

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

**CEO Directive 63/2017**

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

**Responsible Organisational Unit: Legal Services**

**Effective date: ..... 1 August 2017**

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## I. INTRODUCTORY PROVISIONS

1. The Hungarian Export-Import Bank Private Limited Company (hereinafter: the “Bank”) is a specialised credit institution established under Act XLII of 1994 on the Hungarian Export-Import Bank Plc and the Hungarian Export Credit Insurance Plc (hereinafter: the “Etv.”).
2. 2.1 The Bank is a legal successor of Export Guarantee Insurance Private Limited Company and was established by way of demerger on 26 May 1994.

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

The Metropolitan Court of Budapest as Company Court decided in favour of the Bank’s registration in its resolution no. 04.2594/08, on 8 December 1994.

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

2.3. The Bank’s permanent establishment: 1011 Budapest, Fő u. 1.

2.4. The Bank’s tax number: 10949638-2-44

2.5. company registration no.: 01-10-042594

2.6 bank account number: 14800016-06000008-11111128.

3. 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 (the current legal successor of which is the National Bank of Hungary) pursuant to resolution 63/1994 issued by the Hungarian Banking Supervisory Authority on 10 August 1993.
4. With respect to the Bank and the activities it performs, the provisions of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter: the “Hpt.”), the provisions of Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers and the Regulations Governing their Activities (hereinafter: the “Bszrt.”), and the provisions of Act V of 2013 on the Civil Code (hereinafter: the “Ptk.”) that relate to legal entities shall be applied, with the exceptions set out in the Etv. In addition to the Etv., with respect to the Bank, Government Decree 85/1998. (V. 6.) on the Interest Equalisation System of the Hungarian Export-Import Bank Public Limited Company amended by Government Decree 215/2015. (VII.31.) on the amendment of the government decrees related to the operation of the Hungarian Export-Import Bank Private Limited Company and the Hungarian Export Credit Insurance Private Limited Company (hereinafter: KK Decree), and Government Decree 435/2012. (XII. 29.) on Guarantees Assumed by the Hungarian Export-Import Bank Plc 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 shall apply.

5. The Bank, based on the Etv., conducts the following financial service activity, auxiliary financial service activity and investment service activity in relation to the export of Hungarian goods and services, supplier transactions, investments with an export purpose, the competitiveness-enhancing investments and capital projects, as well as the working capital needs, of companies registered in Hungary, international aid transactions, the foreign direct investments of Hungarian investors, as well as imports, and also direct capital investments made by foreign investors in Hungary, and the legal relationships established in the interests of such:

a) provision of credit facilities and cash loans;

b) undertaking of sureties and guarantees, as well as other banker's commitments;

c) own-account or commission-based trading activity with currency and foreign exchange (excluding money changing), bills of exchange and cheques;

d) the activity specified in Section 5, paragraph (1), point c) of the Bszt., in respect of the financial instrument specified in Section 6 of the Bszt.;

e) credit reference services;

f) provision of payment services;

g) for the purpose of raising funds exclusively for its own activities:

ga) collecting of deposits on the interbank market from domestic and foreign professional clients as defined in Section 48, paragraph (1) of the Bszt. and from Mehib Zrt.;

gb) issuing of bonds;

h) receivables purchase.

In relation to aid transactions aimed at promoting co-operation for international development and the establishment of an international development fund, or in connection with the joining of such, Eximbank performs the following activity:

a) financing of aid transactions aimed at promoting co-operation for international development through the provision of non-refundable aid and discounted loans,

b) setting up a fund for the purpose of promoting co-operation in international development and operated by an international financial/development institution, or joining such fund by using the funding sources specified in Section 6, paragraph (4) of the Exim Act.

c) setting up a venture- and private-capital fund or joining such fund through a capital investment.

6. The Business Regulations set out the Bank's applicable interest- and fee-calculation principles.

## **II. GENERAL SECTION**

### **7. The Bank's Clients**

For the purpose of these business regulations (hereinafter: "**Business Regulations**") the parties shall be the Client and the Bank (hereinafter together: the "**Parties**"). For the purpose of these Business Regulations a Client shall be the foreign or domestic business organisation or sole trader to whom (which) the Bank provides financial, auxiliary financial or investment services within its prescribed scope of activities, or a business organisation or natural person who (which) provides collateral to secure a claim that will arise in favour of the Bank based on a financial, auxiliary financial or investment service (hereinafter: "**Client**").

