

Supplier Credit Insurance Policy

GENERAL CONDITIONS

Approved by the Ministry of Industry, Trade and Tourism through Order of 22nd of October of 2018, in accordance with articles 3 and 8 of Law 8/2014 of 22nd April, on state cover of risks involved in the internationalisation of the Spanish economy.

This English translation of the Spanish version serves merely for information purposes. In case of discrepancy, the Spanish text shall prevail.

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PRELIMINARY ARTICLE

DEFINITIONS

INSURED

Means the entity owning the interest that is the object of insurance, regardless of whether it is the Policyholder.

If the Policyholder and the Insured are different entities, the obligations and duties derived from the insurance contract shall be met by the Policyholder, except for those that, due to their nature, must be fulfilled by the Insured.

INSURER

Means the Compañía Española de Seguros de Crédito a la Exportación, S.A., Compañía de Seguros y Reaseguros, S.M.E., acting in its own name and on behalf of the Spanish State.

LOSS PAYEE

This refers to the entity designated by the Insured to collect any indemnity arising from a possible claim.

COMMERCIAL CONTRACT

This refers to the contract signed by the Exporter and the Importer within the context of an export or internationalisation transaction of a Spanish company, the purpose of which is to supply of Spanish goods and/or provide Spanish services.

CREDIT

It is right of the Insured to collect amounts which are certain, of a fixed amount, due and payable arising from the Commercial Contract and, where applicable, the Documentary Credit.

DOCUMENTARY CREDIT

This refers to any agreement, regardless of its denomination or description, which is irrevocable and constitutes a definite commitment by the Debtor to pay for a valid presentation of documents, according to the terms and conditions of said agreement, done in accordance with the Uniform Customs and Practice for Documentary Credits (UCP) of the International Chamber of Commerce, or other internationally accepted standards that regulate documentary payment instruments and that have been expressly accepted by the Insurer, in force on the date said agreement is issued.

DEBTOR

It is the entity responsible for paying the Credit.

EXPORTER

This refers to the signatory to the Commercial Contract and the holder of the rights and obligations arising thereof.

GUARANTOR

This refers to the natural or legal person that jointly, severally and irrevocably guarantees the obligations of the Debtor or, where applicable, the importer, to the Insured.

IMPORTER

It is the entity which signs the Commercial Contract with the Exporter, accepting to fulfil the obligations laid out in said contract.

MAXIMUM RISK LIMIT

Represents the maximum risk limit communicated by the Insured to the Insurer, indicated in a particular condition for each risk covered, and based on the estimate of the maximum loss which the Exporter may suffer over the duration of the Commercial Contract.

The Maximum Risk Limit is notified by the Insured to the Insurer and is the basis used for calculating the Amount of Indemnifiable Loss.

INSURED CURRENCY

It is the currency specified in the particular condition in which the Amount of Indemnifiable Loss and, where applicable, the Risk Ceiling, are denominated.

POLICY

This refers to the insurance contract, comprising of these general conditions, its particular conditions and, if applicable, its corresponding endorsements.

AMOUNT OF INDEMNIFIABLE LOSS

This represents the maximum limit for indemnity to be paid by the Insurer and is calculated in the particular conditions of the Policy for each risk covered.

In the event of the Insured having communicated a Maximum Risk Limit, the Amount of Indemnifiable Loss is obtained by applying the insured percentage to the Maximum Risk Limit.

Moreover, the indemnity shall include, where applicable, the salvage or recovery costs referred to in Article 3 of these general conditions.

POLICYHOLDER

This refers to the individual or legal entity which signs the Policy and assumes the duties and obligations derived from the insurance contract, except for those that, due to their nature, must be met by the Insured.

The rights resulting from the Policy shall correspond to the Insured or, where applicable, the appointed Beneficiary.

CHAPTER I

PURPOSE AND COVERAGE

ARTICLE 1

PURPOSE OF THE INSURANCE

Based on the statements made by the Insured, and in accordance with the general and particular conditions of the Policy, the Insurer undertakes to compensate the Insured under the terms and within the deadlines established in the Policy and up to the maximum limit of the Amount of Indemnifiable Loss for losses resulting from the occurrence of one or more of the risks referred to in Article 2.

Furthermore, salvage or recovery costs and any other expenses agreed upon which the Insured has incurred in order to minimize losses resulting from a claim, shall be covered.

