

EGAP 26000055
Reinsured: CREDENDO
Type: Credit QS

RISK DETAILS

TYPE QUOTA SHARE TREATY REINSURANCE CONTRACT

REINSURED

[REDACTED]

PERIOD

This Contract covers risks attaching during the period January 1, 2019 to December 31, 2019, both days inclusive, any time zone.

Maximum Credit Period of such risks is as specified under SPECIAL CONDITIONS hereunder.

CLASS OF BUSINESS:

In respect of all business accepted by the Reinsured and classified as Credit and Political Risk, which the Reinsured does not cede under the Reinsurance Contract Policy [REDACTED] and decides to allocate under this Contract.

TERRITORIAL SCOPE:

Worldwide – Excl. EU and OECD country classification 0

TREATY DETAIL:

1. For buyers in **OECD country classification 1-4**

Maximum limit (for 100%): [REDACTED] for all underwriting years combined.

This limit can be increased up [REDACTED] for all underwriting years combined subject to the agreement of the Reinsurer.

2. For buyers in **OECD country classification 5-7**

Maximum limit (for 100%): [REDACTED] for all underwriting years combined.

This limit can be increased [REDACTED] for all underwriting years combined subject to the agreement of the Reinsurer.

SPECIAL LIMITS:

The following limits of cover per debtor / obligor (all underwriting years combined) are in force at the inception of this Contract and are agreed by the Reinsurer hereon:

Credit Insurance

nil

COUNTRY
AGGREGATE
LIMITS:

The maximum aggregate limit of cover granted (for 100%) in respect of any one country for all underwriting years combined shall not exceed the following limits:

<u>Limit per group of countries based on OECD classification</u>	<u>Limit per single country</u>	<u>Rating / Country</u>
		OECD country classification 1-4
		OECD country classification 5-7
		Any country considered as off-cover as stated in Appendix 1

For the purpose of this Contract, Hong Kong is considered as a country distinct district from the People's Republic of China.

Where the Reinsured downgrades the rating of [REDACTED]

CESSION: The Reinsured shall [REDACTED] to Reinsurer hereon.

RETENTION: The Reinsured shall [REDACTED].

CZECH CONTENT: min. [REDACTED]

SPECIAL CONDITIONS: **Special Acceptance**
Special Acceptance within the Limits hereunder to be agreed by the Reinsurer.

Maximum Credit Period
Credit Insurance:
[REDACTED]

Group definition
For the purpose of this Contract a private debtor/obligor is defined as a company or group of companies.

The Reinsured will be the sole judge as to what constitutes a private debtor/obligor and will base its decision on the following:

One Group will be defined as all entities owned or controlled ([REDACTED]) by a legal entity or natural person or a group of legal entities or natural persons. The Reinsured could however extend the definition of group to corporate structures not in line with the preceding criteria if its own analysis concludes that they should be considered as a Group.

A public debtor/obligor is understood to be any State or governmental department, institution, organisation or any entity which cannot be declared insolvent.

The Reinsured will be the sole judge as to what constitutes a public debtor/obligor.

In the event of a grouping of debtors/obligors following an acquisition or merger resulting in a commitment higher than the limits of cover per debtor defined above, the Reinsurer will allow the Reinsured to treat the debtors/obligors concerned as individual and separate for a period not exceeding six months from the said event.

Political Risks and the like

Cover is granted only for political risks and the like where linked to a commercial operation.

Political Risks and the like are understood to be all events occurring overseas and which constitute force majeure for the Reinsured's insured or for the debtor and in particular:

- Political events, such as War, Revolution or Riots;
- Catastrophes such as Earthquake, Volcanic Eruption or Tidal Wave;
- Shortage of foreign currency rendering currency transfer impossible;
- Acts, decisions or default of public authorities classified as 'acts of state'.

The risk of default of a public debtor is understood to be where the public debtor is incapable of carrying out its obligations or which shirks them without legitimate reason.

Underwriting Limit is defined as:

- Per Debtor/Obligor/Group – the sum of all Credit limits agreed (net of any facultative cessions),
- Per Country – the sum of all Credit limits agreed (net of any facultative cessions)

Czech content

Czech content means the ratio of goods and services of the Czech origin to the export value. Rules for the determination of the Czech content are provided on the Reinsurer's website – www.egap.cz.

