

# Insurance Policy for Investment Loans

GENERAL CONDITIONS

Approved by the Minister of Industry, Trade and Tourism through Order ICT/112/202 of the 11th of February of 2022, in accordance to Articles 3 and 8 of Law 8/2014 of 22nd April, on State insurance of risks related to 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*

## **AGENT**

Means the entity acting as the Credit agent and/or representative of the Insured, as well as, where applicable, on its own behalf before the Insurer, when the Credit has been granted by various financial entities.

## **INSURED**

Means the financial entity or entities which grant the Credit and, therefore, hold ownership rights over the insured interest. Said entity or entities assume all the rights and obligations resulting from the Policy.

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

## **CREDIT AGREEMENT**

This is the credit agreement, loan, documentary credit or any other type of financial facility entered into between the Insured as creditor or lender; the Debtor as borrower and, if applicable, the Guarantor, the purpose of which is, among others, the financing of an internationalization project (the Investment Project).

## **CREDIT**

Means the credit that is certain, of a fixed amount, due and payable, which is formalised by means of a Credit Agreement, and non-payment of which due to the reasons laid out in Article 2 of the general conditions of the present Policy represents the risk covered by the insurance.

The Credit includes: (i) the principal; (ii) the ordinary interest at the rate agreed upon in the Credit Agreement and reflected in a particular condition; and (iii) the Covered Default Interest.

## **DEBTOR**

Means the debtor of the Credit, which is required to pay back said Credit under the Credit Agreement.

## **GUARANTOR**

Means the natural or legal person which guarantees compliance by the Debtor of its obligations under the Credit Agreement.

## **GUARANTEES**

Means the guarantees of the Credit, which shall be shared between the Insurer and Insured in proportion to the percentage of cover.

## **COVERED DEFAULT INTEREST**

It is the interest accrued, in accordance with the Credit Agreement as a result of the non-payment of the Credit and included in the cover, with the quantitative limitation established in the following paragraph.

The amount of the default interest covered by the Policy is limited to default interest accrued under the Credit Agreement, at a rate no higher than the rate for ordinary interest, on any due and unpaid amount, from the due date until the date on which the indemnity is paid, the maximum period for this being ninety (90) days and the maximum amount being established in a particular condition, and provided said interest is due and payable by the Debtor and, where appropriate, the Guarantor as the result of a special provision in the Credit Agreement.

## ***INSURED CURRENCY***

It is the currency indicated in a particular condition in which the insured Credit and Amount of Indemnifiable Loss are stated.

## ***POLICY***

Means the present insurance contract, comprised of these general conditions, its particular conditions and, where applicable, its corresponding Endorsements.

## ***INVESTMENT PROJECT***

It is the investment project that constitutes an operation of internationalization of the Spanish company, directly or through a subsidiary incorporated abroad and for the financing of which the Credit is granted.

## ***ENDORSEMENT***

Document which forms an integral part of the Policy and modifies it in some way, remaining the rest of the general and particular conditions of the Policy unaltered.

## ***AMOUNT OF INDEMNIFIABLE LOSS***

Represents the maximum indemnifiable loss to be paid by the Insurer and is the amount resulting from applying the percentage of cover indicated in the particular conditions of the Policy to the Credit amount.

Moreover, the indemnity shall include, where appropriate, the salvage or recovery costs referred to in Article 3 of these general conditions, also applying the percentage of cover.

## ***POLICYHOLDER***

Means the natural or legal person who 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 appropriate, the appointed loss payee.

## ***EARLY PREPAYMENT OF THE CREDIT***

Means any mechanism regulated in the Credit Agreement that causes the early prepayment of the credit, such as an event of default, a mandatory prepayment or any other similar event.