ARTICLE 2

COVERED RISKS

2.1. Risk of contract termination

2.1 A) Of a commercial nature

For the purposes of Article 1, contract termination risks of a commercial nature are understood as those arising from any the following situations:

Six (6) months from the Insurer being notified of:

- a. The unilateral and unjustified termination of the Commercial Contract by the Importer; or
- b. The unilateral termination of the Commercial Contract by the Importer, based on a termination for convenience clause established contractually; or
- c. The impossibility of carrying out the Commercial Contract due to the manifest noncompliance of the Importer's obligations; or
- d. The express or tacit refusal of the Importer to receive the goods and/or services carried out.

All of these cases shall apply providing the Importer is a private entity and as long as there is no previous noncompliance by the Exporter and they are not involved in a commercial dispute.

In the event of a commercial dispute between the Importer and Exporter, in which the former alleges failure to comply by the latter, the cover shall be suspended until the commercial dispute is settled by way of a final legal ruling, judgement or arbitration award or any other proof which is considered admissible by the Insurer, stating there has been no failure to comply by the Exporter, as established in Article 4 of these general conditions.

2.1 B) Of a political and exceptional nature

For the purposes of Article 1, contract termination risks of a political or extraordinary nature are understood as those arising from any of the following situations:

Six (6) months from the Insurer being notified of:

- a. The unilateral and unjustified termination of the Commercial Contract by the Importer, provided the Importer is a public entity; or
- b. The unilateral termination of the Commercial Contract by the Importer, based on a termination for convenience clause established, provided the Importer is a public entity; or
- c. The express or tacit refusal of the Importer to receive the goods and/or services carried out, provided the Importer is a public entity.

- d. The impossibility of carrying out the Commercial Contract, regardless of whether the Importer is a public or private entity, provided it directly corresponds to one of the following clauses:
- i. Civil or international war, revolution, uprising, terrorism, substantial breaches of the peace, or any similar event, which occurs abroad.
 - ii. Express or tacit action taken or decisions adopted by foreign public institutions which impede the proper completion of the internationalisation transaction.
 - iii. Political circumstances or events which occur in the country where the Commercial Contract is executed that lead to the requisition, nationalisation, confiscation, seizure, expropriation or destruction of goods or materials under the Commercial Contract, as well as any other event that prevents their receipt by the Importer.
 - iv. Measures by the Government of Spain, as well as those of the European Union and any other international bodies to which Spain belongs and to which it is bound, rendering it impossible to execute the Commercial Contract or recover the goods.
 - v. Circumstances or events understood to be disasters, such as cyclones, floods, earthquakes, volcanic eruptions, seaquakes and similar phenomena, as well as nuclear accidents and those caused by chemical, biochemical or similar substances which occur abroad.

In the situations detailed in sections a), b) and c) of Article 2.1 B), in order for the risk to occur, there must be no previous lack of compliance by the Exporter, and the Importer and Exporter must not be involved in a commercial dispute.

In the event of a commercial dispute between the Importer and Exporter, in which the former alleges failure to comply by the latter, the cover shall be suspended until the commercial dispute is settled by way of a final legal ruling, judgement or arbitration award or any other proof which is considered admissible by the Insurer, stating there has been no failure to comply by the Exporter, as provided for in Article 4 of these general conditions.

2.2. Credit risk

2.2 A) Of a commercial nature

For the purposes of Article 1, credit risk of a commercial nature shall be taken to mean a total or partial failure to pay the Credit for a period of more than three (3) months following its due date, provided the Debtor and Guarantor are private entities, there is no previous lack of compliance by the Exporter and they are not involved in a commercial dispute.

In the event of a commercial dispute between the Importer and Exporter, in which the former alleges failure to comply by the latter, the cover shall be suspended until the commercial dispute is settled by way of a final legal ruling, judgement, arbitration award or any other proof which is considered admissible by the Insurer, stating the existence and due nature of the Credit, as established in Article 4 of the present general conditions.

2.2 B) Of a political and exceptional nature

For the purposes of Article 1, a credit risk of a political and exceptional nature shall be taken to mean a total or partial failure to pay the Credit for a period of more than three (3) months following its due date, provided the Debtor and Guarantor are public entities, there is no previous lack of compliance by the Exporter and they are not involved in a commercial dispute or, in the event of a private entity, when the cause of non-payment is a result of any of the following situations:

- i. The express or tacit action and decisions adopted by foreign public institutions, or those resulting from critical economic conditions that have arisen in the country of the Debtor and Guarantor or where the Commercial Contract is being executed. This includes situations where the Debtor or Guarantor were to have made payment by depositing, in the local currency and with a discharging effect, the sums due in a bank or in an official account within their country, and which, on being converted into the agreed currency, fail to cover the amount owed on the date funds are transferred.