GENERAL CONDITIONS:

Attached Contractual Wording contains, but is not limited to, the following terms, clauses and conditions, all of which are more fully defined within the Contractual Wording.

Attachment basis Clause.
Original Terms, Conditions and Rates Clause.
Other Reinsurance Clause.
Losses and Follow the Fortunes Clause.
Cash Loss Clause
Premium Clause.
Accounts Clause.

Foreign Exchange Clause.
Currency Revaluation Clause.
Offset Clause.
Access to Records Clause.
Delays, Errors or Omissions Clause.
Change in Law Clause.
Amendments and Alterations Clause.
Confidentiality Clause.
Special Termination Clause.
Arbitration Clause.
Proper Law and Jurisdiction Clause.
Force Majeure Clause.
Insolvency Clause.
Sanctions Clause.
Entire Agreement Clause.

EXCLUSIONS:

The Contract is subject to the following exclusions:

1. Losses in accordance with the Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause 10.11.03 as follows:

This clause shall be paramount and shall override anything contained in this Contract inconsistent therewith.

In no case shall this Contract cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

- 1.2 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.3 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.4 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
 - 1.5 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
 - 1.6 any chemical, biological, bio-chemical, or electromagnetic weapon.
2. Treaty and Facultative reinsurances.
 3. Financial Guarantee business according to the following ICISA (International Credit Insurance & Surety Association) definition : "A financial guarantee is understood as comprising any bond, guarantee, indemnity or insurance, covering financial obligations in respect of any type of loan, personal loan and leasing facility, granted by a bank/credit institution, financial institution or financier, or issued or executed in

favour of any person or legal entity in respect of the payment or repayment or borrowed money or any contract transaction or arrangement, the primary purpose of which is to raise finance or secure sums in respect of borrowed money”.

However for the purpose of this Contract, Financial Guarantee business does not include Trade Credit insurance policies underwritten by the Reinsured for banking or financial establishments. Leasing, finance leasing and rentals with purchase options are excluded from coverage under this Contract;

4. Losses caused directly or indirectly by war, whether declared or not between at least two of the following countries: China, France, Russia, United Kingdom, United States of America;
5. Material damage affecting goods;
6. Kidnap and ransom risks;
7. Policies covering “reverse factoring” operations where the clients of the factor are the buyers not the suppliers, unless agreed by the Leading Reinsurer;
8. Binding Authorities unless agreed by the Reinsurer.

SUBJECTIVITIES: None, unless otherwise specified in an attached subjectivities schedule.

CHOICE OF LAW AND JURISDICTION: The construction, validity and performance of this Contract shall be governed by the laws [REDACTED]

ARBITRATION The seat of Arbitration shall be [REDACTED]

REINSURER CONTRACT DOCUMENTATION The Risk Details detail the Contract terms entered into by the Reinsurer and constitute, together with the Contractual Wording, the Contract.

RATE: Original Gross Premium based on premium rates not lower than those stated in **Appendix 2**

COMMISSION: [REDACTED] ceded premium.

PROFIT COMMISSION: Nil.

LOSS ADVICE:

[REDACTED]

CASH LOSS

LIMIT

[REDACTED]

PORTFOLIO

Nil.

ACCOUNTS

Rendered quarterly in CZK by the Reinsured, to be forwarded within 30 days after the end of each quarter. The Reinsurer will either reconcile or provide comments on the accounts within 30 days from receipt or will be deemed to be in agreement. Balance payable by the debtor party within working 15 days after such reconciliation.

APPENDIX 1

The Reinsured follows **OECD country classification**

Following countries are deemed off-cover

Afghanistan
Republic of Burundi
Central African Republic
Cuba
Democratic Republic of the Congo
Eritrea
Guinea-Bissau
Haiti
Liberia
Libya
North Korea
Republic of Venezuela
Republic of South Sudan
Somalia
Sudan
Syria
Yemen
Zimbabwe

APPENDIX 2

Buyer ratings and Minimum Premium Rates

Insured self-retention 10%

Buyer ratings and Minimum Premium Rates

Insured [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]







