incurred due to erroneous

delivery caused by an incorrect address specified by the Client shall be borne by the Client. If the Client failed to report the change in his mailing address to the Bank, the Bank shall not be obliged to find the Client's new mailing address and may continue to send its notices to the mailing address known to the Bank.

9.2. In the absence of a contractual provision to the contrary, the Bank shall only be obliged to mail documents or notices to the Client by registered mail or with return receipt requested if doing so is, in the Bank's opinion, especially justified. The Client may request from the Bank that any documents and notices addressed to it be sent by registered mail or with return receipt requested, at the Client's expense.

9.3. In the case of domestic recipients, any notices posted by the Bank to the Client without return receipt requested shall be deemed to have been delivered upon the passing of 5 (five) working days from posting. In the case of a domestic addressee, documents sent by registered mail with acknowledgement of receipt or as a postal consignment registered by other means shall be considered delivered on the day of attempted delivery, even if the Client refused to accept the delivery. If delivery was unsuccessful because the Client did not receive the document (i.e. did not pick it up), or the Client moved to an unknown place, the document is returned marked "unknown addressee" or delivery was unsuccessful for any other reason, it shall be considered to be delivered on the 5<sup>th</sup> (fifth) working day following the second delivery attempt. In the case of a foreign addressee, the Bank shall consider notices that are mailed or forwarded by courier to the Client to have been delivered upon the expiry of the 8<sup>th</sup> (eighth) calendar day following their mailing or handover to the courier service provider. In the case of electronic delivery, the Bank shall consider the message delivered on the day when the electronic communication becomes available to the Client to which it is addressed, or if the Bank has not received an error message regarding the message sent to the electronic mailing address (email, etc.) provided by the Client.

9.4. The Bank shall not be held liable for losses incurred in the course of postal, courier or electronic delivery for reasons beyond the Bank's control.

## **10. Obligation to report changes to the Client's identity and data**

10.1. Prior to establishing a business relationship with the Client or – if required in order to avoid any interruption in normal operation – by not later than the time of contract conclusion, the Bank shall, in compliance with the provisions of the Pmt., carry out a personal identity check of any sole trader Client, or of the agent or representative of any non-natural person Client, as well as identify, and verify the identity of, the Client's beneficial owner, and it shall perform due diligence on the Client.

10.2. The personal identity check is carried out by the Bank's employee, who – based on an authorisation under the Pmt. – inspects and photocopies a valid document suitable for this purpose, and completes the form that also contains the personal identification data. The data of the contract, legal transaction (its type, subject-matter, duration, amount) are also recorded on the form.

The data form contains the identification (company) data used for the Client's due diligence, the certification of which requires the presentation of an official document not older than 30 (thirty) days. A Client that is a Business Entity registered abroad shall prove, based on a document not older than 30 (thirty) days, that its registration or recording under the law of its own country has taken place. Such proof must be authenticated or duly certified as described in section 8.3.

10.3. On the form used for this purpose the Client must provide the data of its beneficial owner and make a declaration on whether or not the beneficial owner qualifies as a politically exposed person. If the beneficial owner is a politically exposed person, it is also necessary to indicate the specific section of the Pmt. on the basis of which it qualifies as such, as well as the source of its financial assets.

10.4. In the interest of preventing money laundering or terrorist financing, the Bank shall execute the identification and due diligence of the Client only in exceptionally justified cases (e.g. a remote, foreign Client), if its representative or agent does not appear in person at the Bank.

In such case, each of the documents to be submitted by the Client (e.g. copy of the personal identification document, declaration on the beneficial owner, document certifying registration or entry in the records) must be duly authenticated. Authentication can be performed by a Hungarian notary public; a Hungarian foreign representation authority; or the competent authority of the state in which the document was issued, although in this case it must be duly certified by the Hungarian foreign representation authority.

The Bank does not have any protected electronic means of communication audited by the National Bank of Hungary suitable for performing the identification and due diligence of a remote Client.

10.5. The Bank provides its Clients who do not understand Hungarian with an English version of the documents and declarations necessary for their identification and due diligence.

10.6. During the term of the contractual relationship the Client shall notify the Bank of any changes in the data that was provided during the identification and customer due diligence process as well as any changes in the identity of the beneficial owner, within 5 (five) working days of obtaining knowledge of such.

10.7. If the identification and due diligence of the Client cannot be performed (e.g. the Client

refuses to provide data), no business relationship may be established and no contract may be concluded with it.