- ii. Civil or international war, revolution, uprising, terrorism, substantial breaches of the peace, or any similar event, which occurs abroad.
- iii. Political or economic events, or legislative or administrative measures that occur in the country of the Debtor and Guarantor, or where the Commercial Contract is being executed, which cause alterations to the balance of payments or monetary parity to such an extent that they cause a general situation of insolvency in the country of the Debtor and Guarantor.

Among the aforementioned causes is deemed to be included the moratorium on foreign payments in the country of the Debtor and, where appropriate, the Guarantor, or in a third-party country from which the funds must be transferred. A moratorium on payments shall be understood herein to mean the manifest default, de facto or the jure by a country with respect to one or more creditor countries.

- iv. Measures of the Spanish government, as well as measures of the European Union or other international organisations to which Spain belongs and is obliged to fulfil, that prevent receipt of the payment.
- v. Circumstances or events understood to be disasters, such as cyclones, floods, earthquakes, volcanic eruptions, seaquakes and similar phenomena, as well as nuclear accidents and those caused by chemical, biochemical or similar substances which occur abroad.

In the event of a commercial dispute between the Importer and Exporter, in which the former alleges failure to comply by the latter, cover shall be suspended until the commercial dispute is settled by way of a final legal ruling, judgement, arbitration award or any other proof which is considered admissible by the Insurer, stating the existence and due nature of the Credit, as provided for in Article 4 of these general conditions.

ARTICLE 3

SALVAGE AND RECOVERY EXPENSES

The Insurer shall bear, to the extent of the percentage of coverage, the salvage or recovery costs paid by the Insured has to prevent or mitigate the loss caused or likely to be caused by the occurrence of any of the risks referred to in Article 2, or as a consequence of the preventive measures accepted by the Insurer in accordance with the provisions set out in Article 14.

In order for the Insurer to be required to pay said expenses, they must have been previously accepted them.

When the aforementioned costs are incurred to jointly salvage or recover other uninsured losses suffered by the Insured, said costs shall be paid by the Insured and the Insurer in proportion to their respective interests.

The reimbursement of these expenses by the Insurer shall be made within the thirty (30) days following the date on which the Insured provides evidence of payment, in the currency in which such payments were made or in euros (at the discretion of the Insurer), and in the latter case, applying the official exchange rate of the day on which payment was made.

ARTICLE 4

ITEMS AND EVENTS EXCLUDED FROM COVER

4.1 The following items are expressly excluded from coverage under the present Policy: default interest, return expenses, taxes, renewal or negotiation of bills, any type of banking charges, fines or contract penalties and any other item not expressly covered by the Policy; which shall in no case be subject to compensation

4.2 Losses suffered in the cases listed below are expressly excluded from coverage and shall not be the subject of any compensation:

- i. When the Insured has failed to comply with any of the Policy conditions of cover.
- ii. When the risk occurs outside the term of the Policy.
- iii. When there is a commercial dispute between the Importer and Exporter in which the noncompliance of the Exporter under the Commercial Contract is alleged, except in the event of the Insured showing, by way of a final legal ruling, judgement, arbitration award or any other proof which is admissible for the Insurer, that it has not failed to comply to fulfil its obligations under the Commercial Contract and, as a result, the validity and enforceability of their claim for payment against the Importer the Debtor and, where applicable, the Guarantor.

Notwithstanding the foregoing, the Insured shall have the right to request the payment of provisional indemnity from the Insurer as soon as the corresponding legal proceedings are begun by the Exporter against the Importer, Debtor and, where appropriate, the Guarantor, until such time as a legal judgement or arbitration award is forthcoming or the proof referred to in the previous paragraph is rendered. If this right is exercised, the Insurer may request the Insured to provide an annually renewable bank guarantee or bond with conditions that are acceptable to the Insurer, which duly guarantees the refund of the provisional indemnity should the final legal judgement or arbitration award find that there has been a failure to comply with obligations laid out in the Commercial Contract by the Exporter and, therefore, the Exporter had no right to indemnity under the Policy.