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CONTRACTUAL WORDING

QUOTA SHARE REINSURANCE CONTRACT

made between


(hereinafter called the "Reinsured")

and

Exportní garanční a pojišťovací společnost, a.s.
IČ 45279314, Vodičkova 34/701, 111 21 Praha 1, Czech Republic

(hereinafter called the "Reinsurer")

PREAMBLE

This Contract, including the attached Risk Details, is to reinsure a portion of the liability of the Reinsured in respect of the sections specified under CLASS OF BUSINESS in the Risk Details, and is subject to the following terms and conditions:

ARTICLE 1 - REINSURING CLAUSE

1. The Reinsured shall cede and the Reinsurer shall accept, by way of reinsurance of the Reinsured a Quota Share of all business written by the Reinsured as stated in the PREAMBLE.
2. The liability of the Reinsurer shall not exceed the percentage specified under CESSION in the Risk Details.
3. The Reinsured shall retain the percentage specified under RETENTION in the Risk Details.

ARTICLE 2 - EXCLUSIONS

This Contract is subject to the EXCLUSIONS listed in the Risk Details.

ARTICLE 3 - TERRITORIAL SCOPE

The territorial scope of this Contract shall apply to the territories specified under TERRITORIAL SCOPE in the Risk Details.

ARTICLE 4 - COMMENCEMENT OF CONTRACT

1. This Contract shall take effect on the date specified under PERIOD in the Risk Details and shall continue for a period as specified under PERIOD in the Risk Details or in accordance with the terms set out in the Termination Article hereunder.

2. This Contract shall cover risks attaching or incepting during this contract period, subject to the Maximum Credit period specified under SPECIAL CONDITIONS in the Risk Details.

ARTICLE 5 - ATTACHMENT BASIS

For non-payment, the attachment to an underwriting year is determined, independently of the date on which the loss was declared or paid, by the deemed delivery date of the goods or the deemed date on which the provision of services was effected, except in the following specific cases:

- For commercial pre-financing operations for which the Reinsured provides a guarantee to an insured that the advance for an order that he has paid to an importer will be reimbursed in accordance with the terms of the commercial contract; in the event that the importer should be in breach of his obligations for delivery, the attachment to an underwriting year is determined by the date on which the pre-financing was paid to the debtor..
- For operations accepted on discounted bills of exchange, the attachment date will be determined by the issue date of the bill.

For Cancellation risk (as defined in the Reinsured's original policies), the attachment date is the date of signing of the commercial contract covered.

When non-payment is associated with Cancellation risk, the attachment date is the date of signing of the commercial contract.

For cover of illicit calling of a bank guarantee the attachment date will be the issue date of the guarantee.

For cover for infringement of property rights of the insured (for instance in consignment transactions, loans (of goods, machinery or equipment) for use, processing contracts or equipment placed at the disposal of debtor), the attachment date will be the date on which the relevant goods have been delivered to the debtor.

ARTICLE 6 - ORIGINAL TERMS, CONDITIONS AND RATES

1. All cessions under this Contract shall be subject to the same gross rates of premium, terms and conditions as are contained in the original insurances.
2. The liability of the Reinsurer in respect of each cession declared hereunder shall commence and expire simultaneously and automatically with the liability of the Reinsured.
3. All cessions under this contract shall be subject of the insured's declaration of the satisfactory CZECH CONTENT.

ARTICLE 7 - LIMITS

1. This Contract is subject to per debtor/group limits and per country limits as specified in the Risk Details
2. The Reinsured has the option to grant to an insured a limit on one (or several) debtor(s) higher than the limit of cover per debtor specified under TREATY DETAIL of the Risk Details, it being specified that the proportion of the risk exceeding the limit is excluded from this Contract. The Reinsured will inform the Reinsurer as to the identity of the debtor concerned as well as the amount of the limit per debtor which it intends to agree and the date from which this limit will

apply. In the event that the Reinsured should increase or reduce a limit per debtor previously in excess of the limit, the revised proportion of the risk exceeding the limit will be excluded from the Contract, and the Reinsured will inform the Reinsurer of the revised limit, and the date from which this will apply as soon as practicable.

ARTICLE 8 - OTHER REINSURANCE

The Reinsured may exclude or reinsure elsewhere a part or the whole of an insurance policy that would normally come under the scope of this Contract where the Reinsured considers that it would be in the best interests of all parties hereunder.

