

# INSURANCE CONTRACT

**for Insurance of a Short Term Export Supplier Credit Financed by  
a Bank against the Risk of Non Payment**

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**Exportní garanční a pojišťovací společnost, a.s.**

Registered office: Vodičkova 34/701, 111 21 Prague 1, Czech Republic

Registered number: 45279314

Tax ID number: CZ45279314

Entered in the Commercial Register maintained by the Municipal Court in Prague, file reference:  
B 1619

Bank details: Československá obchodní banka, a.s.

Account number: 6007-0166563583/0300

Representing persons:

[Redacted]

(hereinafter the “**Insurer**”)

and

[Redacted]

Registered office:

[Redacted]

Registered number:

[Redacted]

Tax ID number:

[Redacted]

[Redacted]

[Redacted]

Account number:

[Redacted]

Representing persons:

[Redacted]

[Redacted]

[Redacted]

[Redacted]

(hereinafter the “**Policyholder**”)

and

[Redacted]

Registered office:

[Redacted]

Registered number: [REDACTED]

Tax ID number: [REDACTED]

Account number: [REDACTED]

Representing persons: [REDACTED]

(hereinafter the “**Exporter**”)

(the Insurer, Policyholder and Exporter are hereinafter referred to jointly as the “**Contracting Parties**” and individually as a “**Party**”)

conclude, in accordance with the provisions of generally binding Czech legal regulations, in particular Act No. 89/2012 Coll., the Civil Code (hereinafter the “**Civil Code**”), based on a request of the Policyholder for insurance [REDACTED] and in accordance with the text of the General Insurance Conditions for Insurance of a Short Term Export Supplier Credit financed by a Bank against the Risk of Non Payment “Bf”, which came into effect on 1 January 2019 (hereinafter the “**GIC Bf**”), this insurance contract no. 202002323 (hereinafter the “**Insurance Contract**”):

## ARTICLE 1 Basic Provisions

1.1. The subject of insurance is receivables that were assigned to the insured without the option to have recourse to the Exporter in accordance with Receivable Assignment Agreement [REDACTED]

[REDACTED] (hereinafter the “**Assignment Agreement**”), resulting from export contract no. [REDACTED] (hereinafter the “**Export Contract**”), under which a [REDACTED]

[REDACTED] a total value [REDACTED]

[REDACTED] will be made by the Exporter to the importer, who is:

[REDACTED]

[REDACTED]

[REDACTED]

|

(hereinafter the “**Importer**”) (hereinafter the “**Insured Receivable**”).

1.2. The Policyholder is also the insured.

1.3. The insurance in accordance with this Insurance Contract is insurance against loss and damage.

## ARTICLE 2

### Exports

- 2.1. The Export Contract determines the provision of an export supplier credit, totally [REDACTED]. The deliveries are realised based on the delivery parity [REDACTED]. A down payment of [REDACTED]. [REDACTED]. The export supplier credit is expected to be drawn in the period until [REDACTED]. The export supplier credit will be repaid in [REDACTED]. The documents that must prove origination of the Exporter's receivable from the Importer under the Export Contract and proper fulfilment of the Exporter's obligations under the Export Contract to the Importer are [REDACTED]. The insured declares that it accepts these documents.
- 2.2. The Insurer does not accept liability for the formal and content aspect of the concluded Assignment Agreement, the Export Contract or other documentation concerning the insured receivable, even in the event that it had it, its parts or preliminary proposals for it available during the agreement of insurance or at any time during the insurance in accordance with the Insurance Contract. Changes and amendments to the terms of the Assignment Contract or Export Contract can be performed only with the Insurer's written consent and can lead to a change to the Insurance Contract or a change to the insurance rate and the amount of the self-retention.
- 2.3. The insured is obligated to inform the Insurer of deliveries made, the assignment of an insured receivable to the insured and instalments of the export supplier credit, using the Insurer's e-mail address [REDACTED] unless the Contracting Parties agree otherwise.
- 2.4. The Exporter is obligated to inform the Insurer of a more than 5% reduction in the share of goods and services of Czech origin in the total value of exports compared to the share stated in the form "Exporter's Declaration on Share in Value of Exports" [REDACTED] (hereinafter the "**Declaration**") totalling [REDACTED] and notify the reasons for such change. The Insurer is entitled to claim reimbursement for asset detriment arising through non-performance of this duty by the Exporter, if, before the conclusion of the Insurance Contract, the Exporter stated in the Declaration untruthful information or if it later emerges that during the realisation of the Export Contract the aforementioned share is more than 5% lower than the share that was assumed by the Insurance Contract.

## ARTICLE 3

### Subject and Extent of Insurance

- 3.1. The insurance covers the risk of non-payment of an insured receivable or part thereof by the Importer as of the due date or during the waiting period, if set, if there is non-payment by the Importer directly and exclusively as a consequence of one or more causes

stated in the GIC Bf. The insured undertakes to properly care for an insured receivable and, in a timely manner, arrange its legal enforceability.

- 3.2. The subject of insurance includes the insured's costs related to the financing of an insured receivable during the waiting period (hereinafter the "**Refinancing Costs**").

