

# BOND CALLING INSURANCE POLICY

*FOR ISSUERS*

GENERAL CONDITIONS

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

---

Approved by the Ministry of Economy and Competitiveness through Ministerial Order of 22<sup>nd</sup> of June of 2016, in accordance with articles 3 and 8 of the Law 8/2014 of 22<sup>nd</sup> April, on State cover of the risks of internationalisation of the Spanish economy.

---

# ENGLISH





## **PRELIMINARY ARTICLE**

### **DEFINITIONS**

## **CHAPTER I**

### **OBJECT AND SCOPE OF THE INSURANCE POLICY**

ARTICLE 1	OBJECT OF THE INSURANCE
ARTICLE 2	COVERED RISKS
ARTICLE 3	SALVAGE AND RECOVERY EXPENSES
ARTICLE 4	ITEMS AND EVENTS EXCLUDED FROM COVER
ARTICLE 5	EXCLUSION OF LEGAL RISK
ARTICLE 6	MAXIMUM SUM INSURED
ARTICLE 7	RETAINED RISK
ARTICLE 8	EXECUTION, EFFECTIVE DATE AND PERIOD OF COVER
ARTICLE 9	DISCREPANCIES BETWEEN THE OFFER AND THE POLICY

## **CHAPTER II**

### **INSURED'S OBLIGATIONS**

ARTICLE 10	PAYMENT OF THE PREMIUM AND CONSEQUENCES OF NON-PAYMENT
ARTICLE 11	PREMIUM REFUND AND ADDITIONAL PREMIUM
ARTICLE 12	INFORMATION OBLIGATIONS PRIOR OF THE SIGNATURE OF THE POLICY
ARTICLE 13	OTHER INFORMATION OBLIGATIONS. PREVENTIVE MEASURES
ARTICLE 14	AMENDMENT OF THE TERMS AND CONDITIONS OF THE BOND AND OR COUNTER-GUARANTEE
ARTICLE 15	OTHER OBLIGATIONS
ARTICLE 16	CONSEQUENCES OF THE INSURED'S FAILURE TO COMPLY WITH ITS OBLIGATIONS

## **CHAPTER III**

### **CLAIMS AND RECOVERIES**

ARTICLE 17	STEPS TO BE TAKEN BY THE INSURED
ARTICLE 18	NOTIFICATION TO THE INSURER OF THE CALL OF THE BOND AND/ OR COUNTER-GUARANTEE
ARTICLE 19	THE COLLECTION PROCESSES AND PROCEEDINGS

ARTICLE 20	INSURER'S ACCESS TO INSURED 'S DOCUMENTATION
ARTICLE 21	INDEMNIFICATION PAYMENT
ARTICLE 22	PAYMENT RECEIPT
ARTICLE 23	SUBROGATION, RECOVERIES AND AGREEMENTS WITH DEBTORS

## **CHAPTER IV**

### **SPECIAL PROVISION**

ARTICLE 24	ASSIGNMENT OF THE INSURED'S RIGHTS AND OBLIGATIONS
ARTICLE 25	LOSS PAYEE
ARTICLE 26	TAXES, GOVERNING LAW AND DISPUTE RESOLUTION

---

# PRELIMINARY ARTICLE

## *DEFINITIONS*

---



### **BENEFICIARY OF THE BOND**

Means the natural or legal person in favour of which the Bond is provided.

### **BOND**

Means the guarantee, bond, stand-by letter of credit, or similar instrument with the function of a guarantee issued by the Issuer of the Bond, which guarantees compliance with certain obligations derived from the Commercial Contract and which are listed as particular conditions to the Policy.

### **CALLING OF THE BOND**

Means the demand for payment made by the Beneficiary of the Bond that, if applicable, leads to the calling of the Counter-Guarantee, giving rise to the Insured's Credit against the Debtor and, as the case may be, the Guarantor.

For the insured Credit to be in cover, both the Bond and, as a consequence, the Counter-Guarantee must be called.

### **COMMERCIAL CONTRACT**

Means the contract for the supply of goods, provision of services, performance of works, tender documents or any other type, whereby originate the obligations guaranteed by the Bond, in relation to the international activity of a Spanish company.