## **11. Execution**

11.1. The Bank does not execute cash deposits or cash withdrawals.

11.2. Any payment obligation of the Client existing towards the Bank shall be settled by the Bank in accordance with the following, once the Bank has learnt of the crediting on its own bank account:

- a) in the case of transfers received via the GIRO settlement system for crediting in forint to a forint account, on the day of the crediting;
- b) via the Real Time Gross Settlement System (RTGS) involving crediting in forint to a forint account, on the day of the crediting;
- c) crediting in a foreign currency to an account held in the same foreign currency, on the value date of the crediting;
- d) if conversion is necessary, not later than on the second working day following the execution deadlines specified in points a)-c).

11.3. In the course of its business activity the Bank applies value dates that vary by currency. If any of the Client's payment obligations towards the Bank fall on a day that is not a value date with respect to the given currency or is a non-working day, the due date of execution shall be the 1<sup>st</sup> (first) banking day after that day.

11.4. If the payment made by the Client does not cover the full amount of its debt due, the Bank, in the absence of valid statutory regulations or agreements concluded with the Client that stipulate the contrary, shall use the Client's payment to settle outstanding items in the following order: first, to cover the costs, then the fees, commissions, default interest and transaction interest, and only then (with whatever remains) to pay down the principal.

11.5. In the course of performing its payment obligations, the Client shall refer to the number of the relevant Contract and shall ensure that all the documents in connection with the payment obligation contain the data that is necessary to identify the transaction.

## **12. Business and bank secrets, bank information, data processing**

12.1. The Bank shall keep all such data, information and facts confidential for an unlimited period of time as refer to the Client's person, data, financial situation, business activity,

management, ownership and business relationships, or to his contracts concluded with the Bank.

12.2. According to the relevant provisions of the Hpt., any person who comes into possession of a business or bank secret is obliged to safeguard it without any time limit. Based on the confidentiality obligation, facts, information, solutions or data deemed to be business or bank secrets, with the exceptions specified in the Hpt., Act LIV of 2018 on the protection of trade secrets and the Etv., may not be disclosed to third persons or used for purposes falling outside the scope of regular duties without authorisation from the Bank or the Client, or its authorised agent.

12.3. Any person who comes into possession of a business or bank 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 unfavourable to the Bank or to the clients of the Bank.

12.4. The Bank may disclose to third parties information deemed bank secrets only in the cases specified in Sections 161, 162 and 164 of the Hpt., with the proviso that the confidentiality obligation defined in Section 161 of the Hpt. and in Section 2:47, paragraph (1) of the Ptk. does not apply based on the Etv. – in addition to the organs specified in the Hpt. – with respect to data supplied to the ministry headed by the minister in charge of state assets and to the ministry headed by the minister for the state budget, nor to data forwarded to the Hungarian Export Credit Insurance Private Limited Company.

12.5. The Bank will endeavour to process the personal data of its Clients or of other data subjects only to the extent and for the duration 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.

12.6. The Bank may handle personal data obtained during the customer identification and due diligence process under section 10 – based on the Pmt. – for 8 (eight) years following the termination of the business relationship (contract).

12.7. The Bank may process 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. The Bank is obliged to delete or destroy all personal data relating to Clients or former Clients or to a contract or legal relationship that has not been concluded the processing of which has ceased to serve a purpose, or for the processing of which the data subject has

withdrawn his or her consent, or for the processing of which the legal basis has ceased to exist.

12.8. The Bank has joined the Central Credit Information System, and – based on the statutory regulations relating to the system and in accordance with section 16 of these Business Regulations – provides data on all of its Clients.

12.9. In the context of the credit reference service, the Bank – for the fee determined in the List of Terms and Conditions – provides general banking information on its Clients in matters that do not constitute bank secrets. The banking information does not include specific data or figures related to the economic circumstances of the Client, unless the Client has provided prior consent to this in the form of a notarised document, or a fully authenticated private legal document, defining precisely the range of data that may be released. The Client may expressly forbid banking information related to him from being disclosed, by including a clause to this effect in the contract concluded with the Bank. The Bank does not accept any liability or responsibility for the Client in respect of its provision of such banking information.

12.10. The Bank may only be held liable for losses arising from the use of the information provided by the Bank if it can be proven that the Bank provided untrue data, or if the provision of the data violated the law.

12.11. A refusal by the Bank to provide banking information should by no means be construed as a negative assessment of the Client – a fact that the Bank shall also communicate to the person requesting the information – and accordingly, the Client may not lodge any claims against the Bank in relation to such.

12.12. Pursuant to section 24/A of the Etv., the Bank 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.

The Bank is entitled to handle this data for 5 years from becoming privy to such data with the provision that the Bank 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.

12.13. The detailed information on data processing is available on the Bank's website at <https://exim.hu/en/conditions/eximbank-conditions/bank-regulations/data-protection-and-data-security-regulations>.

### **13. The Bank's liability**

13.1. The Bank, in the course of its activities as a credit institution, shall always proceed with the utmost care that may generally be expected of a credit institution in the given situation.