### **8. Provisions applicable to the Client**

Unless the contract set down in writing between the Client provides otherwise, the provisions of these Business Regulations shall apply to any legal relationship between the Bank and the Client. The Business Regulations determine the general provisions of the legal transactions to be concluded between the Bank and its clients and constitute a part of the contracts. The content of the legal relationship between the Bank and the Client and the detailed rules governing such relationship shall be determined by the general contractual terms (hereinafter: "GCT") pertaining to the specific types of transactions, and the individual conditions pertaining to the transaction shall be determined by the framework agreements or individual agreements. If there is a discrepancy between the Business Regulations, the GCT and the contract in respect of any matter, the provisions of the GTC and of the contract shall apply.

The 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 GCT, nor of these Business Regulations apply, shall be governed by the effective provisions of the Ptk. and the Hungarian legal rules pertaining to payment services, banking transactions and the relationship established between the Bank and the Client.

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.

### **9. Publication, acceptance and amendment of the Business Regulations**

These Business Regulations are public and may be viewed and consulted by anyone, at the Bank's premises used for serving 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.

When entering into a contractual relationship, the Client shall, by signing the contract, acknowledge and accept the conditions set out in the Business Regulations.

The Bank is entitled to amend the Business Regulations unilaterally at any time. After the amendment of the Business Regulations the Bank shall post the amended Business Regulations at its premises used for serving Clients, as well as on its website.

The Bank

a) Shall notify Clients in writing of amendments to the Business Regulations that are unfavourable for Clients 15 (fifteen) calendar days before the amendments are due to take effect;

b) shall notify Clients in writing of amendments to the Business Regulations that *do not constitute an unfavourable change* for Clients on the banking day before the amendment is due to take effect by posting the modified Business Regulations at its premises used for serving clients and on the Bank's website.

Unless the Client raises an objection in writing to the Business Regulations containing an amendment which is unfavourable for the Client before they take effect, the new Business Regulations shall be deemed to have been accepted by the Client. If the Client objects to the planned amendment in writing, the Bank is entitled to terminate the contract concluded with the Client in accordance with the provisions of the contract, and in the absence of a contractual provision to the contrary, with a notice period of fifteen (15) calendar days. In such case, the Client shall settle all of his liabilities to the Bank within two (2) working days.

The amendment of the Business Regulations shall, starting from its effective date, apply also to contracts that were concluded prior to such effective date.

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

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.

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

Unless there is a provision to the contrary in the contract concluded with the Client, notices, messages, orders and contracts that have been duly signed by the authorised representative and have been sent by the Parties by mail or in a SWIFT message, or have been delivered in person, shall be considered to have been made in writing.

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.

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.

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 two (2) working days.

The Client shall provide 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.

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 two (2) 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.

As a general rule, contracts and agreements concluded with the Bank shall be prepared in Hungarian, and the declarations addressed to the Bank shall also be made in Hungarian. Contracts (agreements) concluded with, and declarations made to, foreign natural or legal persons or business entities may also be drafted in Hungarian-English or Hungarian-Russian bilingual versions. In the event of any dispute concerning interpretation – in the absence of a contractual provision to the contrary – the Hungarian wording shall prevail.

## **11. Cooperation, information provision, notices**

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 the course of their business relationships.

The Client shall notify the Bank – within two (2) working days after taking notice thereof – of any data, facts or circumstances and any change thereto that are material in terms of the conclusion and execution of the banking transaction. Should the Client breach this obligation, he shall be liable to the Bank for the damages caused.

The Client shall notify the Bank within two (2) working days of 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. 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. The Client shall notify the Bank in writing within two (2) working days if the Client has filed for bankruptcy, has initiated liquidation or winding-up proceedings against itself or becomes aware of a third party having initiated bankruptcy, liquidation or administration proceedings against the Client, or if 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 opening of an involuntary dissolution (striking-off) proceeding against the company.

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 fifteen (15) 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.

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 agreements that have been concluded with the Client, to a third party.

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 thirty (30) 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.

If the Bank, on the basis of 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 is in jeopardy, the Bank may take steps as set forth in the Civil Code, 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.

## **12. Representation**

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 organisation 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 proceeding in their capacity as representatives.

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 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. 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.

In the case of an authorisation that has been issued abroad, the Bank requires an official

translation of the document and its authentication in accordance with the relevant legal provisions.