### **COUNTER-GUARANTEE**

Means the guarantee, bond, stand-by letter of credit, or similar instrument functioning as a guarantee, issued by the Insured in favour of the Issuer of the Bond, counter-guaranteeing the calling of the Bond.

### **COUNTER-INDEMNITY AGREEMENT**

Means the contract signed between the Insured, the Debtor and, as the case may be, the Guarantor, establishing the terms and conditions for the issuance of the Bond or the Counter-Guarantee, and of the Credit.

### **CREDIT**

Means the true, enforceable, liquid payment obligation arising in favour of the Insured as a result of the calling of the Bond and, as the case may be, of the Counter-Guarantee, **after deduction of the excluded items referred to in article 4.1.**

### **DEBTOR**

Means the debtor of the Credit, subject to the obligations under the Counter-Indemnity Agreement.

### **GUARANTOR**

Means the natural or legal person that jointly, severally and irrevocably guarantees the obligations of the Debtor to the Insured.

### **INSURED**

Means the entity issuing the Bond or the Counter-Guarantee. The Insured is the holder of a credit against the Debtor and therefore of the interest covered by the Insurance and of the rights and obligations arising from the insurance contract.

If the Policyholder and the Insured are separate entities, the obligations and duties derived from the insurance contract shall correspond to the Policyholder, except for those that must, in light of their nature, be fulfilled by the Insured.

***INSURED CURRENCY***

Means the currency indicated in the particular conditions, in which the insured Credit is defined.

***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.

***ISSUER OF THE BOND***

Means the entity issuing the Bond in favour of the Beneficiary of the Bond.

***MAXIMUM SUM INSURED***

Represents the maximum indemnification 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.

The indemnification shall include the salvage or recovery expenses referred to in article 3 of these general conditions.

***POLICY***

Means this insurance contract, comprised of these general conditions and its particular conditions and, if applicable, its corresponding endorsements.

***POLICY HOLDER***

Means the person who signs the Policy and assumes the duties and obligations derived from the contract, except for those that, in light of their nature, must be fulfilled by the Insured.

The rights derived from the Policy shall correspond to the Insured or, if applicable, the designated loss payee.



---

# CHAPTER I

## *OBJECT AND SCOPE OF THE INSURANCE POLICY*

---



## ARTICLE 1 OBJECT OF THE INSURANCE

---

Based on the Insured's statements and in accordance with the general and particular conditions of the Policy, the Insurer undertakes to compensate the Insured for the losses resulting from the occurrence of any of the risks referred to in article 2, in the terms and delays established in the Policy, up to the Maximum Sum Insured as maximum limit.

Furthermore, salvage or recovery expenses and any other expenses that may be agreed, which the Insured has incurred in to minimize losses, shall be the subject of cover.

## ARTICLE 2 COVERED RISKS

---

The risks included in the cover of the Policy are:

2.1 Total or partial non-payment of the Credit due to any of the following situations:

- (i) When the Debtor and/or Guarantor have been declared insolvent or subject to an equivalent procedure under the applicable legislation, by firm judicial ruling, as long as the Credit has been included in the liabilities of the insolvency proceedings.
- (ii) When the creditors' agreement has been judicially approved, establishing a write off of the Credit amount, provided 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 releasing sufficient free goods to pay the Credit.
- (iv) When the Insurer decides that the Credit is uncollectible in light of the evidence provided by the Insured.

2.2 Total or partial non-payment of the Credit by the Debtor and/or Guarantor for a period of more than sixty (60) days from receipt by the Insurer of the notification referred to in article 18.

## ARTICLE 3 SALVAGE AND RECOVERY EXPENSES

---

The Insurer shall pay, at the percentage of cover, the expenses which the Insured has incurred to minimize any loss caused by the occurrence of any of the perils referred to in article 2, or as a result of the preventive measures accepted by the Insurer in accordance with the provisions set out in article 13.

**The Insurer shall not be obliged to pay any expenses that have not been previously approved by the Insurer.**

When the above-referred expenses are incurred for the salvage or recovery of the Credit, together with other uninsured credit amounts, the amount of the said expenses will be paid by the Insured and the Insurer in proportion to their respective interests.