13.2. The Bank shall be fully liable for any losses incurred by the Client as a result of negligence on the part of the Bank's employees if such losses are incurred in the context of the employees' employment relationship with the Bank. If the Client has also contributed to the loss as a result of negligence on his part, then the liability for the loss shall be jointly borne by the Bank and the Client.

13.3. The Bank is obliged to indemnify the Client for losses it causes for the Client by breaching the contract concluded with the Client, unless such loss was caused by a circumstance outside the Bank's control that could not be foreseen at the time of concluding the contract, and the Bank could not have been expected to avoid the circumstance or avert the loss. The Client is obliged to do all that can generally be expected of it to fulfil its loss-mitigation obligation, and is obliged to notify the Bank of the losses sustained by it, and its actions taken for the purpose of mitigating losses, within 2 (two) working days. The Client is required to prove the loss that it claims has occurred, and the extent thereof, as well as the causal relationship between the Bank's action or breach of contract and the loss.

13.4. Of the losses caused to the Client by a breach of contract, the Bank shall be required to indemnify the Client for the consequential losses sustained in respect of the Client's assets, and the loss of financial advantage, in the extent to which the Client proves that the loss, as a potential consequence of the breach of contract, could have been foreseen at the time of concluding the contract. In the event of a wilful breach of contract, the Client shall be indemnified for its entire loss.

13.5. The Bank shall be held fully liable for any losses caused by a third-party agent hired by the Bank in its capacity as agent, with the exception of cases in which the Bank has had no hand in the selection, instruction and supervision of the agent.

13.6. The Bank shall accept no responsibility for the contribution of third parties selected and

commissioned on the basis of the express orders of the Client.

13.7. On the basis of its transaction rating system, the Insurer may increase the premium. The Bank shall not be held liable for any damage incurred in relation to false or forged documents submitted to it, caused by force majeure or resolutions or other decisions issued by Hungarian or foreign courts or authorities or occurring due to any legislative changes or for damage caused by the Client by misleading and keeping the bank misinformed with regard to its legal status in relation to information made available prior to Contract conclusion. For the purposes of this section, “force majeure” shall mean any such event as cannot be foreseen by the Parties or, if it can be foreseen, cannot be avoided, such that prevents the Bank from fulfilling its obligations, including – without limitation – such events as e.g. military action, civil unrest, fire, explosion, earthquake, flood, pandemic, strike, work stoppage or other circumstance that hinders work, as well as other events, actions or omissions similar to the above.

13.8. The Bank shall not be responsible for the cancellation of any services undertaken by it if the procedure is caused by a legal dispute between the Client and a third party or to any misconduct attributable to a third party.

#### **14. Interest, fees and other costs payable by the Client**

The Client shall pay interest, commissions and fees for the services to the Bank, that are determined on the basis of the provisions of the List of Terms and Conditions, the relevant GTC and the Contract and the rates of which are specified in the Contract concluded between the Bank and the Client or in the List of Terms and Conditions. The fees for other banking services related to the Bank’s products (e.g. fees for letter-of-credit opening, avalising, use, handling charge, etc.) are likewise contained in the List of Terms and Conditions. The rate of the default interest is determined in the Contract concluded with the Client and in the List of Terms and Conditions. The Bank 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 the Client’s request, shall provide a copy thereof to the Client free of charge. In the case of a discrepancy between the List of Terms and Conditions and the Contract, the provisions of the Contract shall apply, and in the case of a discrepancy between the List of Terms and Conditions and the GTC, the provisions of the List of Terms and Conditions shall apply, and in the case of a discrepancy between the List of Terms and Conditions and the Business Regulations, the provisions of the List of Terms and Conditions shall apply.

## 16. Financing in the national interest

15.1. If a national interest is associated with the implementation of the export transaction, then the Bank may also provide full financing – included in the interest equalisation system as per the IE Decree – even if the Hungarian content is lower than that determined in Section 6, paragraphs (1) and (3) of the IE Decree, though in such cases the Hungarian content may not be lower than half the proportion determined in Section 6, paragraphs (1) and (3) of the IE Decree.

15.2. In the course of the approval of a transaction representing financing in the national interest the Bank, with a view to the provisions set forth in Hungary’s effective foreign trade strategy, shall consider the following criteria from among the various characteristics of the transaction:

Financing in the national interest may be provided if the transaction is likely, at the business entity participating in the performance of the foreign trade contract, to result in:

- a) Employment creation, employment protection;
- b) The retention and acquisition of export markets, contribution to further export growth;
- c) Contribution to improving the competitiveness of small and medium-sized enterprises;
- d) The expansion of opportunities for suppliers;
- e) The proportion of domestic added value within the share of content deemed to be of Hungarian origin or
- f) the implementation of transactions belonging to the environmental protection, the renewable energy sector or the innovative sector.