ARTICLE 9 - LOSSES AND FOLLOW THE FORTUNES

The Reinsurer shall, subject to the terms and conditions of this Contract, in all respects follow the fortunes of the Reinsured, including any Extra-Contractual Obligations (subject to the terms and conditions of Article 12 hereunder), and ex-gratia payments and all loss settlements, including compromise settlements, in connection with the original insurance – including Loss Adjustment Expense (other than those of its salaried employees) – shall be binding upon the Reinsurer.

The Reinsurer will bear its proportionate share of losses and Loss Adjustment Expenses connected therewith, according to the settlement of the Reinsured and the Reinsurer shall be entitled to its proportionate share of all salvages and / or recoveries received by the Reinsured relating to such losses.

"Loss Adjustment Expense" means all costs and expenses allocable to a specific claim that are incurred by the Reinsured in the investigation, appraisal, adjustment, settlement, litigation, defence or appeal of a specific claim, including a) pre-judgment interest, unless included as part of the award or judgment; and b) post-judgment interest.

Loss Adjustment Expense does not include Unallocated Loss Adjustment Expense. Unallocated Loss Adjustment Expense shall be defined as salaries and expenses of employees of the Reinsured and the Reinsured's office and other overhead expenses.

The Reinsured is authorised without the necessity of obtaining the consent of the Reinsurer to investigate, settle, discharge or repudiate any claims and to institute, prosecute, defend, settle any proceedings in respect of interests and risks within the scope of this Contract.

Ex gratia payments exceeding CZK 500,000 shall only be binding on the Reinsurer once approved by the Leading Reinsurer.

ARTICLE 10 – LOSS ADVICE

The Reinsured will advise the Reinsurer, as soon as it is aware, of any threatening loss with an amount reserved reaching or exceeding the amount specified under LOSS ADVICE in the Risk details

ARTICLE 11 – CASH LOSS

The Reinsured may demand a cash settlement for the Reinsurer's share of each loss where the amount exceeds the amount specified under CASH LOSS in the Risk details once it effects the partial or final settlement of a loss under this Contract. The Reinsurer should effect its settlement within Twenty working days following the request from the Reinsured, deducting any balances which the latter may

owe it under this Contract. When the Reinsured does not exercise this option, the amount of these settlements will be deducted in the accounts.

ARTICLE 13 - PREMIUM

The Reinsurer agrees to receive its share of the Original Gross Premium as received by the Reinsured in respect of the business ceded hereunder.

Original Gross Premium shall be defined as the original premium received by the Reinsured gross of commission and acquisition costs (brokerage or reinsurance commission payable to fronting or partner insurers) in respect of risks coming within the scope of this Contract, less cancellations, return premium, taxes and profit commissions and no claims bonuses payable to original insureds.

ARTICLE 14 - CEDING COMMISSION

The Reinsurer shall allow the Reinsured a ceding commission, stated under COMMISSION in the Risk Details, of the ceded portion of Original Gross Premium as defined in Article 13 PREMIUM.

ARTICLE 15 - ACCOUNTS

1. The accounts between the Reinsured and the Reinsurer shall be rendered in accordance with the provisions set out under ACCOUNTS in the Risk Details.
2. Accounts shall be rendered in respect of each underwriting year of this Contract in Czech Korunas.
3. The term "underwriting year", as used herein, shall mean each period of 12 months commencing 1 January of each year.

ARTICLE 16 - FOREIGN EXCHANGE CLAUSE

Most transactions hereunder shall be in Czech Korunas and all premiums received or claims paid by the Reinsured in currencies other than Czech Korunas shall be converted into Czech Korunas (CZK) at the rate of exchange used by the Reinsured on the date such transaction is entered in the books of the Reinsured and such exchange rate shall be based upon reasonable and verifiable published rates of exchange.

ARTICLE 17 - CURRENCY RE-VALUATION CLAUSE

For the purpose of establishing the maximum cession limit hereunder in currencies other than Czech Korunas the Czech Korunas equivalent shall apply using for this purpose the rates of exchange ruling at the inception or renewal of the risk or at the time an addition to an existing risk incepts. Should a variation in the applicable Czech Korunas rate of exchange result in the limits hereunder being exceeded the Reinsurer agrees to cover the Reinsured for its respective proportions of such excess until the next renewal of the risk at which time the Reinsured will adjust the cession to comply with the rates of exchange ruling at that time.