# CHAPTER I

*PURPOSE AND SCOPE  
OF THE INSURANCE POLICY*

**ARTICLE 1****PURPOSE OF THE INSURANCE**

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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**

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**2.1. COMMERCIAL RISKS**

- a)** The total or partial non-payment of the Credit, when this is as a consequence of one of the following situations:
- i.** When the Debtor and/or Guarantor have been declared insolvent or are subject to equivalent proceedings under applicable law, by way of a final legal ruling, provided the Credit has been included in the liabilities of the insolvency proceedings.
  - ii.** When an agreement with the creditors has been approved by a Court, establishing a write-off of the Credit amount, as long as the agreement has been accepted by the Insurer. Judicially or legally imposed agreements are exempted from the latter requirement.
  - iii.** When a writ of execution or enforcement has been served, without the seizure resulting in sufficient free goods to pay the Credit.
  - iv.** When the Insurer decides that the Credit is uncollectable in light of the evidence provided by the Insured.
- b)** In the absence of the above scenarios, the total or partial non-payment of the Credit by the Debtor and, where applicable, the Guarantor, for a period of more than ninety (90) days from the due date, as long as the Insurer has received the non-payment notification referred to in Article 19.

**2.2. EXTRAORDINARY AND POLITICAL RISKS**

The total or partial non-payment of the Credit by the Debtor and, where applicable, the Guarantor, for a period of more than ninety (90) days from the due date, as long as the Insurer has received the non-payment notification referred to in Article 19: (i) in any case if the Debtor/Guarantor is considered to be a public entity or, (ii) if it were a private entity, when the claim is caused by any of the following situations:

- i.** The express or tacit action and decisions adopted by foreign Government or by foreign public institutions, or those resulting from critical economic conditions. This includes situations where the Debtor or, where applicable, the 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, when converted into the agreed currency, fail to cover the amount owed on the date the funds are transferred.
- ii.** Civil or international war, revolution, uprising, terrorism, substantial breaches of the public order, 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 or, where applicable, the Guarantor 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 or, when applicable, the Guarantor's.

Among the aforementioned causes is deemed to be included the moratorium on foreign payments in the country of the Debtor or, where applicable, 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. When the Spanish authorities and those of the country of the Debtor or, where applicable, of the Guarantor, have reached a bilateral agreement to restructure their foreign debt and such agreement has entered into force. In this case, the ninety (90) day waiting period laid out in this article shall not be necessary.
- v. Expropriation, nationalisation, confiscation or seizure ordered by foreign authorities falling on the foreign Debtor or, where appropriate, the Guarantor.
- vi. 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 receive the payment, as long as their effects are not otherwise covered by said Government.
- vii. 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.

### ARTICLE 3

#### SALVAGE AND RECOVERY EXPENSES

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The Insurer shall pay, applying the percentage of cover, the salvage or recovery costs paid by the Insured 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 costs, it must have previously accepted them.**

When the aforementioned expenses are incurred for the salvage or recovery of the Credit together with other uninsured credits, the amount of said expenses 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

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**4.1 All expenses, commissions, stamp duties, breakage costs, taxes, penalties and any other concept not explicitly included in the Policy will be expressly excluded from the cover of the present Policy and 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 to any compensation:**

- i. **When the Credit is not certain, of a fixed amount, due and payable.**
- ii. **When the Credit becomes subordinated, legally or contractually, with respect to the Debtor's, or where applicable, the Guarantor's ordinary creditors due to the Insured's own actions.**
- iii. **When the Insured has failed to comply with any of the Policy conditions of cover.**
- iv. **When the risk occurs outside the period of cover established in a particular condition.**
- v. **When the Insured has failed to follow legitimate instructions received from the Insurer.**

- vi. When prior to the Policy being issued, the goods and/or services that are the object of the Commercial Contract have an illicit origin, are sanctioned, or their sale is prohibited in the country of destination of the export.

In the event that the sanctions, restrictions or prohibitions are imposed after the effective date of the Policy, the Insured agrees to follow any instructions it may receive from the Insurer with a view to comply with them, such as, without this list being exhaustive, stopping drawdowns under the Credit or declaring the acceleration or a mandatory prepayment of the Credit.