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.

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 recorded specimen signature, or if the authenticity of the authorisation is in doubt, or if the personal data does not match, the Bank is entitled to refuse to take any such measure as would bring about the legal effect intended to be brought about through such representation. The Bank shall notify the Client of this within two (2) 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 point. 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.

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.

### **13. Delivery**

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.

In the absence of a contractual provision to the contrary, the Bank shall only be obliged to mail documents or notices to the Client with return receipt requested if doing so is, in the Bank's opinion, especially justified.

In the case of a domestic addressee, documents sent by mail shall be considered delivered on the day of attempted delivery 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 fifth (5th) working day following the second delivery attempt. In the case of a foreign addressee, the Bank shall consider notices that are mailed to the Client to have been delivered upon the expiry of the eighth (8th) calendar day following their mailing.

The Bank shall not be held liable for losses incurred in the course of postal delivery due to reasons that are outside the Bank’s control.

#### **14. Obligation to report changes to the Client’s identity and data**

Prior to entering into a business relationship or – if required in order to avoid any interruption in normal operation – and by not later than the time of contract conclusion, or as stipulated by the provisions of Act CXXXVI of 2007 on the Prevention and Impeding of Money Laundering and Terrorist Financing, the Bank must verify the identity of the Client, its proxy or representative, as well as the Client’s beneficial owner, and it must perform a customer due diligence.

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, or any changes in the identity of the beneficial owner, within five (5) working days of obtaining knowledge of such.

With regard to the prevention of money laundering or the financing of terrorism, the Bank applies enhanced customer due diligence in the case of Clients whose representatives do not present themselves at the Bank for the purpose of identification and customer due diligence.

During the enhanced customer due diligence process, in order to allow the Bank to verify his/her identity, the Client is obliged to also submit to the Bank the certified copy of the document or deed required in customer identification. The certified copy of the document or deed may be accepted for the identification process and for the verification of identity if the certified copy has been prepared by a Hungarian consular official or a notary public who has furnished it with the appropriate certificate, or if the Hungarian consular official or notary public has furnished an existing copy with a certificate testifying that the copy is identical to the original document presented to him/her.

In the course of the verification, it is also possible to accept a copy prepared by the authority, authorised to prepare certified copies, of the state in which the document was issued, and – in the absence of a provision of an international treaty to the contrary – the Hungarian consular official has certified the signature and stamp of this authority on the copy.

In the case of a foreign business organisation, the Client shall provide proof that registration or recording under the law of its own country has taken place, which, in the case of enhanced customer due diligence may be accepted if accompanied by an officially certified translation thereof.

#### **15. Execution**

The Bank does not execute cash deposits or cash withdrawals.

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) in the case of transfers received by 14:30 hrs via the Real Time Gross Settlement System (RTGS) for crediting in forint to a forint account, within two hours following the notification, otherwise on the day of the crediting;
- c) in the case of crediting in foreign currency, on the value date of the crediting;
- d) if conversion is necessary, then on the second working day following the execution deadlines specified in points a)-c).

If, in relation to the contract concluded with the Client, the export sales revenue transferred in favour of the Client arrives at the Bank, then the Bank shall execute the transfer – provided that the amount is credited on the Bank’s account by 15:00 hrs – to the account number provided by the Client, on the value date of the crediting, whereas if the amount is credited after 15:00 hrs, on 1st value date following the crediting. If the export sales revenue appears on the Bank’s account in back-dated form, that is, with a value date earlier than the value date of the notice on the crediting, the Bank will execute the transfer to the account number specified by the Client on the value date of the notice on the crediting. The Bank shall be entitled to charge the costs of onward transfer to the Client.

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 first banking day after that day.

If the payment made by the Client does not cover the full amount of his debt due, the Bank, in the absence of effective statutory regulations to the contrary, shall settle the Client’s payment in the following order: the Bank shall use the payment first to cover the costs, then the fees, commissions, default interest and transaction interest, and only such amount as remains shall be used for repaying the principal.

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.

## **16. Business and bank secrets, bank information**

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.

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. 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.

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 detrimental to the Bank or to the clients of the Bank.

The Client, in the contract concluded with the Bank, expressly authorises the Bank to make public, from among the data falling into the category of bank secrets, the data relating to the identity of the Client, the object, amount and term of the transaction, as well as the purpose of use.

