

Dated 24 October 2018

QUOTA SHARE REINSURANCE AGREEMENT

between

Exportní garanční a pojišťovací společnost, a.s. "EGAP"

and

[REDACTED]

and other subscribing Reinsurers as listed under Schedule 2 hereon

THIS AGREEMENT is made on the 24th day of October 2018

BETWEEN

Exportní garanční a pojišťovací společnost, a.s. (the “Reinsured”)
Vodičkova 34/701
111 21 Prague 1
Czech Republic

AND

_____ and other subscribing Reinsurers as listed under Schedule 2 hereon (collectively the “Reinsurer”).

WHEREAS

- A. The Reinsured is a central government agency of the Czech Republic which primarily provides export credit guarantees.
- B. The Reinsured has issued an **Insurance Policy** _____ (referred to in this Agreement as the “Reinsured Policy”) as evidenced by the Policy _____
- C. The Parties have agreed to enter into arrangements for the reinsurance of the Reinsured Policy on the terms hereinafter appearing.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. **Interpretation**

A. Definitions

In this Agreement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

Business Day means any day which is not a Saturday or Sunday and on which banks are customarily open for business in London, New York and Prague.

Broker means _____

Counter party means Iveco Czech Republic, a. s., Dobrovského 74, Pražské Předměstí 566 01 Vysoké Mýto.

Credit Contract means the **Loan** being a buyer credit facility provided by the **Insured** intended for the financing of the export contract.

Inception date means [REDACTED]
[REDACTED]

Insured(s) means:

Československá obchodní banka, a.s.
Radlická 333/150
150 57 Prague 5
Czech Republic

And/ or other banks that may buy into the Credit Contract as part of a loan syndication.

Loan means the **Credit Contract** being a buyer credit facility provided by the **Insured** intended for the financing of the export contract

Loss means the sums payable by the Reinsured from time to time in settlement of the Reinsured Instalments, together with all reasonable expenses and legal and other professional fees incurred in the investigation, defence, adjustment, settlement or litigation of claims (excluding salaries of employees and offices expenses of the Reinsured but including out of pocket costs of claims investigations carried out by the Reinsured's claims officers or by outside experts provided that these costs do not exceed the usual fees by such experts for similar services).

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Material Change means any waiver or amendment to the terms and conditions of the Reinsured Policy which, in the reasonable opinion of the Reinsured, is material to the risk evaluation of the Reinsurers. The opinion of the Reinsured as to what constitutes

a Material waiver or amendment shall be considered reasonable unless it can be shown that the Reinsured acted in bad faith.

Parties means the Reinsured on the one hand and each Reinsurer on the other (each being a “Party”).

Premium means the sum(s) payable to the Reinsurers pursuant to section 7.

[REDACTED]

Reinsured Instalments hereon means [REDACTED] due under the Loan (all as more fully set out in Schedule 1 to this Agreement) or such Reinsured Instalments which may be accelerated or re-scheduled from time to time.

Reinsured’s Maximum Liability has the meaning set out in section 2 below.

Reinsured Policy means [REDACTED] covering the Insured’s interest in a buyer credit facility funding [REDACTED] of the acquisition by SOTRA (Société des Transports Abidjanais) of 400 Crossway Low Entry 12 M buses and 50 Crealis GNC 18 buses from the Counter Party.

For the avoidance of doubt this reinsurance reinsures the Reinsured's liability under the insurance policy schedule only as defined within the Reinsured Policy.

Reinsurers means the entities listed as Reinsurers to this Agreement, as more specifically set out in Schedule 2 hereto.

Reinsurers’ Maximum Limit of Liability means the Proportionate Share of the Reinsured’s Maximum Liability, calculated in any event as the Reinsurer’s Proportionate Share of the Reinsured Instalments outstanding at any given time, as specified in Schedule 1 hereto, together with upon agreement of the Reinsurer any reasonable pre-Loss expenses and/or reasonable recovery expenses incurred by the Reinsured pursuant to section 14(b) and section 15(b) below.