- vii. When prior to the issuing of the Policy, the Debtor or Guarantor of the Credit, or the parties to the Commercial Contract, are subject to sanctions, restrictions or prohibitions of 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.

In the event of the sanctions, restrictions or prohibitions referred to in the previous paragraph are issued after the entry into force of the Policy, this fact shall not in itself constitute an event of exclusion of coverage, provided that the Insured follows any instructions it may receive from the Insurer with a view to comply with them, such as, without this list being exhaustive, stopping drawdowns under the Credit or declaring the acceleration or a mandatory prepayment of the Credit.

- viii. When the non-payment is caused by the refusal of the Insured – or of either one or more of the banks in the case of a syndicated loan, thus affecting the exclusion of cover only to the latter – to continue making drawdowns on the loan, even if this possibility is expressly included in the Credit Agreement.
- ix. When the Insured has been convicted by a final legal ruling for a crime of money laundering or financing of terrorism in connection with the Credit, its Debtor or Guarantor.

## ARTICLE 5

### EXCLUSION OF LEGAL RISK

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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 an action or omission of the Insured; or (ii) the Credit, its payment methods or its Guarantees have been adversely affected or have been formalised or documented incorrectly, and it is established that they are invalid or unenforceable.

## ARTICLE 6

### AMOUNT OF INDEMNIFIABLE LOSS

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This represents the maximum amount of compensation to be paid by the Insurer and is established by applying the percentage of cover given in the particular conditions of the Policy to the Credit amount.

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

In case of partial claims, the Amount of Indemnifiable Loss shall be reduced in line with the indemnity paid.

The Amount of Indemnifiable Loss shall be set out in the particular conditions of the Policy.

## ARTICLE 7

### RETAINED RISK BY THE INSURED

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The Insured shall retain a portion of the risk not covered by the insurance, it being expressly accepted that part of the insured interest is not covered by the Amount of Indemnifiable Loss.

The Insured must retain the uninsured part of the risk and may not transfer it to third parties or cover it with an additional guarantee or insurance policy, unless agreed otherwise in a particular condition.

**Failure to comply with this condition shall result in the automatic reduction of the indemnity that may correspond to the Insured in the appropriate amount so that the part not covered by the insurance shall remain at his expense.**

## ARTICLE 8

### EXECUTION, EFFECTIVE DATE AND PERIOD OF COVER

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

1. The Policy has been signed by both parties, the Insurer and the Insured or, where applicable, the Policyholder.
2. The corresponding premium or its first instalment, where instalments have been agreed, has been paid.
3. The Credit Agreement has entered into force.
4. The conditions precedent which may have been agreed upon in a particular condition.

The period of cover shall be established in the particular conditions of the Policy, laying out the date the insurance takes effect as well as its expiration date.

## ARTICLE 9

### DISCREPANCIES BETWEEN THE PROPOSAL AND THE POLICY

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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 the Policy. If no such request is made within said period, the provision set out in the Policy shall apply.

## ARTICLE 10

### WORSENING OF THE RISK DURING THE PERIOD OF VALIDITY OF THE PROPOSAL

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If during the period of validity of the proposal a substantial modification or aggravation of the risk takes place, or new circumstances, data or facts not known to the Insurer at the time of preparing the offer, the Insured must immediately inform the Insurer, **who may cancel the proposal or modify the conditions thereof.**

If a claim occurs during the term of the proposal, but before the corresponding Policy has been issued and entered into force, said claim shall never be covered. The proposal constitutes an obligation to contract under the conditions offered, but the obligations derived from the insurance contract do not become binding until the Policy enters into force.

# CHAPTER II

## *INSURED'S OBLIGATIONS*

## ARTICLE 11

### PAYMENT OF THE PREMIUM AND CONSEQUENCES OF ITS NON-PAYMENT

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#### 11.1 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, on the date, in the method 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.