- iv. When the Insured has failed to follow legitimate instructions received from the Insurer.
- v. When the Commercial Contract is affected by a crime involving corruption of a public official, under the provisions laid out in Article 286b of the Spanish Criminal Code, acknowledged in a final legal judgement.
- vi. When the Commercial Contract is classified as unlawful, null and void or voidable, or its stated obligations are rendered unenforceable because of the noncompliance with of any legal provisions in force which apply to it at the time the Policy takes effect, by a court with due competence in the matter, whether or not such a court falls within Spanish jurisdiction.
- vii. When the goods and services under the Commercial Contract are sanctioned or prohibited, or when the Importer, Debtor or Guarantor are natural or legal persons affected by sanctions, restrictions or prohibitions to contracting, imposed nationally, by the European Union or by any other organisation with which Spain has agreed to comply, prior to the effective date of the Policy. The Insured must verify this point.

In the event that the sanctions, restrictions or prohibitions to contract referred to in the previous paragraph are issued after the entry into force of the Policy, the Insured undertakes to follow the instructions received from the Insurer in order to comply with them, such as, but no limited to, instructions to terminate or suspend the Commercial Contract, or halt the manufacturing or shipping of goods, or the provision of services.

4.3. The Insurer shall be entitled to suspend the cover and the processing of a claim whenever legal proceedings have been initiated as a result of the situations described in this Article, without any indemnity being due until a final award or judgement is given stating that the aforementioned situations which are not covered have not occurred or have not been accredited.

ARTICLE 5

EXCLUSION OF LEGAL RISK

It is hereby stated that the Insurer shall not assume the legal risk of the transaction or of the documentation subscribed by the Insured.

The Insurer shall be exempted from the obligation to indemnify when: (i) the losses incurred are directly or indirectly due to action or omission of the Insured; or (ii) the Commercial Contract, its means of payment or its guarantees have been formalised or documented incorrectly, and it is established that they are invalid or unenforceable.

The Insured is required to formalise the transaction with the utmost diligence and, in any case, in the same manner in which it usually formalises similar transactions which are not insured or have guarantees.

ARTICLE 6

AMOUNT OF INDEMNIFIABLE LOSS

This represents the maximum amount of indemnity to be paid by the Insurer for each of the risks referred to and covered in the present Policy, this amount being specified in a special condition.

Moreover, the indemnity shall include, where applicable, the salvage or recovery costs referred to in Article 3 of these general conditions.

ARTICLE 7

EXECUTION, EFFECTIVE DATE AND PERIOD OF COVER

The insurance contract shall be concluded by mere consent, but shall not come into effect until the following conditions have been met:

- i. The Policy has been signed by both parties, the Insurer and the Policyholder.
- ii. The corresponding premium or its first instalment, where instalments have been agreed, has been paid.
- iii. The Commercial Contract has been signed by the parties and has become effective.

The period of cover shall be established in a special condition.

ARTICLE 8

DISCREPANCIES BETWEEN THE PROPOSAL AND THE POLICY

If the content of the Policy differs from the insurance proposal made by the Insurer, the Insured may require the Insurer to rectify the discrepancy within one (1) month of receiving Policy. If no demand is made within the said period, the provision set out in the Policy shall apply.

If, during the validity period of the proposal, the risk is modified or increases, or new circumstances, information or facts arise that were unknown to the Insurer when issuing the proposal, the Insurer may make the appropriate changes, inclusions and amendments to the Policy to adjust it to the new risk situation.

CHAPTER II

INSURED'S OBLIGATIONS

ARTICLE 9

PAYMENT OF THE PREMIUM AND CONSEQUENCES OF ITS NON-PAYMENT

9.1 Payment of the premium

The premium corresponding to this contract is a single premium and shall be due in full at the time of the signature of the Policy.

The premium must be paid in the Insured Currency, at the date, in the manner and at the place indicated in a particular condition.

If payment of the single premium in instalments has been agreed and a claim arises, the premium will automatically become due and payable in full. The outstanding amount of the premium may be offset against any compensation to be paid.