B. In this Agreement:

- (i) the titles and headings to the various sections or sub-sections of this Agreement are included solely for ease of reference and do not in any way limit or expand or otherwise affect the provisions of such sections or sub-sections;
- (ii) references to any statute, statutory provision or subordinate legislation shall be construed as including a reference to any such enactment which that enactment has directly or indirectly replaced (whether with or without modification) and that enactment as re-enacted, replaced or modified from time to time.

Schedule 1 means the schedule marked 1 attaching to and forming part of this Agreement.

Schedule 2 means the schedule marked 2 attaching to and forming part of this Agreement.

2. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3. **Reinsuring Clause**

The Reinsured shall cede to the Reinsurers and the Reinsurers agree to accept their Proportionate Share of all Loss arising under the terms of the Reinsured Policy subject always to the Reinsurers' Maximum Limit of Liability.

4. **Follow the Fortunes**

This Agreement shall be subject to the same terms and conditions as the Reinsured Policy as may be amended from time to time and the Reinsurers shall follow the fortunes of the Reinsured in respect of all business ceded hereunder (with the exception of commercially agreed terms of the Reinsurance Agreement).

5. **Period**

This Agreement shall enter into effect on [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

6. Follow the Settlements

It is agreed and understood that:

- (a) the Reinsurers shall follow the settlements made by the Reinsured in accordance with the terms and conditions of the Reinsured Policy to the extent that these settlements relate to the Reinsured Instalments including such settlements made on a compromise basis. The Reinsurers shall also be liable for their respective Proportionate Share of all costs and expenses paid by the Reinsured, all as more fully set out in sections 13 and 14.
- (b) subject to section 25(b), the Reinsured shall have the right, at its sole discretion, to waive or amend the terms and conditions of the Reinsured Policy and the Reinsurers' obligation to follow the settlements pursuant to section 6(a) will continue to apply in respect of settlements made following such waiver or amendment.

7. Premium

- (a) The Reinsured shall pay the Premium to [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

(b) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

9. Currency and Taxes

All premiums, fees and Loss payments shall be made in Euros. All payments to be made by one Party hereto to the other hereunder shall be made in full, free and clear of any taxes or withholdings. Each Party has the full responsibility for any taxes or withholdings levied in their respective jurisdiction.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

11. [REDACTED]

[REDACTED]

[Redacted text block]

[Redacted text block]

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[Redacted text block 1]

[Redacted text block 2]

[Redacted text block 3]

[Redacted text block 4]

[Redacted text block 5]

[Redacted text block 6]

[REDACTED]

[REDACTED]

16. Due Diligence

- (a) The Reinsured shall pursue with due diligence the rights or claims related to the Loan reinsured hereunder in accordance with the terms of the Reinsured Policy.
- (b) It is also understood and agreed that the Reinsured shall:
 - (i) interpret the Reinsured Policy in accordance with the fair meaning of its terms and conditions and enforce them in the manner of a prudent underwriter.

17. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

21. Errors and Omissions

Any inadvertent delays, errors or omissions on the part of the Reinsurers or the Reinsured shall not relieve the other Party hereto from any liability which would otherwise have attached under this Agreement provided that such delays, errors or omissions are rectified as soon as possible after discovery.

22. Severability

Should a provision of this Agreement become invalid, illegal or unenforceable for any reason, the validity of the remaining provisions shall not be affected and the

Parties shall agree on such amendments to this Agreement as are necessary or desirable to give legal effect to the intention of the Parties as at the date of this Agreement.

23. Documentation and Confidentiality

The Reinsured has furnished the Reinsurers or the Broker with a copy of the Reinsured Policy for the Loan. In addition, the Reinsured shall provide the Reinsurers or the Broker with any additional information related to the Loan as may be from time to time reasonably requested by the Reinsurers, provided such information is reasonably available to the Reinsured. Each Reinsurer agrees to keep confidential all information so obtained and undertakes not to disclose information, regarding the Credit Contract, the Reinsured Policy and/or its parties, obtained under this Agreement to any third party, unless such information is required to be disclosed:

- (a) to a member of the Reinsurers' staff bound by this Agreement; or
- (b) to the Reinsurers' professional advisors or reinsurers, who are required to sign an agreement limiting their access to disclosing the information on terms no less restrictive than this Agreement or subject to similar obligations of confidentiality; or
- (c) according to applicable law or regulations; or
- (d) according to order of a competent court.