The expenses shall be reimbursed by the Insurer in the thirty (30) days following the day on which the Insured provided proof 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 cover under this Policy, and will not be paid under any circumstances:

- (i)** Interest, including capitalised interest, accrued on the Credit as of the due date.
- (ii)** Interest paid by the Insured to the Beneficiary of the Bond or the Issuer of the Bond, as applicable.
- (iii)** Fees or premiums owed by the Debtor to the Insured as payment for the issuance of the Bond.
- (iv)** The insurance premium corresponding to this Policy.
- (v)** All expenses, fees, stamps, losses, taxes, penalties and any other amounts not expressly covered by this Policy.

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

- (i)** When the Insured fails to comply with any of the Policy cover conditions.
- (ii)** When the risk occurred outside the period of cover of the Policy.
- (iii)** When the Counter-Guarantee is called other than as a direct consequence of the calling of the Bond.
- (iv)** When the payment made by the Insured to the Beneficiary of the Bond or of the Counter-Guarantee does not fulfil the terms and conditions agreed upon in the Bond, Counter-Guarantee or Counter-Indemnity Agreement.
- (v)** When the Insured does not follow the legitimate instructions received from the Insurer.
- (vi)** When the Insured could avoid the call of the Bond/Counter-Guarantee by granting an extension, and fails to do so, unless instructed by the Insurer not to extend.
- (vii)** When the goods and services under the Commercial Contract are restricted or prohibited or when the Beneficiary of the Bond, the Issuer of the Bond or the signatories of the Commercial Contract are subject to trade or economic sanctions, restrictions or prohibitions of contracting imposed nationally, by the European Union or by any other organization with which Spain has agreed to comply, prior to the effective date of the Policy. The Insured is obligated to verify this point.

In the event that the sanctions, restrictions or prohibitions referred to in the previous paragraph are imposed after the effective date of the Policy, the Insured agrees to follow any instructions that it may receive from the Insurer with a view to complying with them.

## ARTICLE 5

### EXCLUSION OF LEGAL RISK

---

**It is hereby certified that the Insurer does not assume the legal risk of the transaction or of the documentation signed by the Insured.**

**The Insurer will not be obliged to pay any indemnification if (i) the losses are caused directly or indirectly due to an action or omission by the Insured; or if (ii) the Credit, its payment methods, securities or guarantees have been drafted or executed incorrectly, and are invalid or unenforceable.**

The Insured is obliged to arrange the transaction with the utmost diligence and, in any case, with the same level of caution and diligence as it usually arranges similar transactions, when they are not insured.

## ARTICLE 6

### MAXIMUM SUM INSURED

---

Represents the maximum amount to be paid by the Insurer, and results from applying the percentage of cover indicated in the particular conditions of the Policy to the Credit amount. In addition, the Maximum Sum Insured shall include the expenses referred to in article 3 of these general conditions.

In case of partial claims, the Maximum Sum Insured shall be reduced by the amounts paid under the Policy.

The Maximum Sum Insured shall be set in the particular conditions of the Policy.

If the Bond is denominated in a currency other than the Insured Currency, the Maximum Sum Insured may be adjusted in the case of an exchange rate variation exceeding five percent (5%). An increase in the Maximum Sum Insured must be agreed in an endorsement and the corresponding premium will be charged. If the Insured does not ask the Insurer to update the Maximum Sum Insured as established in this article, the claim amount will be calculated applying the exchange rate established in the Policy.

Regardless of whether or not the update referred to in the previous paragraph takes place, the claim amount will be determined by applying the exchange rate that produces the lower amount in the Insured Currency between: a) the exchange rate established in the Policy or, if applicable, in its endorsements, b) the exchange rate set by the Central European Bank (or by a source mutually agreed between the Insurer and the Insured in the case of a currency not officially quoted by the Central European Bank) on the date the Insured makes payment under the Bond, or, if not available, the publication immediately after.

## ARTICLE 7

### RETAINED RISK

---

The Insured shall retain for his own account a percentage of each insured loss. Such uninsured percentage will be established in a particular condition, being expressly accepted that a portion of the loss is not covered by the Maximum Sum Insured.