#### 11.2 Consequences of non-payment of the premium

- i. **The insurance contract shall not enter into force and thus shall not take effect until the single premium or its first instalment is paid. Once the term established in the Policy for the payment of the single premium or of the first instalment has elapsed and payment has not been made, the Policy shall be automatically terminated without the need for the Insurer to request its termination. If the claims occurs before the premium or, where appropriate, its first instalment has been paid, the Insurer shall not be required to pay any compensation.**
- ii. **In the event of non-payment of an instalment of the single premium (other than the first instalment), when the payment has been agreed in instalments, all outstanding instalments shall become due in full.**

During the first three (3) months after the non-payment, the total cover of the Amount of Indemnifiable Loss shall be reduced by the same proportion in which the accelerated premium has been unpaid.

Three (3) months after non-payment of an instalment of the single premium, the cover shall be automatically terminated without the need for the Insurer to request its termination, and the Insurer has the right to demand the outstanding unpaid instalments of the single premium via enforced repayment.

- iii. **In the event of non-payment of the additional premium, where applicable, the corresponding Endorsement from which said premium has arisen shall not come into force.**

## ARTICLE 12

### PREMIUM REFUND AND ADDITIONAL PREMIUM

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#### 12.1 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 entirety of the Credit is not drawn down and the Amount of Indemnifiable Loss is therefore reduced. **For this premium refund to be paid, the Insured must notify the Insurer of the part of the Credit it has not drawn down, within a period of twenty (20) days after the end of the drawdown or usage period of the Credit, requesting the corresponding premium refund.**

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 at the time of the

request or refund payment.

If the insurance premium has been financed by the Credit, the premium refund must be foreseen as a situation of mandatory early repayment of the Credit, and the premium refund amount must be applied to the repayment of the Credit in the same proportion in which the premium has been financed.

## **12.2 Additional premium**

An additional premium shall be payable if the Amount of Indemnifiable Loss is increased or the period of cover is extended, as well as in the event of amendments to the Credit or the Policy, requested by the Insured, which could entail a greater assumption of risk by the Insurer.

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

The premium refund or additional premium must be recorded in the relevant Endorsement, detailing the reduction or increase in the scope of the insurance

## **ARTICLE 13**

### **INFORMATION OBLIGATIONS BEFORE THE SIGNING OF THE POLICY**

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The Insured has a duty to inform the Insurer, prior to the signing of the Policy, of all circumstances known to it which may influence the correct assessment of the risk, including, when requested by the Insurer, a statement on the existence of other certain or contingent credit amounts it has with the same Debtor and, where applicable, Guarantor, as well as their instrumentalization.

Furthermore, the Insured shall submit a statement that includes a description of the formalisation of the Credit and a list of its Guarantees, which shall be shared *pari passu* between the Insurer and Insured in proportion to the percentage of cover.

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

Given that the questionnaire included in the request for cover application 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 request for cover, 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 to incur in the risk.

On the date the Policy is signed, the Insured declares that it has conducted its own analysis of the risk, has checked the Debtor's and, where applicable, the Guarantor's books, and has accessed the files and records it normally uses to verify its clients' solvency, and that it has not detected the existence of unpaid amounts or financial circumstances that could jeopardize the Debtor's and, if applicable, the Guarantor's, compliance with their obligations contained in the Credit Agreement. Consequently, and in accordance with its information obligations, the Insured expressly states, to the best of its knowledge and understanding, it is unaware of any circumstances that could prevent, delay or adversely affect compliance with the obligations resulting from the Credit.

## **ARTICLE 14**

### **OTHER INFORMATION OBLIGATIONS. PREVENTIVE MEASURES**

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**14.1** The insured must notify the Insurer throughout the duration of the Policy, as soon as it becomes aware, of any circumstances of risk deterioration and, in particular, the following circumstances:

- i. Failure by the Debtor and, where applicable, the Guarantor, to comply with any of the obligations laid out in the Credit Agreement.
- ii. Any circumstances which may give rise to a failure by the Debtor and, where applicable, the Guarantor, to fulfil the obligations laid out in the Credit Agreement.
- iii. The occurrence of any of the circumstances detailed in the Credit Agreement as circumstances of Early Prepayment of the Credit.
- iv. The commencement of any insolvency or pre-insolvency proceedings by the Debtor and/or Guarantor, including the commencement of negotiations prior to insolvency proceedings.
- v. Any circumstances that may adversely affect the Debtor/Guarantor's creditworthiness, such as a downgrade of their credit rating by any of the main credit rating agencies, non-payment of a credit or a general failure to fulfil their current obligations, etc.
- vi. The inclusion of the Debtor and/or Guarantor on the usual solvency databases, such as RAI, Asnef, Experian, Bureau de Crédito or similar in the country of the Debtor and/or of the Guarantor.
- vii. Classification by the Insured of any contingent risk or debt instrument that it has with the Debtor and/or Guarantor under the category of sub-standard, at-risk or defaulted.
- viii. Commencement of a process of restructuring or refinancing of the debt of the Debtor and/or Guarantor, as a consequence of its/their economic/financial position worsening.
- ix. Commencement of any process involving structural change of the Debtor and/or Guarantor, such as mergers, conversion or demergers, as well as the commencement of their dissolution or liquidation.
- x. Significant investments or divestitures made by the Debtor and/or Guarantor.
- xi. Any other relevant event of which the Insured becomes aware that may have an impact on the economic/financial situation of the Debtor and/or Guarantor.

**14.2** In the event that any of the circumstances mentioned in this article occur, the Insured must inform the Insurer of the preventive measures it considers should be adopted.

The Insurer shall indicate its acceptance or rejection of the proposed measures and the Insured must follow all instructions given by the Insurer, including but not limited to the suspension of new Credit disbursements, the declaration of an Early Prepayment of the Credit, or to withhold from performing these actions.

**All disbursements made by the Insured after having been notified by the Insurer that further disbursements of the Credit have been suspended shall be excluded from the insurance cover. Furthermore, the Insured shall lose the right to compensation if it fails to follow legitimate instructions given by the Insurer in terms of the measures to be taken in the event of the risk deterioration, such as the decision regarding the declaration of Early Prepayment of the Credit or any other legitimate instructions of which the Insurer notifies the Insured.**

## **ARTICLE 15**

### **AMENDMENTS OF THE TERMS AND CONDITIONS OF THE CREDIT AGREEMENT**

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**15.1** None of the terms or conditions of the Credit Agreement may be altered without written consent from the Insurer.

In case the Insurer accepts the proposed amendment, it shall include this in an endorsement, where the new conditions shall be detailed, when these affect the conditions of the Policy.

Notwithstanding the above, any changes or exemptions that may be considered merely administrative and that do not entail any change to the risk, may be made by the Insured without the consent of the Insurer, which must be notified once they are formalised.

**15.2** Changes to the initially agreed conditions may give rise to a readjustment of the stipulated premium:

- i. Additional premium: when the new conditions entail a greater assumption of risk, or
- ii. Premium Refund: in those cases in which the Insurer previously and expressly agrees to the pertinence and amount of a premium refund, in accordance with Article 12 of these general conditions.

## ARTICLE 16

### OTHER OBLIGATIONS

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The Insured shall be obliged to:

1. Instrument the operation with the utmost diligence and, in any case, as it habitually instruments similar operations in which it does not contract an insurance or guarantee.
2. Open a special or independent account for the accounting of the Credit, which reflects all the provisions of the Credit as well as any other accounting entry thereof. The Debtor and, if applicable, the Guarantor must expressly acknowledge that the balance of said account is considered a liquid and enforceable debt, constituting proof of the existence and legitimacy of said debt.
3. Send to the Insurer the repayment schedule of the Credit containing the maturity dates of principal and interest, specifying the amounts, dates, concepts and conditions thereof.
4. Not to suspend drawdowns of the Credit unless otherwise authorized by the Insurer.
5. The Credit Agreement shall contain a pari passu clause stating that the Credit shall have at least the same preferences, privileges and rank as the other present or future credits of the Debtor, with respect to all its non-guaranteed and non-subordinated creditors.
6. Not to carry out actions that result or may result in the subordination of the Credit with respect to the Debtor's and/or the Guarantor's ordinary creditors.
7. Communicate to the Insurer the entry into force of the Credit Agreement and the exact amount of each drawdown of the Credit within ten (10) business days following the day on which it takes place.