Notwithstanding the provisions above, the restrictions on use and disclosure of such information shall not apply in relation to a particular Reinsurer if:

- (a) the information in question is in the public domain at the time of disclosure and therefore generally available to the public; or
- (b) was lawfully in the possession of such Reinsurer prior to such information being made available by the Reinsured in relation to this Agreement.

24. Entire Agreement

This Agreement including the Risk Details forms the entire agreement between the Parties relating to the matters described or referred to herein and supersedes all

earlier meetings, discussions, correspondence, agreements, letters, communications, understandings and arrangements of any kind so relating and there are no other collateral or supplemental agreements at the time this Agreement is signed.

25. Amendments

- (a) This Agreement may be modified or its terms waived only by written agreement between the Parties hereto, expressly stating that such agreement is a modification or waiver of this Agreement.
- (b) Subject to section 25(c), the Reinsured agrees not to waive or amend any Material terms or conditions of the Reinsured Policy without the prior approval of the Reinsurers, such approval not to be unreasonably withheld or delayed.
- (c) In the event that the Reinsurers fail to respond to a request for approval under section 25(b) within 10 Business Days of such request being received, the Reinsured will be entitled to waive or amend the terms and conditions of the Reinsured Policy at its sole discretion and without the prior approval of the Reinsurers.

26. Assignment

- (a) The rights and obligations of the Reinsurers under this Agreement may not be transferred or assigned without the prior written consent of the Reinsured.
- (b) The rights and obligations of the Reinsured under this Agreement may not be transferred or assigned without the prior written consent of the Reinsurers.

27. Disputes, Governing Law and Arbitration

- (a) Any dispute, controversy or claim arising out of, relating to, or in connection with this Agreement, shall be finally settled by arbitration. The arbitration shall be conducted in accordance with the Rules of the London Court of International Arbitration (LCIA) in effect at the time of the arbitration. The seat of the arbitration shall be London, England and shall be conducted in English.

- (b) The arbitration shall be conducted by three arbitrators to be appointed by the LCIA Court in accordance with Article 5 of the LCIA Arbitration Rules (2014) as varied by this section. Article 6 of the LCIA Rules shall not apply to disqualify a proposed appointee on the basis of nationality. The claimant initiating the arbitration shall appoint an arbitrator in its written request for an arbitration. The respondent shall appoint an arbitrator in its written response to request for an arbitration. The respondent shall appoint an arbitrator and so notify the claimant in writing within thirty (30) days of its receipt of the request for arbitration. The first two arbitrators appointed in accordance with this provision shall appoint a third arbitrator within thirty (30) days after the respondent has notified the claimant of the appointment of its arbitrator. The third arbitrator shall serve as chairman of the arbitration tribunal.
- (c) The arbitral award shall be in writing, state the reasons for the award, and subject to section 27(d) below shall be final and binding on the Parties. Judgment upon the award may be entered by any court having jurisdiction thereof or having jurisdiction over the relevant party or asset. In no event shall the Reinsurer be liable for payment of any award issued by the arbitration panel under this Agreement for an amount exceeding the Reinsurer's Maximum Limit of Liability. By entering into this agreement to arbitrate, the parties expressly waive any claim for punitive, exemplary or similar damages. The only damages recoverable under this agreement are compensatory damages.
- (d) The arbitration award shall be subject to appeal under section 68 and/or section 69 of the Arbitration Act 1996 and Rules 26.8 and 29.2 of the LCIA Rules shall be varied accordingly.
- (e) This Agreement shall be governed by and construed in accordance with the Laws of England and Wales. Any dispute concerning the interpretation of the terms, conditions, limitations and/or exclusions contained herein, is understood and agreed by both the Reinsured and Reinsurers to be subject to the Laws of England & Wales.