15.3. For the purposes of applying the provisions of section 15.2, 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 by an incorporated business entity established in accordance with the law of the country in question, or
- c) in the absence of the entities specified in sections a) and b), a business entity registered in a country other than the country of the place of performance

15.4. The procedural rules and documentation requirements serving the certification of the criteria determined in points 15.2. a)-d) are as follows:

- At the request of the Client or the exporter, the Bank conducts the procedure to determine whether the financing in the national interest is applicable.
- By completing the form published by the Bank, the exporter makes declarations, provides data, and supports and certifies with documents the necessity of financing in the national interest.
- The information provided by the exporter (form, data reporting, documents) must provide evidence for the Bank as to whether the characteristics of the transaction – taking at least one of the criteria listed in points a)-d) into consideration – warrant financing in the national interest.

15.5. The transaction is to be evaluated by the Bank following consideration of the criteria set out in section 15.2, points a)-d).

15.6. Fulfilment of the commitments made by the Client and serving as the basis for the financing in the national interest is checked by the Bank. During the procedure, the Client certifies fulfilment of its earlier commitments by providing data and documents in accordance with the criteria stipulated by the Bank. The Bank is entitled to conduct on-site inspections, and – if it deems it to be necessary – to use an external consultant. The Bank performs the checking described in this section in accordance with the decision of the body approving the financing in the national interest, but at least once every year.

15.7. The Bank reviews the procedural rules set out in this section, the documentation requirements, and the system of criteria for defining the national interest, once every year.

## **17. Data transfer to the KHR**

16.1. The data related to the Client – for the purposes of this section, not including the Collateral Provider – may only be transferred to the KHR if the Client has concluded with the Bank a credit or cash-loan contract or a contract for a suretyship, guarantee or other banker’s commitment.

The Client understands that it does not constitute a breach of bank secrecy if the Bank provides the KHR with data available to it in relation to the Client’s company data, credit-related data or other data related to the financial service used by it, which the financial company operating the KHR may process under the KHR tv. (“reference data”) in order to provide for a more informed assessment of creditworthiness and to promote the reduction of credit risk, in the interest of the security of the debtors and reference data providers – inter alia the financial institutions – so as to comply with its obligations stipulated by the KHR tv.

Any data thus provided may only be used for the purpose specified in the KHR tv., for making

a decision underlying the conclusion of a contract for the provision of a financial service or for the purpose of providing information that may be requested by companies from any reference data provider.

16.2. The Bank shall also transfer to the KHR the data relating to the Client in the event that the Client does not fulfil a payment obligation undertaken in the Contract constituting the subject matter of data provision in such manner that the Client's expired and unpaid debt is outstanding for a period of 30 (thirty) calendar days.

16.3. The Bank may transfer to the KHR the following data of the Client:

- a) the Client's company name (or his/her name), registered office, company registration number, personal ID card no., tax no.,
- b) type and ID (number) of the Contract, the time of conclusion, expiry and termination of the Contract, the method of cancellation of the Contract, the amount and currency of the Contract and the manner and frequency of repayment,
- c) the due date and amount of any overdue and unpaid debt, the time and method of termination of any overdue and unpaid debt, the transfer of the receivables to another reference data provider, notes regarding any legal action,
- d) the fact and date of prepayment, the amount prepaid and the amount and currency of the outstanding principal debt,
- e) the amount and currency of the outstanding principal debt,
- f) the amount and currency of the repayment instalment of the contractual amount,
- g) the Client does not fulfil a payment obligation undertaken in the Contract constituting the subject matter of data provision, such that the Client's expired and unpaid debt is outstanding for a period of 30 (thirty) calendar days; the amount of the overdue and unpaid debt outstanding at the time of the occurrence of such condition.

16.4. In the KHR the data in question - with the exception of the case mentioned in section 16.2 - may be kept on record for 5 (five) years from the termination of the Contract. In the case mentioned in section 16.2 – if the debt has not ceased to exist – the data may be kept on record for five years from the end of the fifth year following the date of data transfer.

16.5. The Client's data recorded in the KHR shall only be accessible in the cases defined in the law, and by the persons likewise specified therein. The customer data recorded in the KHR and relating to the Client may be transferred to the Client (based on a customer inquiry) or to another reference data provider (upon the latter's request).

16.6. The Client has the opportunity to raise objections to the transfer of his data to the financial company operating the KHR and against the use of such data by the financial company

operating the KHR, as part of which the correction or deletion of the data may be requested. Objections may be submitted to the reference data provider that transfers the data to the financial company operating the KHR, or directly to the financial company operating the KHR. The legal provisions related to the handling and evaluation of the objection are set out in Section 16 of the KHR.