- 3.3. The maximum insured value of all insured receivables totals . At the foreign exchange rate of the Czech National Bank for the ).

- 3.4. Indemnification is restricted by the upper limit, which is set in an amount corresponding to the insured value stated in the previous paragraph. The upper limit is reduced by:

- a) The amount of an insured receivable stated in the Notification of a Threat of an Insurance Loss, based on which the Insurer issued a Decision on Indemnification.
- b) The amount of a terminated insured receivable or its part, if this insured receivable or its part was not the subject of a Decision on Indemnification.

- 3.5. The upper limit on indemnification is always set as a limit on indemnification.

#### **ARTICLE 4**

##### **Indemnification**

- 4.1. If an insurance loss occurs, the beneficiary becomes entitled to indemnification in accordance with Article VIII of the GIC Bf Indemnification.
- 4.2. Indemnification is provided in Czech crowns.
- 4.3. The beneficiary is the insured, unless the Contracting Parties agree otherwise in writing.
- 4.4. The self-retention is set as .
- 4.5. The insured contributes to the salvage costs, including the purposefully spent costs of enforcing the insured receivables, at the same rate as its self-retention.

#### **ARTICLE 5**

##### **Insurance Premium and Other Fees**

- 5.1. The Policyholder undertakes to pay the Insurer an insurance premium, under the conditions that are stipulated in the Insurance Contract and the GIC Bf. An insurance rate of .

- 5.2. The total amount of the insurance premium is [REDACTED]  
[REDACTED]  
[REDACTED] (hereinafter the “**Fee for Drafting**”).
- 5.3. The agreed amount of the insurance premium includes a possible increase or reduction in the classification of countries in accordance with the degree of export credit risk and is unchanging for the entire duration of the insurance. This is without prejudice to Article 2.2, second sentence, of the Insurance Contract.
- 5.4. The Contracting Parties also agree that if the Policyholder has obtained a statutory entitlement to the return of the insurance premium or part thereof (hereinafter “**Insurance Premium Refund**”), the Insurer is obligated to return to the Policyholder, at its written and justified request, the Insurance Premium Refund, [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 5.5. In the event of the termination of the Insurance Contract before the insurance arises, whether it is on the part of the Policyholder or in the event the Insurance Contract is withdrawn from in accordance with Article 6.3 of the Insurance Contract, the Policyholder is obligated to pay the Insurer a fee for the reservation of capital funds, totalling [REDACTED]).
- 5.6. In return for the drafting of an amendment to the Insurance Contract the Insurer is entitled to request the payment of a fee totalling [REDACTED]  
[REDACTED] for each individual amendment.
- 5.7. The insurance premium and all fees are paid as a lump sum by cashless transfer to the Insurer’s bank account stated in an accounting document (invoice), unless the Insurance Contract provides otherwise. The insurance premium, fees and any other receivables of the Insurer are payable within 15 calendar days of the date of issue of an accounting document (invoice) by the Insurer, unless a later due date is stated on the relevant invoice. Payment shall be understood to mean the crediting of the relevant amount to the Insurer’s bank account. The Policyholder is obligated to call on the Insurer to issue an invoice at the moment the date of assignment of the insured receivable from the Exporter to the insured is determined, but no later than [REDACTED].

## ARTICLE 6

### Duration of Insurance Contract and Insurance

- 6.1. The Insurance Contract comes into force on the day it is signed by the Contracting Parties and into effect on the day of payment of the Fee for Drafting, but no earlier than the day of publication in the contracts register.
- 6.2. The Insurance Contract is concluded for the term of the insurance.
- 6.3. In addition to the reasons for withdrawal from the Insurance Contract resulting from the law and the GIC Bf, the Insurer is entitled to withdraw from the Insurance Contract if the

delay by the Policyholder paying the Fee for Drafting reaches three months. In the event the insurance in accordance with the Insurance Contract does not arise within one year of the date of its conclusion, the Insurance Contract terminates.

- 6.4. The insurance arises on the day of payment of the Insurance Premium, but no earlier than the effective date of the Insurance Contract or the day of assignment of the insured receivable by the Exporter to the insured, whichever is the earlier.
- 6.5. The insurance terminates on [REDACTED], if:
- a) The insured receivable is paid as of this day; or
  - b) The insured receivable was not paid for causes other than the causes stipulated by the Insurance Contract.
- 6.6. Otherwise, if there was no termination of the insurance in accordance with the previous paragraph the insurance continues and terminates upon the vain expiry of the deadline stipulated in Article VIII (3) of the GIC Bf. This is without prejudice to Article VI (2) of the GIC Bf.