28. Notices

- (a) All notices or communications to another Party concerning this Agreement

must be in writing and shall be sent by letter, e-mail or facsimile, except for notices in accordance with sections 17 and 18, which shall be sent by courier or registered mail, and shall be effective when received. All communication and notices to Reinsurers provided in connection with this Reinsurance Agreement shall be sent to The Broker on the address stated below. Information duty of the Reinsured is deemed to be fulfilled once the communication and/or notice is received by The Broker.

Notices shall be given at the following addresses:

The Broker at:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The Reinsured at:

Exportní garanční a pojišťovací společnost, a.s. ("EGAP")
Vodičkova 34/701
111 21 Prague 1
Czech Republic

- (b) Either of the Parties may change their address and facsimile details on thirty (30) days' prior written notice to the other Party or the Broker.
- (c) All such notices and communications shall be effective:-
 - (i) if sent by facsimile, when sent upon receipt confirmed by a transmission report from the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient; or
 - (ii) if sent by courier, five (5) Business Days after having been sent to such courier unless sooner received by the addressee; or
 - (iii) if sent by registered mail, four (4) Business Days after being deposited in the mail; or

(iv) if sent by e-mail, when sent provided the sender is not thereafter notified that the message is undeliverable. If received on any day other than a Business Day, or on a Business Day but after 5pm, the e-mail communication will be deemed to be received at 9am on the next Business Day. If received before 9am on a Business Day the e-mail communication shall be deemed to have been received at 9 am on that day. The Parties undertake to keep their current specified e-mail address available and live otherwise they must provide an alternative e-mail address. The recipient agrees to acknowledge receipt of any e-mail communication given under this section by return e-mail.

(d) Notices and communications sent on a day which is not a Business Day shall have been deemed to have been sent on the next succeeding Business Day.

29. **Contracts (Rights of Third Parties) Act 1999**

A person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but that does not affect any right or remedy of a third party which exists or is available apart from that Act.

30. **Counterparts**

This Agreement may be entered into in any number of counterparts and by the Parties to it on separate counterparts, each of which, when entered into, shall be an original, but all the counterparts shall, when taken together, constitute one and the same instrument. A copy sent by facsimile shall constitute adequate proof of the execution of this Agreement by the relevant Party.

31. **Fraud**

This Policy shall become void and all claims hereunder will be forfeited if the Reinsured has made any material statement, report, application or claim where the Reinsured knew that the statement, report, application or claim was false or fraudulent.

32. The Reinsurers take into account that Exportní garanční a pojišťovací společnost, a.s. (EGAP) as the legal entity with the majority state owned capital participation is subject to the act no. 340/2015 Coll. on special conditions for the effectiveness of certain contracts, the disclosure of these contracts and the contract registry (Act on Contract Registry) and agree to the publication of the Quota Share Reinsurance Agreement in the contract registry.

The Reinsurers declare that they have identified in the text of the Quota Share Reinsurance Agreement all the facts which create their business secret under the respective law and ask the Reinsured for making them redacted. Simultaneously they have taken into account and agree that regardless of the above stated the identity of contracting parties, the determination of an object of the contract, a price, and if the contract does not contain it, a value of an object of the contract, if it can be determined, and a date of the concluding of the contract have to be always published in the metadata on the contract with the exception of cases, when the identity of contracting parties and a price, and as the case may be, a value of an object of the contract create the EGAP's business secret.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorised representatives and the Agreement enters into effect on the date of its publication in the contract registry.

[Redacted signature area]

Exportní garanční a pojišťovací společnost, a.s.

By :

(Name and title)

By:

(Name and title)

[Redacted signature area]

Exportní garanční a pojišťovací společnost, a.s.

By :

By:

(Name and title)

(Name and title)

Schedule 2: Reinsurers' participation

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