16.7. On the basis of its transaction rating system, the Insurer may increase the premium. The Client may – due to the transfer and handling of its data by the Bank or for the purpose of the correction or deletion of such data – file a complaint against the Bank and the financial company operating the KHR. The letter of complaint should be submitted to the district court of justice competent in the region where the Client’s residential address/registered office is located or posted as registered mail within 30 (thirty) calendar days from receipt of the response given to the objection. (A failure to meet this deadline may be excused on certified grounds.)

16.8. The Client whose details are recorded in the system shall also have the right to file a complaint if the Bank or the financial company operating the KHR did not fulfil the legal requirement to provide information when the Client turned to it with a customer inquiry or with an objection. The time available to file the complaint shall in this case be counted from the date of expiry of the deadline established in respect of the obligation to provide information. The related lawsuits shall be regulated by the provisions of the Pp., subject to the exceptions set out in Sections 17-20 of the KHR tv.

## **18. Outsourcing**

17.1. The Bank may, in accordance with the provisions set out in Section 68 of the Hpt., outsource any activities related to its financial and auxiliary financial service activities, or such activities as it is ordered to perform by law, that involve data management, data processing or data storage, subject to compliance with the data protection regulations.

17.2. The Client, in awareness of the foregoing, acknowledges that in connection with such outsourcing, the Bank may provide parties performing the outsourced activities with the Client’s recorded data, including information classified as banking secrets, while complying with and enforcing the data protection rules. The Bank ensures that the party performing the outsourced activity fulfils all the personal, material and security conditions that are stipulated for the Bank by law with respect to the outsourced activity.

17.3. The outsourced activities and the entities performing the outsourced activities are specified in Schedule No. 1 of the Business Regulations.

## 19. Complaint management, legal remedy

18.1. The detailed procedures for managing complaints are contained in the Bank's Complaint Management Regulations, and the related information is published by the Bank on its website ([www.exim.hu](http://www.exim.hu)) and in its premises open for receiving clients.

### 18.2. Forums for the handling of complaints

Verbal complaints may be made

- a) personally, at the Bank's registered office (on Monday through Thursday between 09.00 and 16.00 and on Friday between 09.00 and 14.00),
- b) on the Bank's 06/1-374-9200 central phone number (call reception hours: Monday 08.00-20.00, Tuesday through Thursday: 09.00-16.00, Friday 09.00-14.00) or on its 06/1-374-9318 voice-recorded phone number specifically used for receiving complaints (available 24/7).

Written complaints may be made

- a) in-person, or by way of a document submitted by another person, at the Bank'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](mailto:exim@exim.hu).

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

18.3. The detailed rules on complaint management are also available on the Bank's website: <https://exim.hu/en/conditions/eximbank-conditions/bank-regulations/business-regulations>

## 20. Notice on Termination

19.1. The Bank may terminate the Contract(s) concluded with the Client in accordance with the rules of ordinary termination set out in the Ptk., the relevant GTC, and in the specific Contract.

19.2. The Bank shall have the right to termination with immediate effect in the event of a gross breach of contract by the Client. The causes of termination are determined in these Business Regulations, in the relevant GTC, the individual Contract(s) and in the latest effective Ptk.

19.3. The legal consequences of termination shall commence on the day that the notice of termination is delivered. The effect of the termination shall not be impacted by any statements

or declarations indicating the Client's payment arrears that are sent by the Bank to the Client after the serving of the notice of termination.

19.4. In the event of termination by the Bank, the entire used but as-yet un-repaid loan, as well as all as-yet unpaid fees, and any other costs to be borne by the Client as a result of the termination of the Contract and as determined in the specific Contract, shall become due and immediately payable.

19.5. If the Client:

- a) fails, despite the Bank's written notice, to fulfil any one or more of its due payment obligations by the deadline specified in the notice, or
- b) during the term of the contract, fails, for whatever reason, no longer complies with any of the conditions specified in Annex 1/A or 1/B, with which it must comply until the expiry of the contract, or
- c) uses the financing provided by the Bank for the purpose of financing the activities indicated in Annex 2,

the Bank shall be entitled to terminate all legal relationships in connection with its outstanding claims, and to render all the claims associated with those relationships due and/or to suspend all payments to the Client arising from any legal relationship, and the Bank shall also be entitled to offsetting, to the extent of the Client's debt and the related interests and charges, provided that the conditions stipulated by the Ptk. with regard to offsetting are met.

## **21. Procedure in the event of a legal dispute**

20.1. The legal relationships between the Bank and a Client, including both contractual and non-contractual legal relationships, shall be governed by the Hungarian legal statutes in force.

20.2. In the event of a legal dispute, proceedings may be initiated through the filing of a complaint against the Bank, or the Client as the case may be – in accordance with the rules on civil litigation – at a Hungarian court with jurisdiction and competence in the matter.