The Insured must retain the uninsured portion of the risk in his books, and cannot transfer it to third parties or cover it with an additional guarantee or insurance, unless agreed otherwise through a particular condition.

In case of claim, any security or guarantee that exists in relation to the uninsured percentage of the credit shall be proportionally applied to the insured part.

## **ARTICLE 8**

### **EXECUTION, EFFECTIVE DATE AND PERIOD OF COVER**

---

The insurance contract will be executed by mere consent of the Parties but will not come into force until the following conditions precedent have been met:

- (i) The Policy has been signed by both parties, the Insurer and the Policyholder.
- (ii) The corresponding premium or its first installment, where installments have been agreed, has been paid.
- (iii) The Insured and, if applicable, the Issuer of the Bond have issued the Counter-Guarantee and Bond respectively.
- (iv) The Commercial Contract has been signed by the parties, save in the cases established in the particular conditions.
- (v) The Counter-Indemnity Agreement has been signed by the parties.

The period of cover will be established in the particular conditions.

## **ARTICLE 9**

### **DISCREPANCIES BETWEEN THE OFFER AND THE POLICY**

---

If the content of the Policy differs from the offer of cover made by the Insurer, the Insured may within one (1) month of delivery of the Policy demand the Insurer to rectify the existing discrepancy. If no demand is made within the said period, the provisions set out in the Policy shall apply.

If, during the validity period of the offer, there are risk-aggravating factors, the risk is modified or new circumstances, data or facts arise that were unknown to the Insurer when issuing the offer, the Insurer can make the appropriate changes, inclusions and amendments to the Policy to adjust it to the new risk situation.

---

# CHAPTER II

## *INSURED'S OBLIGATIONS*

---



## ARTICLE 10

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

---

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

The premium must be paid in the Insured Currency, at the date in the form and place indicated in the particular conditions.

**In case of non-payment of the unique premium, the insurance contract shall not be valid and therefore shall produce no effect. If a period of one (1) month elapses from payment default of the unique premium, the Policy shall be automatically terminated without the need for the Insurer to issue a cancellation notice. If a loss occurs before the premium has been paid, the Insurer will be released from any obligation under the Policy.**

**In case of non-payment of an installments of the unique premium, when installments have been agreed, or non-payment of any applicable additional premium, the Maximum Sum Insured shall be reduced in the same proportion as the unpaid premium. If a period of three (3) months elapses from the first payment default, the coverage shall be automatically terminated without the need for the Insurer to issue a cancellation notice.**

If instalments have been agreed and a loss occurs, the premium will automatically fall due and be payable in full. The outstanding premium amount will be offset against the indemnification.

## ARTICLE 11

### PREMIUM REFUND AND ADDITIONAL PREMIUM

---

#### 11.1 Premium refund

The premium will only be refunded in the following cases:

- (i) If the Policy is cancelled before its effective date.
- (ii) If the Maximum Sum Insured or the period of cover are reduced.

Nevertheless, the Insurer shall in all cases retain ten percent (10%) of the premium to be refunded.

The premium will not be refunded, under any circumstances, in the case of a claim.

#### 11.2 Additional premium

An additional premium shall be applicable if the Maximum Sum Insured is increased or the period of cover is extended.

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

The premium refund or additional premium, as applicable, must be recorded in the relevant endorsement reflecting the reduction or increase in the object of the insurance, as the case may be.

## ARTICLE 12

### INFORMATION OBLIGATIONS PRIOR TO THE SIGNATURE OF THE POLICY

---

The Insured has a duty to inform the Insurer, before signing the Policy, of all circumstances of which it is aware and that may influence the correct assessment of the risk. Insured's declarations must include the existence of any other credits, lines of credit, or sureties issued with the same Debtor, with a description of their structure and securities.

Furthermore, the Insured shall submit a declaration that will include a description of the structure and securities of the Credit, which shall be shared *pari passu* between the Insurer and Insured in proportion to the percentage of cover.