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 Civil Code 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 for foreign trade 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.

The Bank may handle personal data during the existence of the contract entered into with a Client and of any other legal relation established in connection with the given transaction and in the course of the period during which a claim may be asserted with respect to the given legal relation.

The Bank may handle 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 shall delete or destroy any and all personal data relating to its Clients, former Clients or a contract or legal relationship not entered into in respect of which the purpose for data handling has ceased or if an approval from the party affected is not available for the handling of such data, or if there is no statutory legal basis for the handling of the same.

The Bank has joined the Central Credit Information System, and – based on the statutory regulations relating to the system and in accordance with section 23 of these Business Regulations – provides data on all of its Clients.

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.

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.

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.

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

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.

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.

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 two (2) 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.

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.

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.

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.

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 point, "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, strike, work stoppage or other circumstance that hinders work, as well as other events, actions or omissions similar to the above.

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.

**18. General conditions applicable to the services provided by the Bank**

The Bank shall only provide its services to persons in respect of which, or whom, the following reasons for exclusion do not exist; that is, to persons which, or who:

- have no overdue debts or tax debts or public debts that can be collected as taxes (unless the tax authority has granted them deferred payment or the option of payment by instalments);
- have not breached any of their material obligations under a subsidy contract within three years preceding the submission of the credit, guarantee, receivables purchase or other applications to the Bank in relation to any state subsidy disbursed by the subsystems of the state administration apparatus;
- have no overdue debts to the Bank;
- have no overdue debts to any other credit institution, unless the Bank has acknowledged such debt in writing.

The Bank shall assess the loan, guarantee, receivables purchase or other applications submitted by the Client on the basis of its own internal rules and within the deadlines specified therein, and shall notify the Client about the results of such assessment. In the event of a favourable assessment, the Bank will conclude a contract with the Client, which will contain all the terms and conditions that are not expressly dealt with in the Business Regulations and in the relevant GCT.

The Client shall pay interest, commissions and fees for the services to the Bank, which are determined on the basis of the provisions of the relevant GCT and the amounts of which, as well as the provisions regarding interest rate modification, are specified in the agreement(s) concluded between the Bank and the Client or, in the absence of such, then in the effective 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 contained in the effective List of Terms and Conditions.

The amount of the interest shall be determined by applying the following formula:

$$\text{interest} = \frac{\text{interest rate (\%)} \times \text{principal amount} \times \text{number of calendar days}}{36000}$$

The interest is calculated assuming 365/360 days.

- (a) *One-off fee*: The fee payable from the first disbursement, but certainly not later than within thirty (30) calendar days from contract conclusion, the extent of which is determined on the basis of the amount of the full contracted credit line.
- (b) *Commitment fee*: A commission calculated on the basis of the available, but not yet drawn, credit limit, and that is paid in arrears throughout the commitment period, at intervals that match the interest periods.
- (c) *Monitoring fee*: The one-off or annual fee payable during the monitoring period, which is the fee for monitoring the execution of the financed transaction and the debtor's solvency.
- (d) *Breakage fee*:
  - (da) in the case of non interest-equalised loans: "In the case of prepayment on a non-interest-payment day, a breakage fee shall be charged, which shall be the difference between the interest due under the credit contract from the first bank working day following the prepayment until the end of the given interest period, and the interest attainable on the market through the placing of the prepaid amount up to the end of the interest period."
  - (db) in the case of interest-equalised loans: "In the case of prepayment on a non-interest-payment day, a breakage fee shall be charged, which shall be the difference between the base cost due under the Interest Equalisation Decree from the first bank working day following the prepayment until the end of the given interest period, and the interest attainable on the market through the placing of the prepaid amount up to the end of the interest period."
- (e) *Prolongation fee*: In relation to the prolongation (extension) and restructuring of loan transactions, the Bank charges a prolongation/restructuring fee (as a one-off fee) in order to cover the increased risk and the handling and administration costs.
- (f) If any payment obligation is not fulfilled when due, the Client shall pay, in addition to the interest stipulated in these Business Regulations and in the general contractual terms, the *default interest* determined in the contract.
- (g) The applicant shall pay a *guarantee fee* for the guarantee undertaken by the Bank. The guarantee fee shall reflect the price of the risks undertaken by issuing the bank guarantee.
- (h) In the event of a purchase of receivables, the Bank charges a *discount interest*.

