**UNDERTAKING OF REIMBURSEMENT AND OBLIGATIONS IN RELATION WITH THE COMMERCIAL CONTRACT**

BOND CALLING INSURANCE POLICY

* [*COMPANY NAME EXPORTER*], tax identification no. [\*], with registered offices in [\*], recorded in the Mercantile Registry of [\*], represented herein by [*NAME OF THE UNDERSIGNED*], ID card no. [\*], in the capacity of [\*], accredited by power of attorney formalised by the notary [*NAME OF THE NOTARY*] of [*LOCATION OF THE NOTARY*], on [*DATE POWER OF ATTORNEY*], with entry no. [*No. of POWER*] of his official records (hereinafter the **Exporter**).
* [*COMPANY NAME GUARANTOR*], tax identification no. [\*], with registered offices in [\*], recorded in the Mercantile Registry of [\*], represented herein by [*NAME OF THE UNDERSIGNED*], ID card no. [\*], in the capacity of [\*], accredited by power of attorney formalised by the notary [*NAME OF THE NOTARY*] of [*LOCATION OF THE NOTARY*], on [*DATE POWER OF ATTORNEY*], with entry no. [*NO. OF POWER*] of his official records (hereinafter the **Guarantor**).

[*N.B.: In case of several Exporters or several Guarantors, refer them with detail as above and adjust the definition to “hereinafter, the* ***Exporters****” or, where appropriate, “hereinafter, the* ***Guarantors****”.]*

* Compañía Española de Seguros de Crédito a la Exportación, S.A., Compañía de Seguros y Reaseguros, S.M.E., VAT no. A28264034 and with registered address at Velázquez 74, 28001 Madrid, (hereinafter **CESCE**).

**WHEREAS:**

1. The Exporter has signed a contract with [COMPANY NAME IMPORTER] on [CONTRACT DATE] for [OBJECT OF THE CONTRACT], (hereinafter, the **Commercial Contract**).
2. In order to guarantee certain obligations deriving from the Commercial Contract, an [Advance Payment Bond] [Performance Bond] [Bid Bond] [Capital Guarantee] have been issued or will be issued by [*COMPANY NAME ISSUER OF THE BOND*] (hereinafter, the **Issuer of the Bond**) for an amount of [*AMOUNT AND CURRENCY OF THE BOND*] (hereinafter, the **Bond**].
3. [*COMPANY NAME INSURED*] (hereinafter, the **INSURED**), has counter-guaranteed the Issuer of the Bond against the calling of the Bond.

*[N.B.: Paragraph III is only applicable in case there is a Bond and Counter-Guarantee structure. Otherwise, item II should include in the definition of the Issuer of the Bond “and Insured”].*

1. The Exporter and the Guarantor undertake to compensate the Insured for the credit that may arise against him as a consequence of the calling of the bond.
2. **CESCE** in turn guarantees **the Insured** by means of the Bond Calling Insurance Policy no. FB/Policynumber/19 (hereinafter the **Policy),** the payment of an indemnity in case of default of the Exporter and the Guarantor on the credit arising in favour of the Insured from the calling of the bond, and from the counter-guarantee for the same [N.B. eliminate the shaded text in case no Bond –Counter-Guarantee structure exists].
3. Considering the foregoing, CESCE has a legitimate interest in monitoring the Commercial Contract as well as in a potential action against the Exporter and the Guarantor in case it is to pay an indemnity under the Policy.

**NOW AND THEREFORE**, the Exporter and the Guarantor, where appropriate,

**HEREBY DECLARE AND EXPRESSLY UNDERTAKE THE FOLLOWING**

1. **Indemnification by CESCE**

The Exporter and the Guarantor declare and accept that CESCE shall pay the indemnities deriving from the Policy, in the manner and according to the terms it considers appropriate, with no need for the Exporter’s or the Guarantor’s consent and without requiring their prior notification of such payment.

1. **Reimbursement of the amounts indemnified by CESCE**

The Exporter and the Guarantor undertake to pay CESCE joint and severally, unconditionally, irrevocably and on first demand, within a period of maximum ten (10) days as from the date it/they are so required, the amounts with which CESCE may have indemnified the Insured pursuant to the POLICY and in the same currency such indemnifications may have been made.