ARTICLE 18 - OFFSET CLAUSE

The Reinsured or the Reinsurer have and may exercise, at any time and from time to time, the right to offset any balance or balances whether on account of premiums or on account of losses or otherwise,

due from one party to the other party hereto under the terms and within the subject matter of this Contract or any other reinsurance agreement between the Reinsured and the Reinsurer;

This right of offset shall not be diminished by any insurance business transfer, or scheme of arrangement, or any provision which replaces the foregoing, or has the same effect as the foregoing in any jurisdiction, so that the Reinsured or the Reinsurer may continue to offset against any assignee or statutory transferee amounts due under any other reinsurance agreement against sums claimed under this Contract, notwithstanding any assignment of this Contract, or any insurance business transfer including this Contract, or any such scheme of arrangement or company voluntary arrangement affecting liabilities under it.

ARTICLE 19 - ACCESS TO RECORDS

The Reinsurer or representatives duly authorised by it may at any time during normal office hours of the Reinsured, and at a place to be mutually agreed between the parties, inspect and at their own expense take copies of such of the Reinsured's records and documents which relate to business covered under this Contract. It is agreed that the Reinsurer's right of inspection shall continue as long as either party has a claim against the other arising out of this Contract or whilst any liability remains hereunder.

ARTICLE 20 - DELAYS, ERRORS OR OMISSIONS

1. Any bona fide delays, omissions or errors which shall occur in connection with this Contract shall not be held to relieve either party from liability which would have arisen if such delays, omission or errors had not occurred.
2. The Reinsured shall rectify any omissions or errors immediately upon the discovery thereof, it being the intention of the parties hereto that in all things coming within the scope of this Contract the Reinsurer shall follow, to the extent of its interests and subject to the terms and conditions of this Contract, the fortunes of the Reinsured.

ARTICLE 21 - CHANGE IN LAW

In the event of any change in the applicable law after commencement of this Contract by which the Reinsurer's liability hereunder is materially increased or extended, the parties to this Contract agree to take up for immediate discussion a suitable revision to the terms and conditions to this Contract.

Changes in the applicable law can arise from legislative and administrative acts as well as from decisions of courts.

Should the parties to this Contract within six months after the effective date of any change in the applicable law fail to agree on such revision, this Contract shall operate as if such change had not occurred.

ARTICLE 22 - AMENDMENTS AND ALTERATIONS

It is hereby understood and agreed that any amendments and/or alterations to this Contract that are agreed, either by correspondence and/or Broker's Slip endorsements, shall be automatically binding hereon and shall be formally documented by an exchange of correspondence signed by the parties or by the issue of an addendum which shall be considered to form an integral part hereof.

ARTICLE 23 - CONFIDENTIALITY

The contracting parties undertake to consider this Contract as being strictly confidential and shall, while it is in force and thereafter, neither reveal its terms and conditions, nor make use of its information supplied.

Notwithstanding the foregoing, the contracting parties may disclose details regarding the terms, conditions, and transactions in respect of this Contract to their Retrocessionaires, regulators, auditors, legal counsel and other professional advisers and parent and subsidiary companies and/or shareholders, as may be necessary.

Disclosure of such confidential information by the contracting party to corresponding official state institutions as per their official request (if such official state institutions have, on the basis of the law, the authority on receipt of the confidential information), will not be considered as violation of this Contract.

ARTICLE 24 – SPECIAL ACCEPTANCE

This Contract is subject to the Special Acceptance provisions specified under SPECIAL CONDITIONS in the Risk Details.

.The Reinsurer shall not incur any liability to the Reinsured nor to any other Reinsurer of this Contract as a result of approval given hereunder.