The Client shall reimburse the Bank for all certified costs incurred by the Bank in connection with the given transaction (e.g. courier service, fees and commission charged by intermediary banks). The Client's obligation to pay costs is independent of whether the given transaction is executed, whether the order has been cancelled, or whether the undertaking of the obligation has been terminated for a reason that is not the fault of the Bank. In certain cases the Bank may stipulate the use of a specialist, whose fee shall be paid by the Client.

The Bank is entitled to review the terms and conditions of the financial services that it

provides, and other contractual terms, as well as the Business Regulations, and to amend them unfavourably for the Client in the following cases:

- a change in the law or in a central bank provision that relates to or affects the Bank's activity or operating conditions, or in other regulations that are binding on the Bank,
- a change in the opportunities for procuring funds in the money market, a change in the cost of funds, thus especially a change in Hungary's credit rating, a change in the country's credit default swap (CDS) premium, a change in interbank loan interest rates, a change in the reference interest rate, a change in the consumer price index, inflation, a change in state interest subsidies, a change in the Bank's obligation to pay public dues (e.g. tax), a change in the rules on the setting aside of mandatory reserves,
- a change in the assessment of the risk that is associated with the service or the transaction under the contract, or with the Client (especially with regard to any unfavourable changes that may have occurred in the Client's financial situation), or in the creditworthiness of the Client, or a change in the value or the saleability of any security.

The Bank shall inform the Client about any changes in the terms and conditions in writing and in advance, in accordance with point 9. The amendment shall not affect the interest rate or the extent of the fee applicable to the period prior to the date indicated in the notice.

The Bank is entitled to unilaterally amend these Business Regulations if so required by a final court order or an official resolution.

#### **19. Hungarian origin and financing in the national interest**

a) Goods export may only be financed under the KK Decree if at least half of the goods delivered within the scope of the transaction performed based on the foreign trade contract qualifies as being of Hungarian origin. Foreign trade contracts for the performance of construction, assembly, technological installation, planning and other directly related services may only be financed under the KK Decree if at least a quarter of the contract value, less the financing costs, qualifies as being an export of Hungarian origin. The Bank checks fulfilment of the above conditions in compliance with the provisions of its internal policy. For the purpose of determining and certifying the above, only documents issued by authorised parties in compliance with the effective Hungarian rules may be accepted.

b) If the national interest is associated with the export transaction, then the financing may also be provided if the export of Hungarian origin is lower than that determined in subsection a), though not even in these cases may the ratio be lower than half the proportion determined in subsection a).

c) The approval of a transaction involving financing in the national interest belongs to the authority of the Board of Directors of the Bank, in the course of which the Board of Directors, with a view to the provisions set forth in Hungary's effective foreign trade strategy, shall consider the following criteria from among the characteristics of the transaction:

- ca) employment creation, employment protection;
- db) acquisition of export markets, contribution to further export growth;

- cc) contribution to improving the competitiveness of small and medium-sized enterprises;
- cd) expansion of opportunities for suppliers;
- ce) proportion of domestic added value within the share of content deemed to be of Hungarian origin;
- cf) environmental considerations, the strengthening of the renewable energy sector or of an innovative branch of the economy.

Procedural rules and documentation requirements serving the certification of the criteria determined in subsections ca)-cf).

- At the request of the Client or the exporter, the Bank conducts a procedure to determine whether financing in the national interest is applicable.
- By completing the form issued by the Bank, the exporter makes declarations, provides data, and supports and certifies with documents the necessity of financing in the national interest.

The Board of Directors will make a decision on the financing in the national interest on the basis of the recommendation in the business proposal.

## 20. General terms and conditions relating to deposits collected by the Bank

The Bank, based on the relevant provisions of the Etv., is authorised to collect deposits within a limited range, in the interbank market, exclusively from domestic and foreign professional clients as defined in Section 48, paragraph (1) of the Bszt., and from Mehib Zrt.

The rate of deposit interest shall be equal to the interest rate valid on the day of fixing of the deposit, for the entire term of the deposit, which the Bank cannot unilaterally modify prior to the maturity of the deposit. The Bank calculates the interest payable on deposits as follows:

$$\text{Interest} = \frac{\text{amount of deposit} \times \text{interest rate (\%)} \times \text{number of calendar days in the deposit-fixing period}}{360}$$

360

The 360-day interest base changes to 365 days in the case of GBP, AUD and PLN.