## ARTICLE 17

### SYNDICATED CREDITS

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When the Credit is granted by a syndicate or consortium of financial entities, the Insureds must designate an Agent for the purposes of representation and interlocution of the consortium of Insureds before the Insurer.

It is each Insured's responsibility to verify that sufficient powers or representation faculties have been granted to the Agent to comply with its obligations under the Policy as well as, where appropriate, for the signature of the request for cover, the proposal, the Policy, its Endorsements and any other documentation related to the insurance.

The composition of the banking syndicate and the percentages of their participation in the Credit shall be identified in a particular condition.

The indemnity, if any, shall correspond to each of the financial entities that comprise the syndicate, provided that they have the status of Insured under the Policy, in the same proportion in which they participate in the Credit granted to the Debtor.

Notwithstanding the above, the Insureds empower the Agent to receive the entirety of the indemnities that may be payable under the Policy, **being the obligation of the Agent to distribute the same and the**



Insurer being released by means of the payment of the indemnity to the Agent.

## **ARTICLE 18**

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

If the Insured: (i) withholds or fails to be accurate in terms of the information referred to in Articles 13 and 14; (ii) alters the terms and conditions referred to in the first paragraph of Article 15 without the consent of the Insurer; or (iii) fails to comply with any of the obligations established in Article 16 or any other obligation established in the present Policy with no specifically established consequence, the Insurer shall be entitled to do the following:

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

In those cases foreseen in the Policy in which the loss of cover is not full but, rather, exclusively affects one or more Insured, **the Insured which maintain the cover must retain the ability to fully, and for the full amount of Credit, comply with the Insurer's instructions regarding the salvaging or recovery actions of the Credit.**

# CHAPTER III

## *CLAIMS AND RECOVERIES*

## ARTICLE 19

### NOTIFICATION OF NON-PAYMENTS

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The Insured must notify the Insurer of the non-payments of any amounts of the Credit that are due, both principal and interest, within ten (10) days from its non-payment, along with a statement of its account with the Debtor and, where appropriate, the Guarantor.

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

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

## ARTICLE 20

### STEPS TO BE TAKEN BY THE INSURED

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As soon as it is aware of a non-payment of the Credit, the Insured, without the need for authorisation from the Insurer, must take all necessary measures to prevent its rights from being jeopardised, immediately requiring payment from the Debtor and, where applicable, the Guarantor, and requesting authorisation from the Insurer to begin any judicial or extrajudicial action it deems appropriate.

If the credit was formalised via enforceable instrument, of any kind, the Insured must take the appropriate actions to enforce them and to ensure that they are not jeopardised, informing the Insurer within ten (10) days of doing so.

If the Credit benefits from any Guarantee, the Insured must follow instructions from the Insurer in regards to the enforcement of said Guarantees, the validity, executability and enforceability of these being a condition for cover.

When the Insured notifies a non-payment of the Credit, it shall include a statement detailing all the existing credits that the Insured has with the Debtor and, where applicable, the Guarantor, at that moment.

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

## ARTICLE 21

### EARLY PREPAYMENT OF THE CREDIT AND SIMILAR SITUATIONS

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**The Insured may not declare the Early Prepayment of the Credit, nor may it be automatically triggered, without the prior consent of the Insurer.** This applies both in the event that the cause of the early prepayment of the Credit has been regulated in the Credit Agreement as an event of default or as an event of mandatory prepayment that takes effect automatically.