20.3. Legal disputes arising from a contractual relationship entered into between the Bank and the Client may be settled by referral to a court of arbitration, provided that the Parties have expressly provided for this in a Contract.



## ANNEXES

Annex 1/A: Clients excluded from financing (not including post-shipment financing products)

Annex 1/B: Clients excluded from financing, in the case of post-shipment financing products

Annex 2: Transactions excluded from financing

## Annex 1/A

### **CLIENTS EXCLUDED FROM FINANCING (not including post-shipment financing products)**

The Client<sup>1</sup> shall be excluded from any financing provided by the Bank if it:

- a) has not yet closed at least one business year (except for refinancing and project-company financing, or a loan backed by a parent-company or bank guarantee);
- b) it has not yet been entered in the companies register with legally binding effect (in the case of sole traders, it is not listed in the EVNY register);
- c) has been the subject of an audit by the Government Control Office (“KEHI”), or the State Audit Office of Hungary (“ÁSZ”) or the National Bank of Hungary (“MNB”), that culminated in a finding of serious wrongdoing on the part of the Client or any of its owners or senior officers.
- d) has failed, despite a mandatory resolution of the European Commission calling for the repayment of aid, to repay the prohibited state aid;
- e) has culpably failed – in the past 5 years – to fulfil any of its obligations undertaken in an aid contract related to any form of aid provided from the subsystems of public finance, or from the Structural and Cohesion Funds;
- f) is engaged, as its main activity, in the manufacture of weapons and ammunition, gambling and betting, insurance, reinsurance, or pension funds;
- g) is itself, or any of its owners or senior officers are, subject to a restriction under any sanctions imposed by the European Union or the United Nations Security Council or by the United States of America;
- h) has, according to the KHR records, an overdue debt originating from a credit, loan, guarantee, factoring or lease contract;
- i) is currently the subject of an enforcement procedure;
- j) has overdue debts or tax debts or public debts that can be collected as taxes, unless the tax authority has granted it deferred payment or the option of payment by instalments. Its listing on the webpage of public debt-free taxpayers of the National Tax and Customs Administration ([http://nav.gov.hu/magyar\\_oldal/nav/adatbazisok/kozattozasmentes/koztartozasmentes\\_adozoi\\_adatbazis.html](http://nav.gov.hu/magyar_oldal/nav/adatbazisok/kozattozasmentes/koztartozasmentes_adozoi_adatbazis.html)) is acceptable as proof of the above, although this must be documented in paper-based (printed) format or saved electronically;
- k) is under bankruptcy, liquidation or winding-up proceedings, or is undergoing a reorganisation or restructuring procedure;

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<sup>1</sup> In the case of refinancing loans: with respect to this exclusion list, Client shall also mean the debtor under a derivative credit or loan contract that is financed with a refinancing loan provided by the Bank, while a financial institution refinanced by the Bank shall not be classified as a Client.

- l) is the subject of collective insolvency proceedings in any member state of the European Union under Regulation (EU) No 2015/848 of the European Parliament and of the Council;
- m) has had a deregistration procedure launched against it by the company court or if it is a sole trader, its status according to the Register of sole traders in Hungary (“EVNY”) is ‘terminated’ or ‘suspended’;
- n) has an owner that has been barred under Sections 9/B - 9/D of Act V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings (“Ctv.”) with legally binding effect;
- o) its tax number has been cancelled;
- p) a circumstance indicative of corruption – in relation to its export transaction, financing or guarantee assumption – has emerged against it (the prohibition set out in this section also applies in respect of the client's employees and in respect of any other persons acting on its behalf in relation to the export transaction, the financing or the guarantee assumption);
- q) any of its owners or senior officers are charged in a criminal case, until final closure of the criminal proceedings or, if convicted with legally binding effect, until it is exempted from any negative consequences associated with the criminal record;
- r) a motion has been made against it at the court, during a criminal proceeding, regarding the application of any criminal-law actions that may be applied against legal persons, and no decision has yet been made in this respect, or, if an action of this kind has been ordered with legally binding effect: in the case of a fine, until payment of the fine or, in the case of restriction of activity, for the entire period of the prohibition.
- s) is classed as a controlled foreign corporation under Act LXXXI of 1996 on corporate tax and dividend tax;
- t) the customer due diligence procedure required under Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing (“Pmt.”) cannot be carried out with respect to it;
- u) its ownership structure or its beneficial owner as defined in the Pmt. cannot be identified.
- v) does not have, at least prior to commencing its activity, any of the official licences that are necessary for performing the activity related to the financial service that it wishes to use.

No condition for exclusion listed under points f), k) - v) may arise **with respect to the Clients** during the term of the contract concluded with the Bank.

