

AGREEMENT

GOVERNING RECIPROCAL REINSURANCE OBLIGATIONS

between



AND

EXPORT GUARANTEE AND INSURANCE CORPORATION

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AGREEMENT

GOVERNING RECIPROCAL REINSURANCE OBLIGATIONS

This Agreement is made on between:

[REDACTED]

And

EXPORT GUARANTEE AND INSURANCE CORPORATION, Vodičkova 34, Prague, Czech Republic, acting on the basis of the Act N° 58/1995 Coll. On insuring and financing of export with State support, as amended (hereinafter called „EGAP“)

PREAMBLE

1. By entering into this Agreement [REDACTED] and EGAP (the „Parties“) seek to increase joint Czech and [REDACTED] projects in third countries.
2. In furtherance of this aim the Parties will seek to identify companies which could benefit from the Agreement and will promote the Agreement amongst their customers and potential customers.

ARTICLE I – PURPOSE OF THE AGREEMENT

1. This Agreement has, as its purpose, the governing of the reciprocal arrangements between EGAP and [REDACTED] in cases where:
 - a) companies carrying on business severally in Czech Republic and in [REDACTED] have entered into related export contracts („Supply Contracts“) for the supply of Goods and/or Services to a buyer established in a country [REDACTED] and Czech Republic („the Buyer“);
 - b) a supplier has requested that credit insurance facilities be provided by one Credit Insurer for all the said Goods and/or Services;
 - c) one Credit Insurer is prepared to provide such credit insurance facilities on condition that the other Credit Insurer reinsures the risk in relation to the Goods and/or Services supplied from the country of that other Credit Insurer; and
 - d) support for such export contract is being provided on terms which conform with the OECD Arrangements on Guidelines for Officially Supported Export Credits.
1. It is agreed that the final decision on the provision of reinsurance in respect of any particular contract will be taken on a case by case basis.
2. For the sake of clarification, it is not intended that this Agreement should be utilised where the Insurer is providing insurance in respect of a Supply Contract where the main contractor has an „if and when“ relationship with its subcontractor(s) in the country of the Reinsurer.

ARTICLE II – DEFINITIONS

For the purpose of this Agreement the following expressions shall have the following meanings.

Business Day	means a day when both the Credit Insurers are open for business.
Credit Insurers	means EGAP and [REDACTED], and „Credit Insurer“ means either of the same.
Goods and/or Services	means the goods and/or services sourced from Czech Republic or [REDACTED] and also the foreign and local goods and/or services which are covered under the Policy.
Insured	means the Supplier, or a party providing financing for the Supply Contract.
Insurer	means that Credit Insurer which both parties agree will provide the Policy.
Policy	means an insurance policy or guarantee issued by the Insurer a portion of which is reinsured with the Reinsurer.
Reinsurer	means the Credit Insurer providing reinsurance to the Insurer in respect of a particular transaction.
Preliminary Proposal Form	means a form as set out in Appendix A or such other form as may be agreed between the parties.
Preliminary Response Form	means a form as set out in Appendix C or such other form as may be agreed between the parties.
Final Proposal Form	means a form as set out in Appendix D or such other form as may be agreed between the parties.
Final Response Form	means a form as set out in Appendix E or such other form as may be agreed between the parties.
Guarantee Issued Form	means a form as set out in Appendix F or such other form as may be agreed between the parties.

- a) Where the context of this Agreement so allows words importing the singular include the plural and vice versa.
- b) Article headings are for ease of reference only and do not form part of this Agreement.

ARTICLE III – FACILITIES TO WHICH THIS AGREEMENT APPLIES

The facilities provided by EGAP and [REDACTED] to which this Agreement applies are set out in Annexes 1 and 2 to this Agreement respectively. Either Credit Insurer will notify the other when amending any of its schemes, and the relevant Annex shall be amended accordingly.

ARTICLE IV – APPROVAL PROCEDURE

This Agreement shall be operated in accordance with the regulations set out in Annex 3 which may be changed from time to time by written agreement between the parties.

ARTICLE V – DETERMINATION OF INSURER

It is the intention of the parties that the Credit Insurer of whichever country has the larger share in value of the proposed contract will normally be the Insurer. However, it may be appropriate for the Insurer to be that of the country of the main contractor where the main contractor has the smaller share. Both parties agree that there may be other reasons for determining the Insurer, and either party may propose who should be the Insurer in any particular case. Both parties agree that they will seek to determine the Credit Insurer in an amicable manner.

ARTICLE VI – PERCENTAGE OF REINSURANCE

The Reinsurance Percentage in the value of the Goods and/or Services reinsured by the Reinsurer. The Reinsurance Percentage will normally be calculated in the manner set out in Appendix B example 1, 2 or 3, but may be calculated in the manner set out in Appendix B example 4 (or any other manner if the parties so agree).