Total or partial Early Prepayment of the Credit without the express authorisation of the Insurer **shall result in the loss of the right to compensation.**

In the case of a syndicated credit, if the Credit Agreement includes the possibility to declare the early repayment of the syndicate members' shares in the credit individually, only the entities that proceed with the Early Prepayment of the Credit for their share without the express consent of the Insurer **shall lose the right to receive the compensation.** This loss of the right to compensation shall not affect the Insured that have acted in accordance with the Insurer's instructions.

In any case, and without prejudice to the possible Early Prepayment of the Credit, the Insurer reserves the right to pay the indemnity in accordance with the Credit's original repayment schedule for the principal and interest, unless agreed otherwise.

**ARTICLE 22****HANDLING OF THE COLLECTION PROCESS AND PROCEEDINGS**

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1. Once any of the risks described in Article 2 has taken place, the Insurer shall take over the collection process and any proceedings initiated with regard to the entire Credit, **including the percentage not covered and items ancillary to the Credit, such as interest, guarantees and any other rights derived from it, regardless of whether they are insured or not. The handling of the collection process and proceedings by the Insurer may be done directly or by instructing the Insured, who undertakes to follow the instructions given by the Insurer.**
2. The Insurer shall keep the Insured informed of the steps taken in regards to the above.
3. The Insured may not enter into agreements with the Debtor or, where applicable, the Guarantor, nor initiate any proceedings without prior authorisation from the Insurer.
4. **Failure to comply with the above obligations shall lead to loss of the right to claim any compensation.**

**ARTICLE 23****INSURER'S ACCESS TO THE INSURED'S DOCUMENTATION**

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The Insurer shall have access to any documentation relating to the Credit that is in the possession of the Insured, and shall be entitled to require authenticated copies of original documents.

Upon the Insurer's request, the Insured shall be required to provide a Spanish translation of documents written in a language other than Spanish.

**ARTICLE 24****PAYMENT OF INDEMNITIES**

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Upon the occurrence of any of the situations stipulated in Article 2 and once all of the conditions established in the Policy for the admission of the claim have been fulfilled, the Insurer shall pay the indemnity in the amount and within the periods specified hereinafter.

The compensation will be made provisionally and in advance of the final amount of the indemnity.

The final indemnity amount shall take place: (i) once all the collection and recovery processes are finished; (ii) once the final insolvency of the Debtor or, where appropriate, the Guarantor has been determined; or (iii) if the Insurer agrees that the Credit has become uncollectable.

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

The unpaid Credit shall include the unpaid principal amount, the ordinary interest calculated at the rate established in the Credit Agreement and the default interest accrued from the date of non-payment up to the date on which the indemnity is paid by the Insurer, the limit for this being ninety (90) days and to the maximum amount detailed in a particular condition and calculated using the ordinary interest rate laid out in the Credit Agreement. Said maximum amount of default interest shall be applicable regardless of the default interest rate agreed upon by the Debtor and Insured in the Credit Agreement.

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.

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

**TIME LIMITS:** The Insurer shall make the payment of the indemnity within ten (10) days following the date on which the claim has been confirmed due to the occurrence of any of the risks contemplated in Article 2.

The payment of the indemnity shall be made according the original schedule of payments of principal and interest established in the Credit Agreement, regardless of any situation of acceleration or early prepayment of the Credit that may have taken place. Notwithstanding the above, the Insurer reserves the right, at its sole discretion, to pay the full amount of the compensation once the Credit has been accelerated, with the corresponding adjustment of the interest.

**PLACE OF PAYMENT:** Any indemnity payable under the Policy shall be payable to the account agreed between the Insured and Insurer for such purposes and in the Insured Currency.

## ARTICLE 25

### ALLOCATION OF PAYMENTS UNDER THE CREDIT AGREEMENT

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For the purposes of this Policy, the amounts paid by the Debtor and, where appropriate, the Guarantor, in relation to the Credit, shall be deducted from each instalment, in accordance with the rules established below, once received by the Insured or the Insurer.

#### **25.1** Amounts received by the Insured before the due date established in the Credit Agreement:

The Insured shall proceed with their allocation, in accordance with the provisions of the Credit Agreement.