ARTICLE 25 - SPECIAL TERMINATION

Section 1 (Other termination)

The Reinsured shall have the right to terminate the participation of Reinsurer in the event that one or more of the following apply:

- (a) the Reinsurer's entire operations are acquired or controlled by, merged with any other Reinsurer or corporation, or there is any other material change in the control (except where the acquiring or surviving company or corporation has a Standard & Poor's and A.M. Best rating equal to, or higher than the Subscribing Reinsurer had on the effective date of this Contract),
- (b) the Reinsurer has retroceded (other than through intra-company reinsurance) all of its liability under this Contract without the Reinsured's prior written consent,

Furthermore, either party shall have the right to terminate this Contract immediately by giving the other party notice:

- (c) if the performance of the whole of this Contract be prohibited or rendered impossible de jure or de facto in particular and without prejudice to the generality of the preceding words in consequence of any law or regulation which is or shall be in force in any country or territory or if any law or regulation shall prevent directly or indirectly the remittance of any payments due to or from either party,
- (d) if the other party has become insolvent or unable to pay its debts or has lost at least twenty-five percent of its paid-up capital or has had any authority to transact any class of insurance or reinsurance withdrawn, suspended or made conditional or otherwise ceases underwriting.

It is however understood and agreed that, should the Reinsured become insolvent, the Reinsurers hereon would not be exempt from their obligations under the terms and conditions of this Contract.

- (e) if there is any material change in the control of the other party,

Section 2 (Effect)

- (a) After the date of termination, under either Section 1 above, any existing cessions shall be allowed to run to their natural expiry unless a mutual agreement between the two contracting parties for the withdrawal of the portfolio has been reached.
- (b) All notices of termination served in accordance with any of the provisions of Sections 1 above shall be by registered letter, telefax or any other means of instantaneous communication that provides a permanent record of such communication and shall be deemed to be served upon dispatch or where communications between the parties are interrupted upon attempted dispatch.
- (c) The effective date of termination is to be advised by the appropriate party by certified letter sent to the other party's head office (or other address previously designated by the other party) and such effective date of termination shall not be prior to the date at which such letter is issued.

ARTICLE 26 - ARBITRATION

In case of a dispute regarding the interpretation of the clauses or the application of this Contract, the parties hereto declare that they shall abide by the decision of the Arbitration Court attached to the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic sitting in Prague (hereinafter "the Arbitration Court").

Each of the parties shall appoint an arbitrator who must be or have been a person (including those who have retired) with not less than ten years' experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving the industry and dealing with the type of business referred to in the PREAMBLE.

In the event of one of the parties failing to appoint an arbitrator within a period of one month from being required to do so by the other party in the form of a registered letter with acknowledgment slip, the nomination shall be made by the President of the Arbitration Court.

A third arbitrator, the president of the arbitration tribunal, shall be nominated by the arbitrators already appointed, within one month after the request has been submitted to them. In the event that they fail to reach an agreement within this period on the choice of the third arbitrator, he shall be nominated by the President of the Arbitration Court, acting at the request of the most diligent party. The arbitration tribunal shall rule by simple majority, each of the arbitrators having one vote.

Each party shall bear the fees and costs of the arbitrator it has appointed. Any legal expenses, the fees and costs of the third arbitrator as well as the costs of investigation ordered by the arbitration tribunal shall be split in half.

The Arbitration Tribunal may, in its sole discretion, make such orders and directions as it considers being necessary for the final determination of the matters in dispute. The final award must be a full written decision. The language of the arbitration is English, unless agreed otherwise.

The decision and the award of the Arbitration Tribunal will be final and conclusive and binding on the parties hereto, i.e. no party involved is authorized to appeal or to apply to a court of law or any other forum for relief from the decision of the Arbitration Tribunal.

The parties agree to keep any dispute, testimony, documents produced and any outcome of the arbitration confidential.

The provisions of this article shall form an independent agreement between the parties and shall survive the termination of this Contract.

ARTICLE 27 - PROPER LAW AND JURISDICTION

This Contract shall be governed by the laws as specified under CHOICE OF LAW AND JURISDICTION in the Risk Details and, except as provided for by the Arbitration Article, the courts of that country shall have sole jurisdiction in any dispute hereunder.