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

Considering the questionnaire is provided at a very early stage of the coverage assessment, when essential aspects of the risk may have not yet been determined, and without prejudice to the obligation to submit the aforementioned questionnaire, the Insured must report any later circumstance that may occur and of which it is aware and that may influence the correct assessment of the risk or any change to anything notified in the request for cover. Such communication may be made by email or any other means that provide proof 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, on which the Insurer bases the decision on whether to accept the risk.

As at the Policy signature date, the Insured declares that they have conducted their own risk analysis, have checked their books, and have accessed the files and records they normally use to verify their clients' solvency, without noting the existence of unpaid amounts or financial situations that could endanger the Debtor's and, if applicable, the Guarantor's compliance with their obligations under the Counter-Indemnity Agreement. Consequently, and in accordance with their information obligations, the Insured expressly declares, to the best of their knowledge and understanding, that they are not aware of any circumstances that could prevent, delay or adversely affect fulfillment of the obligations derived from the Credit.

## ARTICLE 13

### OTHER INFORMATION OBLIGATIONS. PREVENTIVE MEASURES

---

13.1 The Insured must notify the Insurer throughout the duration of the Policy, as soon as it becomes aware of any risk-aggravating factors and, in particular, the following circumstances:

- (i) A request made by the Beneficiary of the Bond to modify the terms and conditions established therein and/or in the Commercial Contract.
- (ii) A request by the Beneficiary of the Bond to extend the Bond under threat of execution (extend or pay).
- (iii) Non-compliance with any of the obligations of the Beneficiary of the Bond, or with obligations under the Commercial Contract, or any commercial dispute existing between the Commercial Contract parties.
- (iv) Any fact that may give rise to non-compliance with the obligations guaranteed by the Bond.
- (v) The commencement of any bankruptcy or pre-bankruptcy proceedings of the Debtor and/or Guarantor.
- (vi) Any circumstance that may adversely affect the Debtor/Guarantor's creditworthiness, such as a credit rating downgrade by any of the main credit rating agencies, non-payment of credit or general default on its current obligations, etc.
- (vii) The inclusion of the Debtor and/or Guarantor in commonly used solvency databases, such as RAI, Asnef, Experian Bureau de Crédito or similar.



- (viii) 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 or unpaid.
- (ix) Commencement of a restructuring or refinancing process of the Debtor's and/or Guarantor's debt, resulting from the deterioration of their economic/financial position.
- (x) Commencement of any structural modification process by the Debtor and/or Guarantor, such as merger, conversion or division; as well as commencement of their dissolution or liquidation.
- (xi) Significant investments or disinvestments carried out by the Debtor and/or Guarantor.
- (xii) Any other relevant event of which the Insured may become aware, which may have an impact on the Debtor's and/or Guarantor's economic/financial situation.

13.2 In the event of any of the circumstances mentioned in this article, the Insured must inform the Insurer of the preventive measures that, in their opinion, should be adopted.

The Insurer shall express its acceptance or rejection of the indicated measures. The Insured must comply with all instructions received in this regard from the Insurer.

## ARTICLE 14

### AMENDMENT OF THE BOND AND/OR COUNTER-GUARANTEE CONDITIONS

---

14.1 None of the terms and conditions of the Bond and/or of the Counter-Guarantee may be changed without the Insurer's written consent.

The Insurer's consent shall be stated in an endorsement, containing the new terms and conditions.

14.2 In the case of a request by the Beneficiary of the Bond for an extension of the Bond under threat of execution (extend or pay), the Insured undertakes to extend the Bond/Counter-Guarantee, until it is cancelled or called. The Insurer must previously authorise the extension and the corresponding additional premium will be charged.

The Insured can extend the Bond/Counter-Guarantee without the Insurer's previous authorisation if, in the three (3) business days prior to expiry of the term granted by the Beneficiary of the Bond for the extension, it has not received a positive or negative response from the Insurer. In this case, the Insured must inform the Insurer of the extension within a period of ten (10) business days from the date of that extension. The new period of cover shall be stated in the corresponding endorsement.

The Insured or, if applicable, the loss payee, agree to pay the respective additional premium.