ARTICLE VII – ORIGIN OF GOODS

Regarding Goods and/or Services sourced from the Reinsurer's country, the parties confirm that said Goods and/or Services are expected to originate from the Reinsurer's country.

If the Reinsurer in any specific transaction has reason to doubt the origin of Goods and/or Services, the Reinsurer may ask the Insurer for investigating – as far as possible – the origin of the Reinsured part of the transaction. The Insurer will inform the Reinsurer of the result of his findings.

ARTICLE VIII – OBLIGATIONS OF THE REINSURER

1. The Reinsurer undertakes to reinsure to the extent of the relevant Reinsurance Percentage the Policy issued by the Insurer in the terms set out in a Final Proposal Form which he has accepted.
2. The Reinsurer, relying on the information provided by the Insurer in Annex 1 or Annex 2 to this Agreement as the case may be and in each case on the Preliminary Proposal Form and Final Proposal Form, agrees in that case to the text of the Insurer's Policy documents.

3. The Reinsurer agrees to pay the Insurer a sum equal to that proportion of any claim paid or to be paid by the Insurer on the relevant Policy which the Reinsurance Percentage bears to the value of that Policy, such payment to be made not more than 30 business days after the date on which the Insurer gives notice that he has paid a claim.
4. Unless otherwise agreed by the parties, the percentage of cover given by the Reinsurer will not exceed 95 % of the value of its portion of the insured transaction.
5. The Reinsurer undertakes to consult the Insurer about any problem of which it becomes aware and which may affect the performance of the Supply Contract or related loan agreements.
6. If any refund of premium is made to the Insured in accordance with the terms of the Policy, and that refund is applicable to the reinsured portion because of a reduction in the amount reinsured or of the period of risk, the Reinsurer undertakes to pay to the Insurer on demand a sum equal to that proportion of the refunded premium which the Reinsurance Percentage bears to the value of that Policy (including the premium retained as administrative cost).

ARTICLE IX – OBLIGATIONS OF THE INSURER

1. The Insurer undertakes to pay to the Reinsurer, within 30 Business Days following receipt of the premium due under the Policy, either:
 - i. 90 % of a sum equal to that proportion of the premium which the Reinsurance Percentage bears to the value of the Policy, or
 - ii. such other sum as may be agreed between the Credit Insurers to represent sufficient premium to cover the risk as assessed by the Reinsurer.
2. The Insurer undertakes to notify the Reinsurer of, and immediately to consult with the Reinsurer about, any amendment to the clauses, terms, scope or nature of the export credit transaction or of the contractual arrangements relating thereto which could affect the nature of the risks covered by the Policy.
3. The Insurer undertakes to consult with the Reinsurer before deciding what preventive measures to take or what instructions to give to the Insured if an event has occurred which any affect the nature and/or size of the risks covered or lead to a loss.
4. The Insurer undertakes to pay to the Reinsurer a sum equal to that proportion of any recovery made and retained by the Insurer after payment of a claim which the Reinsurance Percentage bears to the value of the Policy, such payment to be made within 30 Business Days of the date on which the Insurer makes such recovery.
5. The Insurer undertakes to provide to the Reinsurer on demand all information on its possession relating to the transaction.

ARTICLE X – CHANGES IN SOURCING

If after the Reinsurer has accepted the Final Proposal Form, the sourcing of the Goods and/or Services to be supplied under the Supply Contract is changed [REDACTED], the Insurer shall inform the Reinsurer and either party may seek to adjust the Reinsurance Percentage. If so agreed, an appropriate adjustment will be made of the sums owed reciprocally by the Insurer and the Reinsurer by way of premium, claims and shares in the costs involved in obtaining recoveries or in reducing or avoiding loss.

ARTICLE XI – RECOVERY AND DISPUTE EXPENSES

The Insurer shall consult with the Reinsurer before incurring recovery expenses of a total exceeding or likely to exceed [REDACTED] of the Supply Contract. The Reinsurer agrees to pay to the Insurer a sum equal to that proportion of any recovery or dispute expenses incurred by the Insurer according to its policies which the Reinsurance Percentage bears to the value of the Policy, such payment to be made within 30 Business Days following the date on which it is advised that the Insurer has paid such expenses.

ARTICLE XII – DEBT RESCHEDULING

1. In the event of a request by the borrower's country to reschedule the debt to which a Policy relates, the Insurer and Reinsurer shall consult as to whether to grant the request and if so how to resolve any problems that may arise from the request. However, in the absence of agreement the final decision will be taken in each case by the Insurer.
2. If the debt to which a Policy relates is made subject to a rescheduling agreement, the Insurer shall consult the Reinsurer if he wishes to sell or write off the reinsured portion of the debt or any part thereof, and may at the Reinsurer's request consider the assignment to the Reinsurer of the reinsured portion of the debt or any part thereof.