## **ARTICLE 7**

### **Other Provisions**

- 7.1. The insured is obligated to take all expedient measures to prevent the arising of an insurance loss without undue delay.
- 7.2. The insured is obligated to familiarise the Insurer with all changes and circumstances that could lead to the arising of an insurance loss.
- 7.3. The insured is obligated to notify the Insurer in writing of the course of performance of the export case (Export Contract), [REDACTED]  
[REDACTED]  
[REDACTED]
- 7.4. The insured is obligated to provide the Insurer, for the duration of the insurance, [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 7.5. If the Insurance Contract does not stipulate a special deadline for the performance of the reporting duty, the insured and the Exporter are obligated to perform the reporting duty in accordance with the Insurance Contract and the GIC Bf promptly, but no later than within five business days of the moment they could and should have learned of the fact with which the reporting duty is linked.
- 7.6. The insured is obligated to ask for the reimbursement of purposefully spent salvage costs for the recovery of an insured receivable and to properly document them within two months of the date they are incurred. In the event of non-compliance with this deadline, the Insurer is not obligated to reimburse the insured for such costs. The costs related to

proving the legitimacy of insured receivables in accordance with the GIC Bf and related claims do not have to be reimbursed by the Insurer, if the insured does not prove in court proceedings the legitimacy of an insured receivable or if the denial of the insured receivable does not occur based on evidently discriminatory actions by an insolvency administrator or court.

- 7.7. The Contracting Parties, at variance with the GIC Bf, agree that the insured's duties stipulated in Article XI (1)(b) of the GIC Bf do not apply to the provision of information about the economic situation, the financial and legal state of the insured and the Exporter.

## **ARTICLE 8**

### **Declarations of the Exporter on Recognition of Obligation**

#### **in the Event It Does not Perform the Export Contract in Full (Recourse)**

- 8.1. By signing the Insurance Contract the Exporter recognises its rights and duties under the Insurance Contract and the GIC Bf, in particular Article XII of the GIC Bf, including the duty to reimburse the Insurer for asset detriment that it incurs through the payment of an indemnity in the event that an insurance loss arises due to non-compliance with the Exporter's duties stipulated by the GIC Bf and the Insurance Contract, within 15 days of the delivery of a call for payment from the Insurer.
- 8.2. In the event that a claim for payment of an insured receivable from the Importer was rejected by a legitimate court or arbitration decision or recognised only in part, due to non-compliance with the Export Contract by the Exporter or due to the illegitimacy and/or court unenforceability of the insured receivable caused by the Exporter, the Exporter is obligated to reimburse the Insurer for the indemnity paid out in accordance with the Insurance Contract, within 15 days of the legal effect of the court or arbitration decision.
- 8.3. The Exporter undertakes to inform the insured and the Insurer of all receivables from the Importer, i.e. including those that are not the subject of insurance in accordance with the Insurance Contract, that are not paid by the due date.

## **ARTICLE 9**

### **Concluding Provisions**

- 9.1. The Contracting Parties agree that the Insurance Contract is governed by the GIC Bf, which are published at the Insurer's website [www.egap.cz](http://www.egap.cz) and form an integral part of the Insurance Contract. By signing this Insurance Contract the Contracting Parties confirm that they were familiarised in full before the conclusion of this Insurance Contract with the text of the GIC Bf and that they agree without reservation to their content, including the deviation from Sections 1799 and 1800 of the Civil Code on standard-form contracts in accordance with Article XV (9) of the GIC Bf. The acceptance of the offer of the Insurance Contract with a deviation or rider, even if it does not materially change the conditions of the offer, is ruled out in accordance with Section 1740(3) of the Civil Code.

- 9.2. In the event of different individual provisions in the Insurance Contract and the GIC Bf, the text of the Insurance Contract is always decisive.
- 9.3. Changes and modifications to the Insurance Contract can be made only with the consent of all the Contracting Parties, in writing.
- 9.4. The Contracting Parties take note that the Insurer, as a legal entity in which the government owns a majority, is subject to Act No. 340/2015 Coll., on special conditions for the effectiveness of some contracts, the publication of such contracts in the contracts register (the Act on Contracts Register), and agrees to the publication of the Insurance Contract in the contracts register, where such publication does not represent a breach of the duty of confidentiality. The Contracting Parties agree that the publication of the Insurance Contract in the contracts register will be arranged by the Insurer.
- 9.5. The Policyholder and the Exporter declare that the Insurance Contract does not contain any facts that would be trade secrets in accordance with Section 504 of Act No. 89/2012 Coll., the Civil Code.
- 9.6. The Insurance Contract and all relations resulting from it are governed by the legal order of the Czech Republic.
- 9.7. The Insurance Contract was drafted in three counterparts, of which each of the Contracting Parties will receive one. The counterpart of this Insurance Contract that the Policyholder obtains is also a confirmation of conclusion of Insurance Contract (insurance policy) in accordance with Section 2775 of the Civil Code.
- 9.8. This Insurance Contract is executed in the Czech and English languages whereas the Czech version is legally binding regardless of any translation thereof, which may be acquired for any purpose.
- 9.9. The Contracting Parties declare that the Insurance Contract expresses their own free will, they have read the Insurance Contract and agree to its content, which they confirm with their signatures.

Prague, on .....

Policyholder

Insurer



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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

**Exportní garanční a pojišťovací  
společnost, a.s.**

Exporter

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[REDACTED]

[REDACTED]

[REDACTED]