## ARTICLE 15

### OTHER OBLIGATIONS

---

The Insured shall be obliged to:

15.1 Include in the Counter-Indemnity Agreement the prohibition to change, without the Insured's consent, the Commercial Contract terms and conditions in relation to: the object and scope of the contract, the Exporter's obligations contained therein, its price, duration, or any other relevant contractual stipulation that may have consequences on the possible calling of the Bond.

The Insured must, in turn, obtain the Insurer's consent referred to in the above paragraph.

- 15.2 Verify that the Bond terms and conditions comply with the Commercial Contract provisions.
- 15.3 The Credit shall rank at least *pari passu* in guarantees with all the other payment obligations derived from counter-indemnity agreements that the Insured subscribes in the future with the Debtor and/or Guarantor.
- 15.4 Open a special account to manage the accounting of the Credit.

## ARTICLE 16

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

---

If the Insured: (i) is responsible for secrecy or inaccuracy in the information referred to in articles 12 and 13; (ii) alters the terms and conditions referred to in the first paragraph of article 14, without the Insurer's consent; or (iii) fails to comply with any of the duties and obligations established in article 15 or any other obligation established in this Policy with no specifically established consequence, the Insurer shall have the following rights:

- (A) Terminate this insurance contract by submitting a termination notice to the Insured within a period of one (1) month of becoming aware of the respective non-compliance.
- (B) Reject indemnification payment, if the Insured acted with negligence or willful misconduct. If the indemnification had already been paid, the Insurer may demand its reimbursement with the corresponding interest.

---

# CHAPTER III

## *CLAIMS AND RECOVERIES*

---



## ARTICLE 17

### STEPS TO BE TAKEN BY THE INSURED

---

As soon as the Insured receives notification of calling of the Bond/Counter-Guarantee, they shall promptly take all practicable steps to preserve their rights, including immediately requiring payment from the Debtor and, if applicable, the Guarantor.

When the Insured notifies the Insurer the call of the Bond/Counter-Guarantee, they shall include a statement of all the credits they hold against the Debtor and, if applicable, the Guarantor, at that time.

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

## ARTICLE 18

### NOTIFICATION TO THE INSURER OF THE CALL OF THE BOND AND/OR COUNTER-GUARANTEE

---

The Insured must inform the Insurer of the call of the Bond and, if applicable, the Counter-Guarantee, within five (5) business days of the date on which the call was notified, accompanied by a copy of the demand sent by the Beneficiary of the Bond/Counter-Guarantee.

Furthermore, it must submit a copy of the claim on the Credit sent to the Debtor and the Guarantor, as well as any other documents supporting their right to indemnification, with sufficient advance notice so that the Insurer can perform the appropriate confirmations.

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

## ARTICLE 19

### THE COLLECTION PROCESS AND PROCEEDINGS

---

19.1 Once the notification mentioned in article 18 has been made, the Insurer will lead the collection processes and any proceedings that may have been initiated with regard to the entire Credit, **including for the uninsured percentage and for items ancillary to the Credit, such as interest, securities and any other related rights, regardless of whether or not they are insured.**

19.2 The Insurer shall keep the Insured informed of all the above-referred steps taken.

19.3 The Insured cannot enter into agreements with the Debtor in relation to the Credit or initiate any proceedings without the Insurer's prior authorisation.

19.4 **Failure by the Insured to comply with any of the above obligations shall lead to the loss of their right to claim an indemnification.**

## ARTICLE 20

### INSURER'S ACCESS TO THE INSURED'S DOCUMENTATION

---

The Insurer shall have access to any documentation related to the Bond, the Counter-Guarantee and the Credit that are in the Insured's possession, and may require authenticated copies of the originals.

As per the Insurer's request, the Insured shall provide a Spanish translation of the documents drafted in a language other than Spanish.

## ARTICLE 21 INDEMNIFICATION PAYMENT

---

If any of the situations provided for in article 2 occurs, and having complied with all the conditions of cover established in the Policy, the Insurer shall pay the indemnification for the amount and within the delays indicated below.

**AMOUNT:** The indemnification shall be paid in the Insured Currency and its amount shall be the result of applying the percentage of cover indicated in the particular conditions to the amount of the unpaid Credit and, if applicable, the agreed recovery expenses.