## Annex 1/B

### CLIENTS EXCLUDED FROM FINANCING IN THE CASE OF POST-SHIPMENT FINANCING PRODUCTS AND LETTERS OF CREDIT

- I. An **exporter** or **debtor** (and in the case of an interbank buyer credit, a buyer financed by the borrower bank) shall be excluded from the financing provided by the Bank if:
- a) is under bankruptcy, liquidation or winding-up proceedings, or is undergoing a reorganisation or restructuring procedure;
  - b) a circumstance indicative of corruption – in relation to its export transaction, financing or guarantee assumption – has emerged against it (the prohibition set out in this section also applies in respect of the relevant party defined in the “OECD Recommendation on Bribery and Officially Supported Export Credits” and in respect of the employees of the exporter, the debtor and the relevant party as well as any other persons acting on its behalf in relation to the export transaction, the financing or the guarantee assumption);
  - c) any of its owners or senior officers are charged in a criminal case, until final closure of the criminal proceedings or, if convicted with legally binding effect, until it is exempted from any negative consequences associated with the criminal record;
  - d) does not have, at least prior to commencing its activity, any one or more official licences necessary for performing the activity related to the financial service that it wishes to use;
  - e) is classed as a controlled foreign corporation under Act LXXXI of 1996 on corporate tax and dividend tax;
  - f) it is itself, or any of its owners or senior officers are, subject to a restriction under sanctions imposed by the European Union or the United Nations Security Council or by the United States of America;
  - g) the customer due diligence procedure required under Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing (“Pmt.”) cannot be carried out with respect to it;
  - h) its ownership structure or its beneficial owner as defined in the Pmt. cannot be identified.

No condition for exclusion listed under points a) - e) and g) - h) may arise **with respect to the debtor** during the term of the contract concluded with the Bank.

No condition for exclusion listed under point b) may arise **with respect to the exporter** during the term of the contract concluded with the Bank, and furthermore, during the period from contract conclusion to expiry of the financed foreign trade contract, no condition for exclusion listed under points a), c) - e) and g) - h) may arise with respect to the same.

- II.** The resident **exporter** shall be excluded from the financing provided by the Bank if:
- a) it is not registered in the company register;
  - b) is the subject of collective insolvency proceedings in any member state of the European Union under Regulation (EU) No 2015/848 of the European Parliament and of the Council;
  - c) has had a deregistration procedure launched against it by the company court or if it is a sole trader, its status according to the Register of sole traders in Hungary (“EVNY”) is ‘terminated’ or ‘suspended’;
  - d) its owner has been barred under Sections 9/B – 9/D of Act V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings (“Ctv.”) with legally binding effect;
  - e) its tax number has been cancelled;
  - f) a motion has been made against it at the court, during a criminal proceeding, regarding the application of any criminal-law actions that may be applied against legal persons, and no decision has yet been made in this respect, or, if an action of this kind has been ordered with legally binding effect: in the case of a fine, until payment of the fine or, in the case of restriction of activity, for the entire period of the prohibition, or in the event of termination;
  - g) it has not yet been entered in the companies register with legally binding effect;
  - h) it has been the subject of an audit by the Government Control Office (“KEHI”), or the State Audit Office of Hungary (“ÁSZ”) or the National Bank of Hungary (“MNB”), that culminated in a finding of serious wrongdoing on the part of the exporter concerned or on the part of any of its owners or senior officers;

No condition for exclusion listed under points b) - f) may arise **with respect to the exporter** during the period from contract conclusion to expiry of the financed foreign trade contract.

A **debtor** against whom enforcement procedures are in progress at the time of the disbursement shall also be excluded from any financing provided by the Bank.

- III.** The Bank shall not perform the certifying and designated banking tasks in relation to the letters of credit if the **exporter**:
- a) is under bankruptcy, liquidation or winding-up proceedings, or is undergoing a reorganisation or restructuring procedure;
  - b) a circumstance indicative of corruption – in relation to the export transaction or confirmation of letter of credit – has emerged against [the exporter] (the prohibition set out in this section also applies in respect of the relevant party defined in the “OECD Recommendation on Bribery and Officially Supported Export Credits” and the employees of the exporter, the debtor, the relevant party and the client as well as other persons acting on their behalf in relation to the export transaction or the confirmation of the letter of credit);

- c) is classed as a controlled foreign corporation under Act LXXXI of 1996 on corporate tax and dividend tax;
- d) it is itself, or any of its owners or senior officers are, subject to a restriction under sanctions imposed by the European Union or the United Nations Security Council or by the United States of America;
- e) its tax number has been cancelled;
- f) it has not yet been entered in the companies register with legally binding effect;
- g) the customer due diligence procedure required under Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing (“Pmt.”) cannot be carried out with respect to it;
- h) its ownership structure or its beneficial owner as defined in the Pmt. cannot be identified.