When calculating the average interest the Bank applies the following calculation method:

$$\text{Average interest} = \frac{\text{Sum}_{(i=1 \text{ to } n)} (\text{interest rate}_i \times \text{number of days of validity period of the interest rate}_i)}{\text{number of calendar days in the given period}}$$

For the calculation of the annual equivalent rate (AER), the Bank applies the following formula if the term remaining until maturity is less than 365 days:

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<sup>1</sup> where n = the number of interest rate changes in the given period

$$\text{Elhelyezett betét} = \sum_{i=1}^n \frac{(k + bv)i}{1 + r \times (t_i / 365)}$$

For the calculation of the AER, the Bank must apply the following formula, if the term remaining until maturity is less than 365 days:

3

$$\text{Elhelyezett betét} = \sum_{i=1}^n \frac{(k + bv)i}{(1 + r)^{(t_i / 365)}}$$

For the calculation of the AER, the Bank must apply the following formula if the depositing of the deposit takes place in several instalments:

4

$$\sum_{i=1}^n \frac{B_i}{(1 + r)^{(t_i / 365)}} = \sum_{j=1}^m \frac{K_j}{(1 + r)^{(t_j / 365)}}$$

Unless stipulated otherwise in the Deposit Contract, the smallest amount that may be deposited at the Bank is HUF 25 (twenty-five) million, or the equivalent thereof in another currency calculated at the MNB exchange rate valid on the day of deposit fixing.

The shortest period during which withdrawal of the deposit is not possible or is only possible subject to the loss of any or all of the interest is determined by the Bank individually for each transaction or published in the List of Terms and Conditions.

The Client is entitled to terminate the deposit prior to maturity with immediate effect, by way of a written declaration addressed to the Bank. Should the Client terminate the deposit prior to maturity on the basis of this point, the Bank shall pay interest on the deposit in a reduced extent as determined in the Deposit Contract or the List of Terms and Conditions. Unless stipulated otherwise in the Deposit Contract, in the event of termination of the deposit in

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<sup>2</sup> where

n: number of interest payments,  
 r: one hundredth part of the AER,  
 t<sub>i</sub>: the number of days remaining from the day of deposit fixing until the i<sup>th</sup> payout,  
 (k+bv)<sub>i</sub>: the total of the interest and deposit repayment paid out at the time of the i<sup>th</sup> payout.

<sup>3</sup> where

n: number of interest payments,  
 r: one hundredth part of the AER,  
 t<sub>i</sub>: the number of days remaining from the day of deposit fixing until the i<sup>th</sup> payout,  
 (k+bv)<sub>i</sub>: the total of the interest and deposit repayment paid out at the time of the i<sup>th</sup> payout.

<sup>4</sup> where

n = number of payments into the deposit,  
 B<sub>i</sub> = amount of the i<sup>th</sup> payment into the deposit,  
 t<sub>i</sub>: the number of days remaining from the day of the first depositing until the i<sup>th</sup> payment into the deposit,  
 r = the value of the AER,  
 m = the number of payouts,  
 t<sub>j</sub>: the number of days remaining from the day of the first depositing until the j<sup>th</sup> payout,  
 K<sub>j</sub> = amount of the j<sup>th</sup> payout.

accordance with this point, the full amount of the deposit shall be terminated.

In the absence of an agreement to the contrary, the interest calculated on the deposit shall be paid out together with the principal amount upon maturity. The Bank shall pay the interest to the Client less the deductions in accordance with the relevant and effective statutory requirements.

Pursuant to Section 6, paragraph (1) and Section 7, paragraph (1) of the Etv., the Hungarian State irrevocably assumes liability as absolute surety, backed by the central budget and up to the upper limit of the volume determined annually in the Act on the Central Budget, for the performance of the payment obligations originating from deposits accepted by the Bank on the basis of these provisions. The Bank shall, in every case, confirm in the Deposit Contract that the given deposit does not exceed the said upper limit, and as such it is covered by the state's absolute suretyship.

In view of the absolute suretyship of the Hungarian State, based on the relevant provision of the Hpt., deposits placed at the Bank are not insured by the National Deposit Insurance Fund. In view of the foregoing, the Bank does not record the Client's identification data, defined in the relevant point of the Hpt. as necessary for the Client's deposit insurance.