9.2 Consequences of failing to pay the premium

- i. **In the event of non-payment of the single premium or its first instalment, the insurance contract shall not come into force or take effect. One (1) month after non-payment of the single premium or first instalment, the Policy shall be automatically terminated without the need for the Insurer to request is be terminated. If the incident occurs before the premium or its first instalment has been paid, the Insurer shall not be required to pay any indemnity.**
- ii. **In the event of non-payment of an instalment of the single premium (excluding the first instalment), when instalment payments have been agreed, for the first three (3) months from the moment of non-payment, the total cover for the Amount of Indemnifiable Loss shall be reduced in proportion to said non-payment. Three (3) months after the first non-payment of an instalment of the single premium, the cover shall be automatically terminated without the need for the Insurer to request is be terminated.**
- iii. **In the event of non-payment of the additional premium, where applicable, the corresponding endorsement by virtue of which such premium arose shall not come into force.**

ARTICLE 10

PREMIUM REFUND AND ADDITIONAL PREMIUM

10.1 Premium Refund

Upon request by the Insured, a premium refund shall be applicable in the cases listed below:

- i. If the Policy is terminated before its effective date.
- ii. If the Amount Insured or the period of cover is reduced as a result of contractual modifications previously authorized by the Insurer in accordance with Article 13 of the present general conditions.

Nevertheless, in all cases the Insurer shall retain ten per cent (10%) of the premium to be refunded for costs incurred.

A premium refund shall never be applicable in the event of a claim or a risk deterioration.

10.2 Additional Premium

An additional premium shall be paid in the event of extension of the period of cover or the increasing of the Amount of Indemnifiable Loss is , or the modification of the conditions of the Commercial Contract, in accordance with Article 13 of the present general conditions.

10.3 The Insurer shall refund the premium or receive the additional premium in the Insured Currency.

The premium refund or additional premium must be reflected in the relevant endorsement, detailing the reduction or increase of the scope of the insurance.

ARTICLE 11

INFORMATION OBLIGATIONS BEFORE THE SIGNING OF THE POLICY

The Insured has a duty to inform the Insurer, prior to the signing of the Policy, of all circumstances known to them which may influence the correct assessment of the risk.

In addition, the Insured must return the questionnaire provided by the Insurer, duly filled in and signed, as part of the application for cover.

Given that the questionnaire is provided at a very early stage of the cover assessment when the essential aspects of the risk have not yet been determined, and without prejudice to the obligation to fill out the aforementioned questionnaire, the Insured must report any subsequent circumstances that arise of which it is aware of and that may influence the correct assessment of the risk or any variation in what was communicated in the application for coverage, by e-mail or any other means that provides evidence of its receipt by the Insurer. The information provided by these means to the Insurer shall be considered to be part of the Insured's declarations, by virtue of which the Insurer shall decide on whether to accept the assumption of risk.

On the date the Policy is signed, the Insured confirms that it has conducted its own analysis of the risk and has not identified the existence of unpaid amounts or financial circumstances that may jeopardise compliance with the obligations assumed by the Importer and, if applicable, the Debtor or Guarantor, under the Commercial Contract. Consequently, and in accordance with its information obligations, the Insured expressly states, to the best of its knowledge and understanding, that it is unaware of any circumstances that could prevent, delay or adversely affect compliance with the obligations contained in the Commercial Contract.

ARTICLE 12

OTHER INFORMATION OBLIGATIONS. PREVENTIVE MEASURES

The Insured must notify the Insurer throughout the duration of the Policy as soon as they become aware **of any circumstances that increase the risk** and are of such a nature that if they had been known by the Insurer at the time of entering into the insurance contract, the Insurer would not have entered into said contract or this would have led to more severe terms and conditions, regardless of whether the aforementioned circumstances have been included on the questionnaire referred to in the previous Article.

In the event of the risk increasing, the Insured must inform the Insurer of what preventive measures which in their opinion should be adopted, and in particular, those necessary to demonstrate its rights and prevent them from being jeopardised, as well as, where appropriate, initiate the pertinent Claim proceedings either administratively, through the courts or by means of arbitration, as stipulated in the Commercial Contract or in the legislation applicable thereto.

The Insurer shall indicate its acceptance or rejection of the proposed measures and the Insured must follow all instructions given by the Insurer, including, where applicable, suspending the Commercial Contract or requesting its termination.

ARTICLE 13

AMENDMENTS OF THE TERMS AND CONDITIONS OF THE COMMERCIAL CONTRACT

The terms and conditions of the Commercial Contract regarding its purpose and scope, its parties, the Exporter's obligations stipulated therein, its amount or term of execution cannot be altered without the written consent of the Insurer. The Insured must inform the Insurer of any other changes to the Commercial Contract not mentioned above no later than thirty (30) days following the amendment in question.