ARTICLE 28 - FORCE MAJEURE

In the event of an “extraordinary circumstance or event” (as defined below), if, and only if, as a direct result of the extraordinary circumstance or event any party is unable to perform its obligations hereunder, the following rules shall apply:

1. Should the extraordinary circumstance or event occur within 30 days of the expiration date of this Contract, this Contract shall be automatically extended for 30 days from the original expiration date of this Contract;
2. The parties shall be excused from performance of their respective obligations for the duration of the extraordinary circumstance or event, but in no event shall such excusal exceed 30 days from the inception of the extraordinary circumstance or event; and
3. If applicable, any run-off provisions provided for under this Contract shall be extended concurrent with any extension granted under one or more Policies.

An “extraordinary circumstance or event” is defined to mean fire, flood, earthquake, storm, hurricane, tsunami or other natural disaster, war, invasion, act of foreign enemies, hostilities (whether or not war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labour dispute, strike, lockout or interruption, failure of electricity, telephone or internet service, pandemic, or other extraordinary event, such as one of the foregoing, that impacts the performance of services hereunder.

Any party asserting Force Majeure as an excuse for non-performance hereunder shall have the burden of proving that reasonable steps were taken under the circumstances to minimise delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled and that the other party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

Nothing in this Article shall be construed to mean that any party is relieved from performing its obligations under this Contract as a result of its negligence or other malfeasance, or where non-performance is caused by the usual and natural consequences of external forces or where intervening circumstances are contemplated.

ARTICLE 29 - INSOLVENCY

Where an Insolvency Event occurs in relation to the Reinsured the following terms shall apply (and, in the event of any inconsistency between these terms and any other terms of this Agreement, these terms shall prevail):

1. Notwithstanding any requirement in this Contract that the Reinsured shall actually make payment in discharge of its liability to its policyholder before becoming entitled to payment from the Reinsurer:
 - a. the Reinsurer shall be liable to pay the Reinsured even though the Reinsured is unable actually to pay, or discharge its liability to its policyholder; but
 - b. nothing in this clause shall operate to accelerate the date for payment by the Reinsurer of any sum which may be payable to the Reinsured, which sum shall only become payable as and when the Reinsured would have discharged, by actual payment, its liability for its current net loss but for it being the subject of an Insolvency Event.
2. The existence, quantum, valuation and date for payment of any sum which the Reinsurer is liable to pay the Reinsured under this Contract shall be those and only those for which the Reinsurer would be liable to the Reinsured if the liability of the Reinsured to its policyholders had been determined without reference to any term in any composition or scheme of arrangement or any similar such arrangement, entered into between the Reinsured and all or any part of its policyholders, unless and until the Reinsurer serves written notice to the contrary on the Reinsured in relation to any composition or scheme of arrangement.
3. The Reinsurer shall be entitled (but not obliged) to set-off, against any sum which it may be liable to pay the Reinsured, any sum for which the Reinsured is liable to pay the Reinsurer.

An Insolvency Event shall occur if:

- A.
 - i. (in relation to (1), (2) and (3) above) a winding up petition is presented in respect of the Reinsured or a provisional liquidator is appointed over it or if the Reinsured goes into administration, administrative receivership or receivership or if the Reinsured has a scheme of arrangement or voluntary arrangement proposed in relation to all or any part of its affairs; or
 - ii. (in relation to (1) above) if the Reinsured goes into compulsory or voluntary liquidation;or, in each case, if the Reinsured becomes subject to any other similar insolvency process and
- B. the Reinsured is unable to pay its debts as and when they fall due within the meaning of the applicable insolvency provisions.

ARTICLE 30 - SANCTIONS

█ acts, in the course of its Credit, Bond and Political Risk insurance activities, in compliance with sanctions issued by the European Union. As a consequence, losses ceded to this Contract are compliant with such sanctions.

ARTICLE 31 - ENTIRE AGREEMENT

The acceptance of an offer for this Contract with an amendment or divergence, even one that does not materially change the conditions of the offer, pursuant to section 1740 (3) of the Civil Code, shall be ruled out.

This Contract, including the attached Risk Details, constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no general or specific warranties, representations or other agreements by or among the parties in connection with the entering into of this Contract or the subject matter hereof except as specifically set

forth herein.

Signed in Prague this 21st day of December 2018

for and on behalf



Signed in Prague this 21st day of December 2018

for and on behalf of Exportní garanční a pojišťovací společnost, a.s. (EGAP)