## **21. Provision of security**

Upon the establishment of the business relationship and continuously in the course thereof, the Client, upon the Bank's request, shall provide appropriate security or supplement the already provided security to the extent deemed necessary by the Bank in order to ensure the recovery of its already existing claims or of claims that it may have in the future in light of any banking commitments assumed by it. Failure to comply with this obligation shall be deemed a gross breach of contract.

The Bank, in order to ensure the repayment or payment of its claims arising from the financial, auxiliary financial and investment services provided by it, is entitled to request, as an accessory obligation, especially the following securities:

- a) suretyship,
- b) lien or mortgage right,
- c) security deposit,
- d) guarantee,
- e) credit insurance.

The Bank may request several securities at the same time, each of which – in the absence of a contractual provision to the contrary – shall serve as collateral for the entire amount of the Bank's claim. Until the security is provided or the provided security is supplemented at the Bank's request, the Bank is entitled to suspend the performance of any payment obligations that it may have towards the Client. The Bank shall not be liable for any losses sustained by the Client or other persons as a result of this.

When stipulating the security, the Bank is entitled to determine – in the manner specified in the internal policy – the value at which it will recognise the various items of security.

## 22. List of Terms and Conditions

The legal title and the extent of fees, commissions, costs and interest that are charged by the Bank for the services extended to the Client and that are not set out in the contract, as well as other specific conditions pertaining to the provision of the services, are contained in the effective List of Terms and Conditions. (The rate of the default interest is determined in the relevant GCT and in the contract concluded with the Client.)

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.

## 23. Data transfer to the Central Credit Information System<sup>5</sup> (KHR)

The data related to the Client 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 commitments.

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 thirty (30) calendar days.

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 date of occurrence of the conditions determined in the second paragraph of this

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<sup>5</sup> The Central Credit Information System (hereinafter: KHR) is a closed database in which the purpose of managing the recorded data is to ensure a more solid assessment of creditworthiness, as well as to facilitate compliance with the requirements of responsible lending and the reduction of the lending risk in the interests of the security of the debtors and the reference data providers.

Only the reference data specified in Act CXXXII of 2011 on the Central Credit Information System may be managed in the KHR; the organisation that manages such data is Bankközi Informatika Szolgáltató Zrt. (BISZ Zrt.).

point and the amount of overdue and unpaid debt outstanding at the time of the occurrence of such conditions.

In the KHR the data in question – with the exception of the case mentioned in the second paragraph of this point – may be kept on record for five years from the termination of the contract. In the case mentioned in the second paragraph of this point – 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.

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).

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 Act CXXII of 2011 on the Central Credit Information System.

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 thirty (30) calendar days from receipt of the response given to the objection. (A failure to meet this deadline may be excused on certified grounds.)

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 governed by the provisions of Act III of 1952 on the Code of Civil Procedure, subject to the exceptions set out in Sections 17-20 of Act CXXII of 2011.

## **24. Outsourcing**

The Bank may 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.

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.

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

### **III. COMPLAINTS MANAGEMENT, LEGAL DISPUTES**

#### **25. Complaint handling**

The procedure for managing complaints is regulated by the Bank's Complaint Management Regulations, which are published by the Bank on its website ([www.exim.hu](http://www.exim.hu)) and at its premises used for serving clients.

Administration of complaints

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

#### **26. Termination**

The Bank may terminate the agreements concluded with the Client in accordance with the rules determined in respect of ordinary termination in the Ptk., in the relevant GCTs, and in the specific contract.

The Bank shall have the right to termination with immediate effect in the event of a gross breach of contract by the Client. The reasons for termination with immediate effect are determined in the relevant GCTs, the individual contracts and in the latest provisions of the Ptk.

The legal consequences of termination with immediate effect 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.

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 immediately due and payable.

If the Client 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, 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.

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

The legal relationships between the Bank 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, by the relevant GCT, these Business Regulations and the Hungarian legal statutes in force, unless the Parties choose to depart from such by mutual consent.

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 court with jurisdiction and competence in the matter.

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.

### **IV. ENDORSEMENT CLAUSE**

These Business Regulations have been approved by the Bank's Board of Directors, proceeding within the authority vested in it by the effective Articles of Association, in Board of Directors' resolution 97/2016 (30 August). This CEO directive shall take effect on the day of its signature, and at the same time, CEO directive number 78/2015 shall lose its effect.

Budapest, .....2017

Zoltán Urbán  
CEO