If the changes affect the conditions of the Commercial Contract detailed in this Policy, the consent of the Insurer shall be reflected in an endorsement detailing the new terms and/or conditions.

Amendments to the conditions initially agreed upon may result in an adjustment of the premium, in accordance with Article 10 of the present general conditions.

ARTICLE 14

CONSEQUENCES OF THE INSURED'S FAILURE TO COMPLY WITH ITS OBLIGATIONS

If the Insured: (i) withholds or fails to be accurate in terms of the information referred to in Articles 11 and 12; (ii) alters the terms and conditions of the Commercial Contract referred to in Article 13 without the consent of the Insurer; or (iii) fails to comply with any of the duties and obligations established in the present Policy with no specifically established consequence, the Insurer shall be entitled to do the following:

- A)** Terminate this insurance contract by submitting a statement to the Insured within a period of one (1) month of becoming aware of the respective non-compliance.
- B)** Refuse to pay the indemnity if the non-compliance involves fraud or negligence by the Insured or, if the indemnity has already been paid, require it be returned with the corresponding interest.

CHAPTER III

CLAIMS AND RECOVERIES

ARTICLE 15**NOTIFICATION OF THE CLAIM AND STEPS TO BE TAKEN BY THE INSURED**

The Insured must inform the Insurer of the occurrence of any of the risks covered no later than twenty (20) days following the date of the occurrence of these.

The Insured must submit supporting documentation to substantiate its right to compensation no later than thirty (30) days after being required to do so by the Insurer.

As soon as it becomes aware of the occurrence of any of the risks covered, the Insured must adopt all measures necessary to prevent its rights from being jeopardised.

Failure to comply with the above obligations may lead to loss of the right to compensation.

ARTICLE 16**HANDLING OF THE COLLECTION PROCESS AND PROCEEDINGS**

16.1 Once the notification mentioned in the previous article has taken place, the Insurer shall take over the handling of the collection process and any proceedings initiated with respect to the totality of the credit or the rights arising from the Commercial Contract, **including the uninsured percentage and for ancillary items, such as interest, guarantees and any other rights derived from said contract, regardless of whether they are insured.**

16.2 The Insured may not enter into agreements with the Importer, Debtor or, where applicable, the Guarantor, nor initiate any proceedings without prior authorisation from the Insurer.

16.3 **Failure to comply with any of the above obligations shall lead to the loss of the right to claim compensation.**

ARTICLE 17**INSURER'S ACCESS TO THE INSURED'S DOCUMENTATION**

The Insured must provide the Insurer with a copy (an authenticated copy of the original if so required by the Insurer) of the Commercial Contract and any other documentation concerning the internationalisation transaction relevant for the purposes of the insurance.

Should it prove necessary in order to process the claim or bringing the corresponding claim before the competent jurisdiction, the Insurer may request the Insured provide authenticated copies and sworn translations of all documents required.

The Insured shall provide the supervising company, if any, appointed by the Insurer, with all verifications requested in relation to the execution of the Commercial Contract.

As long as the obligations established in this article are not complied with, the Insurer shall not pay the indemnity, and the right thereto shall be forfeited after the legal prescription periods have elapsed.

ARTICLE 18**PAYMENT OF INDEMNITY**

Upon the occurrence of any of the situations foreseen in Article 2 and once all the conditions established in the Policy for the admission of the claim have been fulfilled, the Insurer shall pay the corresponding provisional indemnity in the amount and within the payment time limit specified hereinafter.

AMOUNT: The compensation payment shall be made in the Insured Currency and its amount shall be the result of applying the percentage of coverage indicated in the particular condition to the amount of the net loss suffered by the Insured and, if applicable, the salvage, recovery or collection expenses agreed upon.

In no case shall the indemnity exceed the amount of the Amount of Indemnifiable Loss plus the salvage, recovery or collection expenses as approved by the Insurer, to which the percentage of cover will be applied.

TIME LIMIT: The Insurer shall make the payment of the indemnity within thirty (30) days following the date on which the claim has been accredited due to the occurrence of any of the risks contemplated in article 2.

The Insurer shall be entitled to deduct from the indemnity any amounts owed to it.

ARTICLE 19

PAYMENT RECEIPT

Upon receiving compensation, the Insured shall sign a payment receipt acknowledging that the Insurer has fulfilled its obligations in terms of the amount of compensation paid. Said receipt shall state that the compensation is provisional and is made in advance of the final amount of compensation being determined.