#### **25.2** Amounts received after the due date defaulted on and before compensation is paid:

The Insured shall proceed to allocate said amounts, in chronological order by due date, in the following order:

- i. the Covered Default Interest;
- ii. the ordinary interest;
- iii. the principal of the Credit;
- iv. any other outstanding items, such as fees, expenses or default interest not covered by the Policy.

If payment is made to the Insurer, it shall proceed to pay the Insured the corresponding amounts.

#### **25.3** Amounts received after compensation is paid:

The Insured shall apply these, in the same order as detailed in paragraph 25.2 above, to the compensation to be refunded to the Insurer, in accordance with the percentage of cover applied to it.

If payment is made to the Insurer, it shall withhold the amounts it is owed, returning the rest to the Insured.

## ARTICLE 26

### PAYMENT RECEIPT

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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 27

### SUBROGATION, RECOVERIES AND AGREEMENTS WITH THE DEBTOR

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**27.1** 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

related to 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 Debtor and Guarantor, of the Guarantees, of the interests generated by the Credit and of any other right derived from it, in proportion to the percentage of cover.

In this way, once the Insurer has paid the compensation, the Insurer shall have ownership rights over the interest generated by the compensated Credit at the percentage of cover.

**27.2** The Insurer, after having paid the indemnity, shall be entitled to be formally subrogated on the ownership of the Credit.

**27.3** The Insurer may enter into refinancing or restructuring agreements, moratorium agreements and partial or total waivers of debt for the entire credit, even if they include credits not yet 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 credits included in these agreements, without prejudice to the ownership rights of the Insured for the percentage of the credit that is not covered nor its right to receive the appropriate compensation according to the terms of this Policy.

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

**27.5** Should the Insured have other credits against the same Debtor and/or Guarantor not covered by the Policy, the amounts recovered shall be allocated as follows:

- i. Recoveries related to credits of a different nature than the insured Credit, as well as any credits that are insured by other insurance companies, shall be applied to the repayment of the credit that originated the recovery, as long as said credits have been declared to the Insured in accordance with Article 20 of these General Conditions. The Insured must provide to the Insurer with documentary evidence of the existence of the corresponding insurance for the purposes of applying this rule to possible recoveries.
- ii. Recoveries related to credits other than the ones listed above shall be applied at the same proportion that exists between the insured Credit and the uninsured credits, as long as the latter have been declared in accordance with Article 20 of these General Conditions.
- iii. In any case, recoveries related to credits whose existence the Insurer has not been informed of at the time of declaring the non-payment in accordance with Article 20. shall be applied first to the payment of the insured Credit.

# CHAPTER IV

## *SPECIAL PROVISIONS*

**ARTICLE 28****ASSIGNMENT OF THE INSURED'S RIGHTS AND OBLIGATIONS**

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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 Insurer gives said authorisation, the assignment shall be recorded in an Endorsement to the Policy.

**ARTICLE 29****LOSS PAYEE DESIGNATION**

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The Insured shall be entitled to appoint a third person or entity as the Loss Payee of the Policy, which will be 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.

**ARTICLE 30****TAXES, GOVERNING LAW AND DISPUTE RESOLUTION**

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

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

**Law 50/1980 of October 8<sup>th</sup>** 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, compliance with 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. 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.

**30.3** Both parties expressly and formally indicate their mutual and unequivocal wish to accept arbitration as the only proceeding to be used to settle disputes between them arising out of this Policy. For these purposes, they explicitly waive their right to ordinary jurisdiction, and they agree to submit to the arbitration in law of one or more arbitrators, within the framework of the Spanish Arbitration Court with headquarters in Madrid, in accordance with its Rules and Regulations and with the procedure established therein. It is also stipulated that they shall entrust the administration of the arbitration and the appointment of the arbitrator or the arbitration court to said Court, and undertake to comply with the interlocutory resolutions and the eventual arbitral award.

The Policyholder or, where appropriate, the Insured hereby agrees to these general conditions.

In ....., on ..... of ..... 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,**

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