The payment requirement CESCE sends the Exporter and, where appropriate, the Guarantor only must be accompanied by a receipt signed by the Insured acknowledging receipt of the indemnification, with no need to submit any other documentation.

In no case defences may be raised against CESCE that the Insured may have in relation with the payment(s) made.

Once the ten (10) days for payment have elapsed, the Exporter and the Guarantor are in arrears and the amounts owed shall accrue an annual interest equivalent to the legal interest of money at the due date plus two percentage points.

1. **Prohibition to alter the Commercial Contract without CESCE’s consent**

The Exporter and, where appropriate, the Guarantor undertake to prevent that the signor of the Commercial Contract may alter, without CESCE’s written consent, the terms and conditions of the commercial Contract, in respect of the object and the scope of the same, the obligations of the Exporter established therein, the amount and time of its execution. Any other modification of the Commercial Contract not included in the aforementioned list, shall be communicated CESCE by the Exporter within thirty (30) days as from the relevant modification.

1. **Compliance in anti-corruption matters**

The Exporter and the Guarantor undertake to comply with the legal rules in force in Spain in anti-corruption matters and, in particular, in relation with corruption of a public official or authority in the context of international economic activities as provided for in the Spanish Penal Code.

To this effect, the Exporter and the Guarantor have signed an anti-corruption statement contained in Annex I of the Contract.

In the event that the Exporter or the Guarantor were finally convicted for corruption of a public official or authority in relation with the Commercial Contract, CESCE may alternatively require the Exporter and the Guarantor i) to present a bank guarantee for the outstanding insured balance of the Bond; or (ii) the constitution of an unavailable, pledged deposit as a guarantee for the outstanding insured amount of the Bond. Both guarantees shall remain in force until the expiry of the insurance or its termination.

1. **Commercial Contract monitoring report**

The Exporter undertakes to quarterly submit to CESCE, within the thirty (30) days subsequent to the end of each calendar quarter, and until the total cancellation of the Bond, a report on the degree of progress made of the Commercial Contract. To fulfil this obligation, it shall submit, once completed, the table which it will be facilitated by the Insured.

In the event that the Policy enters into force in the second half of the calendar quarter underway, the first report shall be submitted within the thirty (30) days following the end of the subsequent quarter.

Failure to comply with this obligation shall be considered an aggravation of the risk insured under the Policy referred in this document, enabling the Insurer to take the measures it considers appropriate and in agreement with the established in the respective insurance contracts. Furthermore, the Insurer reserves the right to substitute the Exporter with an independent third party as author of the monitoring reports, as well as to redefine the scope of the same. The expenses deriving from the action shall be borne by the Exporter.

**DURATION OF THE CONTRACT**

This agreement called “REPAYMENT COMMITMENT AND OBLIGATIONS IN RELATION WITH THE COMMERCIAL CONTRACT” (hereinafter the **Contract**) shall remain in force as long as the Policy and possible endorsements that CESCE and the Insured may agree subsist and, in any case, until the Exporter and/or the Guarantor have reimbursed CESCE or the Insured with all of the amounts owed pursuant to the same.

**LEGISLATION APPLICABLE AND SETTLEMENT OF DISPUTES**

This Contract is governed first of all by the terms and conditions established in the same and, supletorily, by Spanish law.

All parties formally and expressly declare their reciprocal and unequivocal willingness to accept arbitration as the only means of resolving disputes between them in connection with this Contract. For this purpose they explicitly agree that, waiving their right to recourse to ordinary justice, they shall submit to the legal arbitration of one or more arbitrators within the framework of the Spanish Court of Arbitration based in Madrid, in accordance with its regulations and bylaws and pursuant to the procedure established therein. It is also stipulated that they shall entrust said court with the administration of the arbitration and appointment of the arbitrator or arbitral tribunal and that they undertake to comply with both the interlocutory decisions and the final arbitration award.

In, on

EXPORTER COMPANY NAME

p.p.