In the event of the Insured not being entitled to the amounts of compensation received, or if the payment received exceeds the amount determined as final compensation, the Insured shall refund the Insurer for the relevant amount of compensation unduly received, within a period of thirty (30) days from the date on which it is requested to do so.

ARTICLE 20

SUBROGATION, RECOVERIES AND AGREEMENTS WITH THE IMPORTER

20.1 The Insurer, upon paying the indemnity, shall be automatically subrogated in all collection rights over the indemnified amount and shall become the representative of the Insured for the part of the credit not covered by the insurance, in accordance with Article 5.3 of Law 8/2014 on state cover of the risks involved in the internationalisation of the Spanish economy and Article 16 of its implementing Royal Decree 1006/2014, of 5th December.

From the moment the indemnity is paid, the Insurer shall acquire the collection rights for payments against the Importer, Debtor and/Guarantor, as well as for the interest generated in proportion to the percentage indemnified.

20.2 The Insurer, after having paid the indemnity, shall be entitled to be formally subrogated in terms of the rights over the Credit.

20.3 The Insurer may enter into agreements on moratoriums and partial and total waivers of debt for the entire credit, even if they include credit not due, as well as dispose of the credit in its entirety. These agreements shall be fully enforceable and binding against the Insured for the full amount of the credit included in these agreements, without prejudice to the ownership rights of the Insured for the percentage of the credit that is not covered or its right to receive the appropriate compensation according to the terms of this Policy.

20.4 Any amount received by the Insured from the Importer, Debtor and/or Guarantor after the indemnity has been paid shall be refunded to the Insurer, applying the same percentage used to calculate the compensation. When the Insurer has recovered the relevant amount, it shall pay the percentage not covered by the insurance to the Insured.

20.5 Should the Insured have other credits against the same Importer, Debtor and/or Guarantor not covered by the Policy, collection of these other credits obtained by the Insured shall be applied in the same proportion as between credits not covered by the Policy and that effectively covered by the same.

ARTICLE 21

CALCULATION OF NET LOSS

21.1 Risk of termination

If the risk of termination of the Commercial Contract occurs as provided for in Article 2.1 of these general conditions, the definitive net loss shall be determined by establishing a formula whose payable and deductible items shall be as follows:

a) Payable Items

The cost price of the manufactured goods and/or services provided, as well as any other costs incurred by the Insured which are essential and directly linked to the execution of the Commercial Contract, up to the termination thereof and provided that they may be legally required to be paid by the Importer.

b) Deductible Items

- i. All amounts received or that the Insured receives within the context of the Commercial Contract, including payments made by the Importer or, where applicable, by the Debtor or Guarantor, derived from an amicable or judicial agreement or arising from the calling of bonds or guarantees and/or the collection from indemnities from insurance contracts.
- ii. The fair market value of the material recovered and material in the process of being manufactured, as well as that of stockpiled material and services rendered which are subject to recovery.

In the event of the occurrence of the risk of termination for convenience of the Commercial Contract provided for in Article 2.1A)(b) and 2.1B)(b) of the present general conditions, the indemnity shall be calculated based on the amount acknowledged by the Importer and approved by the Insured, in accordance with provisions between said parties in the Commercial Contract.

In the event of a lack of agreement between the parties, such indemnity shall be calculated based on the amount of Credit insured which is due and payable by the Debtor in accordance with the final legal ruling, judgement or award issued by the court specified in the Commercial Contract, or any other means of evidence admissible by the Insurer.

These amounts shall be capped at the Amount of Indemnifiable Loss.

21.2 Credit risk

If the credit risk of the Commercial Contract occurs, as provided for in Article 2.2 of these general conditions, the definitive net loss shall be calculated by means of creating an account, the payable and deductible items of which shall be as follows:

a) Payable Items

The amount of the due and unpaid Credit.

b) Deductible Items

The fair market value of the goods recovered, where applicable.

ARTICLE 22**INDEPENDENT REPORT TO CALCULATE NET LOSS**

If the Insured does not agree with the calculation of the payable and deductible items and amounts for determining the definitive net loss calculated by the Insurer, a period of thirty (30) days shall begin for the parties to reach a mutual agreement. If, at the end of said period, no agreement has been reached to determine the net loss, this shall be calculated by means of a report drawn up by an independent entity chosen by the Insurer from a list of entities acceptable to both parties, this being included in a special condition.