However if the debt is included in a Paris Club Rescheduling Agreement, it is expected that the reinsured portion would be treated in terms as favourable as that described in the Paris Club Agreed Minutes.

ARTICLE XIII – CURRENCY

Unless otherwise agreed all the payments to be made by virtue of this Agreement will be made in [REDACTED].

ARTICLE XIV – LAW AND ARBITRATION

1. In relation to the transactions to which it applies this Agreement shall in each case be governed by the law of the country of the Insurer.
2. The parties hereto will use their best endeavours to resolve by consultation between them any dispute arising from this Agreement.
3. Any dispute not so resolved will be settled in accordance with the rules of conciliation and arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with those rules.
4. The place of the arbitration will be the country of the Insurer.

ARTICLE XV – WITHDRAWAL AND REVIEW

Either of the parties hereto will have the right to withdraw from this agreement by notifying its withdrawal to the other in writing. Such a withdrawal will not affect any commitments assumed prior to such notification. At any time either party may seek a review of the procedures appertaining to this Agreement.

ARTICLE XVI – OFFICIAL LANGUAGE

This agreement is drawn up in two languages, in [redacted] and in English. Each text is of equal authority and may be used for its interpretation. The working language, however, is English. Therefore all Annexes and Appendices will be written in English only.

EGAP

[redacted]

GENERAL OVERVIEW OF EGAP's INSURANCE FACILITIES

ANNEX 1

GENERAL OVERVIEW OF EGAP's INSURANCE FACILITIES

ANNEX 1

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

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

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ANNEX 3

AGREED PROTOCOL ON PROCEDURE

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

APPEDIX A
PRELIMINARY PROPOSAL FORM

FROM:...

TO:...

We refer to the Agreement between us dated...

We hereby propose that the following transaction is considered for reinsurance:

Ref No:

Exporter from this country:...

Exporter from your country:...

Their Contractual relationship:...

Project:...

Buyer:...

Borrower:...

Country:...

Guarantor/Security Package:...

Contract Value:...

Interest:...

Breakdown of supplies:...

Risk Period
-manufacturing...
-credit...

Repayment Terms:...

Any unusual Features of Case:...

Type(s) of Cover to be Given:...

Loan Amount:...

Interest:...

Lender(s):...

Estimated Insured Amount:...

Estimated Maximum Indemnification:...

Estimated Reinsured Percentage (show calculation):...

Premium Rate (state amount payable on):...

Special Conditions:...

Recourse Conditions:...

Comments:...

Signed:

For: [Credit Insurer]

Date:

APPENDIX B

EXAMPLES OF CALCULATION OF REINSURANCE PERCENTAGE

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

APPENDIX C

PRELIMINARY RESPONSE FORM

TO:...

FROM:...

We refer to your Preliminary Proposal Form, ref no _____ dated ...

- * (a) We can agree to your proposal in its entirety and look forward to you providing a Final Proposal form in due course.
- * (b) We can agree to your proposal if you are prepared to make the following amendments
We look forward to receiving your comments and/or a revised Preliminary Proposal Form.
- * (c) As Reinsurer we would wish to receive the following premium:
 - rate ...
 - payable on ...

For (a), (b) and (c)

Please note that this is not a commitment from [Reinsurer] to provide Reinsurance. If you require such a commitment, please complete and return a Final Proposal Form.

- * (d) We can not agree to your proposal for this transaction.

Comments:

Signed:

For: [Credit Insurer]

Date:

*Delete if inapplicable

APPENDIX D
FINAL PROPOSAL FORM

FROM:...

TO:...

We refer to the Agreement between us dated and the Preliminary Proposal Form dated ... reference number . We hereby propose that the following transaction be reinsured by you on the following terms:

Ref No:

Exporter from this country:...

Exporter from your country:...

Their contractual relationship:...

Project:...

Buyer:...

Borrower:...

Country:...

Guarantor/Security Package:...

Contract Value:...

Interest: ...

Breakdown of supplies (show goods/services values in relation to each nation's share): ...

Risk Period:

- manufacturing...
- credit...

Repayment Terms: ...

Any unusual Features of Case: ...

Types of Cover to be given: ...

Loan Amount: ...

Interest: ...

Lender(s): ...

Overall Insured Amount: ...

- Value of goods and/or Services in relation to country of the Reinsurer, in proportion to the value of all Goods and/or Services provided: ...
- Percentage of cover given by the Insurer: ...
- Reinsurance Percentage (show calculation): ...

Estimated Maximum Indemnification: ...

Special Conditions: ...

Recourse Conditions: ...

Amount of Premium Payable:

- To be allocated to Insurer: ...
- To be allocated to Reinsurer...

(show calculation)

Date on which the commitment of the Insurer towards the applicant will expire: ...

Comments: ...