No condition for exclusion listed under points a) - c), e) and g) - h) may arise **with respect to the exporter** during the term of the contract concluded with the Bank.

**IV.** The Bank shall not perform the certifying and designated banking tasks in relation to the letters of credit if the **opening bank**:

- a) is under bankruptcy, liquidation or winding-up proceedings;
- b) does not have, at least prior to commencing its activity, any one or more official licences necessary for performing the activity related to the financial service that it wishes to use;
- c) it is itself, or any of its owners or senior officers are, subject to a restriction under sanctions imposed by the European Union or the United Nations Security Council or by the United States of America.

No condition for exclusion listed under points a) - b) may arise **with respect to the opening bank** during the term of the contract concluded with the Bank.

## Annex 2

### TRANSACTIONS EXCLUDED FROM FINANCING

The financing provided by the Bank may not be used for the following purposes:

- a) refinancing of a loan or lease facility provided by any financial institution, unless it complies with the criteria defined in the Etv;
- b) if the purpose of the transaction is related to money laundering and/or terrorist financing;
- c) financing of activities that run counter to the provisions of a Hungarian law or a legal act of the EU;
- d) the financing of the production or trading of products (financing of an investment that results in a product) whose production or trading or possession runs counter to the statutory provisions;
- e) refinancing of an activity that runs counter to the terms of an international treaty that is binding on Hungary;
- f) financing of any products, technologies or services specified in the Common Military List of the European Union, or of any activities related to the production or trading of weapons or ammunition of whatever nature, except for the financing of activities (production or trading) related to the use, for non-military purposes, of any dual-use products or services regulated by Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items;
- g) financing of re-export;
- h) financing of activities that run counter to the environmental regulations;
- i) financing of products and services that are ethically or morally unacceptable (e.g. sexual devices or media products, animal experiments);
- j) financing of interest payments, speculative transactions or currency-swap transactions;
- k) financing of expenses related to non-business activities;
- l) financing of reclaimable VAT, customs payments or public debts;
- m) financing of transactions or services subject to financial or pecuniary restrictions ordered in sanctions of the European Union, the United Nations Security Council or the United States of America, or financing of transactions in favour of a person, company or organisation indicated in the sanctions list of any of the above forums;
- n) production or trade of any product, or performance of any activity that is illegal under the host country's laws or that violates an international rule, convention or agreement, or is internationally prohibited, such as certain pharmaceuticals, pesticides, herbicides, ozone depleting substances, or PCB products, as well as any species or products falling under the scope of CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora);

- o) manufacture and trade of alcoholic beverages (except beer and wine) or tobacco products<sup>2</sup>;
- p) gambling, casinos and equivalent activities<sup>3</sup>;
- q) manufacture and trade of radioactive materials (this does not apply to the procurement of medical equipment or to machinery and equipment used for quality control (measurement), where the source of radioactive materials is obvious and/or adequately protected for Multilateral Investment Guarantee Agency's (MIGA) purposes);
- r) manufacture and trade of unbonded asbestos fibers. This does not apply to the purchase and use of bonded asbestos cement sheeting with an asbestos content of less than 20% (twenty percent);
- s) dredging net fishing, in a marine environment, using meshes of lengths exceeding 2.5 km (two point five kilometers);
- t) commercial logging primarily performed in tropical rainforests;
- u) production or trade of wood or other forestry products, unless these originate from sustainable forestry;
- v) any activity involving harmful or exploitative forms of forced labour<sup>4</sup> or child labour<sup>5</sup>;
- w) production, trade, storage or transportation of dangerous or hazardous chemicals in significant or commercial volumes (dangerous chemicals include petrol, kerosene and other petroleum products);
- x) any activity that violates the right of indigenous people to possess or claim land, unless performed with the full and certified consent of the persons concerned.

The conditions for exclusion listed in points a), g), k) and l) shall not apply to transactions in respect of which the Bank performs the certifying and designated banking tasks in relation to the letters of credit.

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<sup>2</sup>This does not apply to project sponsors who are not primarily involved in the excluded activities. "Non-primary involvement" means that the activity concerned is of a supplementary nature relative to the primary activity of the project sponsor.

<sup>3</sup>This does not apply to project sponsors who are not primarily involved in the excluded activities. "Non-primary involvement" means that the activity concerned is of a supplementary nature relative to the primary activity of the project sponsor.

<sup>4</sup>Forced labour: any work or service that is not performed voluntarily (but under threat of violence or punishment)

<sup>5</sup>Harmful child labour: exploitative or hazardous employment of children that interferes with their education and is harmful to the health or the physical, mental, spiritual, moral or social development of children



## **SCHEDULE**

Schedule 1: Outsourced activities of Eximbank Zrt. and the entities performing the outsourced activity