If the Policy does not contain a list of entities acceptable to both parties to- issue the aforementioned report, the Insured shall propose to the Insurer, within thirty (30) days of being requested to do so, the name of at least two entities that would be acceptable to draw up the requested report. The Insurer may choose from the aforementioned entities the one it considers to be most suitable for the preparation of the report to draw up the report from the two aforementioned entities.

If neither of the entities proposed by the Insured are acceptable to the Insurer, the controversy shall be settled by the mechanism provided for in the Policy for the resolution of disputes.

The cost of the independent report shall, in all cases, be at the Insured's expense.

CHAPTER IV

SPECIAL PROVISIONS

ARTICLE 23**ASSIGNMENT OF THE INSURED'S RIGHTS AND OBLIGATIONS**

The Insured cannot assign totally nor partially the rights and obligations derived from the Policy to third parties without the Insurer's prior authorisation.

If the Insurers gives the authorisation, the assignment shall be recorded in an endorsement to the Policy.

ARTICLE 24**LOSS PAYEE DESIGNATION**

The Insured shall be entitled to appoint a third person or entity as the Loss Payee of the Policy, this being recorded by way of a particular condition or an endorsement to the Policy.

In this case, the Loss Payee may not assert in their favour more rights than those corresponding to the insured itself.

The Loss Payee of the insurance may fulfil the obligations established in the Policy for the Insured, in which case they shall be considered as fulfilled by the latter for all intents and purposes.

ARTÍCULO 25**TAXES, GOVERNING LAW AND DISPUTE RESOLUTION**

25.1. The Insured must pay all present or future applicable taxes, fees and duties derived from the Policy,

25.2. This insurance contract is governed by the provisions established in the general and particular conditions; by **Law 8/2014 of 22 April**, on State cover of the risks related to the internationalisation of the Spanish economy; by its implementing **Royal Decree 1006/2014, of 5 December**; and all other relevant regulations in the field of export credit insurance.

Law 50/1980 of 8 October on Insurance Contracts shall also be applicable on a supplementary basis, except for the provisions expressly excluded or incompatible with what is agreed in the Policy.

This insurance contract falls into the category of large risks. Therefore, the provisions contained in the Law on Insurance Contracts do not apply to it on a mandatory basis but rather on a supplementary basis, and as long as they do not contradict what is expressly agreed herein.

With regard to the above paragraph, the parties expressly agree that the following items do not apply to this policy:

- **Article 2**, regarding the mandatory nature of the Law.
- **Article 3**, on the obligation to highlight the clauses restricting insureds' rights and their mandatory written acceptance.
- **Article 8.3**, exclusively in relation to the need to highlight typographically all exclusions and limitations.
- **Articles 10 and 11**, on the Insured's exemption from the duty to inform regarding anything not contained in the questionnaire established in the said article. In the context of the present insurance agreement, the Insured is obliged to communicate all circumstances of which it is aware and that may have an influence on the risk assessment, even if they are not contained in the questionnaire.
- **Article 15**, on non-payment of the premium.
- **Article 16**, on penalties for delayed non-payment notifications.
- **Article 20**, on Insurer's payment default interest. In the context of this insurance contract, article 1.100 and related articles of the Civil Code apply to the said default.

- **Article 71**, exclusively concerning the minimum limit of the percentage of cover,
- As well as any other article of the Law on Insurance Contracts that is inconsistent with what is agreed in this Policy.

It is hereby stated that, in accordance with the principle of free will of the parties, the Policyholder and the Insured expressly accept the provisions contained in this Policy, as well as the non-applicability of the aforementioned provisions of the Law on Insurance Contracts, with the provisions of this Policy taking precedence in all cases due to this type of insurance falling into the category of large risk.

25.3. Insofar as such a submission is legally admissible, both parties to this contract hereby expressly waive any other jurisdiction to which they may be entitled and irrevocably submit themselves to the jurisdiction of the courts of the city of Madrid, for the purposes of considering and resolving any dispute regarding compliance with or interpretation of the present Insurance Policy.

The Insured hereby agrees to these general conditions.

In, on of 20.....

THE INSURER,

THE POLICYHOLDER,

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Compañía Española de Seguros de
Crédito a la Exportación, S.A., Compañía
de Seguros y Reaseguros, S.M.E.

P.p.:

P.p.:

THE INSURED PARTY,

.....