Signed:

For: [Credit Insurer]

Date:

APPENDIX E
FINAL RESPONSE FORM

FROM:

TO:

We refer to the Agreement between us dated ... and the Final Proposal Form dated ... reference number .

[*] We hereby accept the proposal you have made and will provide the reinsurance you require on the terms set out in the Agreement dated ... and the Final Proposal Form dated ... Ref No .

[*] We cannot accept your proposal to provide reinsurance [comments].

Signed:

For: [Credit Insurer]

Date:

*Delete if inapplicable

APPENDIX F
GUARANTEE ISSUED FORM

FROM: ...

TO: ...

We refer to the Agreement between us dated ... and the Final Proposal
Form dated ... reference number .

This is to inform you that a Policy was issued on The value of the cover
given is

The Reinsured Percentage is... .

- A The total premium payable is...
- B The Amount Payable to the Insurer is...
- C The Amount Payable to the Reinsurer is...

The Premium Percentage is $\frac{C}{A} = \dots$

Premium will be paid to us as follows: ...



Due Date (If known)	...	Amount...	Premium Percentage	...	Amount Payable... to Reinsurer
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We will ensure that you are paid within 30 Business Days of receipt.

Any other comments...

Signed:

For: [Credit Insurer]

Date:

**AMENDMENT N°1 TO THE AGREEMENT GOVERNING RECIPROCAL REINSURANCE
OBLIGATIONS DATED [REDACTED]**

BETWEEN

EXPORT GUARANTEE AND INSURANCE CORPORATION, a joint stock company fully owned by the state, having its registered office at Vodičkova 34/701, 111 21, Prague, Czech Republic, registered under number 45279314, (hereinafter referred to as „**EGAP**“),

[REDACTED]

AND

[REDACTED]

EGAP, [REDACTED] and [REDACTED] hereinafter individually referred to as a « **Party** » and collectively as the « **Parties** ».

WHEREAS:

EGAP and [REDACTED] have entered into an agreement dated [REDACTED] governing reciprocal reinsurance obligations, possibly completed and/or modified by amendment (hereinafter the « **Agreement** »).

[REDACTED] (hereinafter the « **Law** »), „the portfolio of insurance policies and of any other guarantees, the cover commitments and the insurance [operations] contracts entered into and held by [REDACTED] for the account of the [REDACTED], as well as any other rights, obligations, contracts and authorizations of any kind in [REDACTED] an abroad relating thereto, will be transferred to the [REDACTED] and managed on its behalf, under its control and in its name, by the entity referred to in the [REDACTED]

Pursuant to [REDACTED], this transfer shall be effective on a date fixed by decree, and on December 31, 2019 at the latest (hereinafter the « **Effective Date of Transfer** »).

Moreover, by convention dated [REDACTED], [REDACTED] appointed [REDACTED] as the entity referred to in [REDACTED] of the [REDACTED], mandated by the [REDACTED] to manage and deliver on its behalf, under its control and in its name the [REDACTED] export credit guarantees provide for in [REDACTED] (hereinafter the « **Guarantees** »), and [REDACTED] accepted this mandate with effect from the Effective Date of Transfer.

IT IS AGREED AS FOLLOWS:

Article 1: PURPOSE OF THE AMENDMENT

The Parties acknowledge and agree to the transfer of all the rights and obligations of [REDACTED] under the Agreement to the [REDACTED] from the Effective Date of Transfer.

The Parties agree that this transfer covers all past, present or future rights and obligations under the Agreement.

Accordingly, [REDACTED] will be discharged of all its obligations and will not exercise any right under the Agreement from the Effective Date of Transfer, subject to any mandate that the [REDACTED] may wish to grant to it at a later date.

Consequently, the Parties agree that from the Effective Date of Transfer, all references to [REDACTED] or more generally any name referring to [REDACTED] in the Agreement shall be replaced by the reference to the [REDACTED] or to [REDACTED] acting on behalf, under the control and in the name of [REDACTED], according to the context.

EGAP acknowledges that the Guarantees will be managed by [REDACTED] under the control, on behalf and in the name of [REDACTED], from the Effective Date of Transfer.

Article 2: INFORMATION

[REDACTED] will inform EGAP of the Effective Date of Transfer and will provide it with an updated list of all covered transactions reinsured by EGAP or by [REDACTED] under the Agreement as at the Effective Date of Transfer.

It is expressly agreed that this list will be given for information purpose only.

Article 3: NOTIFICATION

As from the Effective Date of Transfer, if no other contact has been specified for a particular transaction, all communications to [REDACTED] shall be sent to:

[REDACTED]

Article 4: MISCELLANEOUS

This Amendment will enter into force on the Effective Date of Transfer.

The provisions of the Agreement that have not been amended or deleted by this Amendment remain in full force and effect.

This Amendment shall not be considered as a novation of the obligations of EGAP and [REDACTED] under the Agreement.