The indemnification will never be higher than the Maximum Sum Insured plus the salvage and recovery costs authorized by the Insurer and applying the percentage of cover to them.

**DELAY:** The Insurer shall pay the indemnification in the thirty (30) days following the date of the occurrence of any of the risks described in article 2.

**The Insurer can deduct from the indemnification payments any amount owed to it by the Insured.**

## ARTICLE 22 PAYMENT RECEIPT

---

When receiving the indemnification, the Insured will sign a payment receipt acknowledging that the Insurer has fulfilled his obligations as to the indemnified amount. The said receipt will state that the indemnification is provisional and is made in advance of the final indemnification, still to be determined.

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

## ARTICLE 23 SUBROGATION, RECOVERIES AND AGREEMENTS WITH DEBTORS

---

**23.1** Upon payment of any indemnification, the Insurer may subrogate to all claims or collection rights in relation to the indemnified amount, and shall become the Insured's representative for the uncovered portion of the credit, in the manner established in article 5.3 of Law 8/2014.

Upon payment of the claim, the Insurer becomes the owner of interest generated in proportion to the indemnified percentage.

**23.2** In the event that, after paying the claim, the Insurer decides not to subrogate to the Credit but takes over the handling of the collection processes and proceedings, which must be initiated by the Insured, **the latter must follow any instructions received from the Insurer in relation to the handling of recovery procedures and proceedings.**

**23.3** The Insurer can enter into agreements on moratoria and partial and total debt reduction for the entire credit, even if they include credit not due. He can also dispose of the full amount of the credit. These agreements shall be fully enforceable and binding on the Insured for the full amount of the credit included in these agreements, without prejudice to the Insured's ownership of the uninsured percentage of the credit or their right to receive the relevant indemnity according to the terms of this Policy.

### CHAPTER III: CLAIMS AND RECOVERIES

- 23.4 Any amount received by the Insured from the Debtor and/or Guarantor after the indemnification has been made, shall be refunded to the Insurer in the same percentage applied to the calculation of the indemnification. When the recovery is received by the Insurer, he shall pay the Insured the uninsured percentage.
- 23.5 **If the Insured holds other credits against the same Debtor not covered by the insurance, the recoveries obtained shall be applied in the following manner:**
- (i) **If such credits have been communicated to the Insurer as required by article 12 of this Policy, recoveries shall be applied in the same proportion as between the insured Credit and the uninsured credits.**
  - (ii) **If the Insurer has not been informed of the existence of such credits, recoveries shall be applied, in the first instance, to the payment of the insured Credit.**

---

# CHAPTER IV

## *SPECIAL PROVISIONS*

---



## ARTICLE 24

### 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 25

### LOSS PAYEE

---

The Insured shall be entitled to designate a third person or entity as loss payee, which will be recorded in particular conditions or in an endorsement to the Policy.

In this case, the loss payee cannot exercise for his own benefit more rights than those to which the Insured himself is entitled.

The loss payee is entitled to fulfil the Insured's obligations under the Policy, in which case they shall be considered as fulfilled by the latter for all intents and purposes.

## ARTÍCULO 26

### TAXES, GOVERNING LAW AND DISPUTE RESOLUTION

---

**26.1** The Insured must pay all applicable taxes, fees and duties applicable to the Policy, present or future.

**26.2** 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 derived from 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**, 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.
- **Article 10 y 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 certified that, under the protection of the principle of autonomous will of the parties, the Policyholder and the Insured expressly accept the stipulations contained in this Policy as well as the non-applicability of the aforementioned provisions of the Law on Insurance Contracts, with the stipulations of this Policy taking precedence in all cases in light of this type of insurance falling into the category of large risk.**

**26.3** Both parties expressly and formally agree to accept arbitration as the way 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 to the said Court the administration of the arbitration and the appointment of the arbitrator or the arbitration court, and undertake to comply with the interlocutory motions and the arbitral award that is eventually laid down.

The Insured agrees to these general conditions.

In ....., on ..... of ..... of 20.....

**THE INSURER,**

**THE POLICYHOLDER,**

.....

.....

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

**THE INSURED,**

.....

