



OVERALL AGREEMENT
General terms (664-14)

DELICREDERE
DU CROIRE

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PREAMBLE

This agreement sets out the General Terms of Insurance for contracts referred to in the Special Terms of the policies.

The contracts covered by the Belgian Export Credit Agency (Office national du Ducroire | Nationale Delcredere dienst) (hereinafter referred to as “Delcredere | Ducroire”) and the insured’s co-contracting party or parties are hereinafter referred to as “the Contract” and “the debtor”, respectively.

CHAPTER 1

SCOPE OF INSURANCE

ARTICLE 1 COVERED RISKS

1.1 The Special Terms shall determine which of the following risks are covered by the policy:

1.1.1 **De jure** or **de facto** termination

De facto termination occurs when performance of the Contract is suspended for a period of six months. This period starts to run on the date on which the insured notifies Delcredere | Ducroire of the occurrence of the risks defined in Article 1.2.3 which render suspension unavoidable or, in other cases, on the date on which Delcredere | Ducroire, acting pursuant to Article 5.1, orders suspension of the Contract.

1.1.2 Non-payment of receivables

Non-payment occurs when it is not possible to collect the Contract receivables (including the inability to obtain the transfer in Belgium of the debtor's payments) within the claims waiting period defined in Article 1.2.4.

1.2 The Special Terms shall determine which of the following **risks** are covered by the policy:

1.2.1 Risks relating to private debtors

1.2.1.1 **Proven insolvency** of the debtor, which may be established de jure or de facto The debtor's insolvency shall be deemed established de jure in the following cases:

- > adjudication of bankruptcy;
- > voluntary or involuntary arrangement with creditors;
- > judicial decision equivalent to an adjudication of bankruptcy or arrangement with creditors, entailing the suspension of individual proceedings.

The debtor's insolvency shall be deemed established de facto if the insured can prove that the debtor's situation renders payment unrealistic and that enforcement or a bankruptcy petition is likely to aggravate the loss.

1.2.1.2 Presumed insolvency of the debtor

The debtor shall be presumed insolvent where, after having effectively accepted goods or services ordered, it has not paid the purchase price, in whole or in part, upon expiry of the claims waiting period.

1.2.1.3 Default by the debtor

Default means that the debtor is unable to perform its obligations or fails to do so for no legitimate reason.

1.2.2 Risk of default by a public debtor

This risk refers to a situation in which a public debtor is unable to perform its obligations or fails to do so for no legitimate reason.

1.2.3 Political (and similar) risks

These risks cover all events occurring abroad, other than those related to the risk of debtor default or insolvency, which qualify as force majeure for the insured or the debtor, in particular:

- > political unrest such as wars, revolutions or riots;
- > natural disasters such as earthquakes, volcanic eruptions or tidal waves;
- > economic difficulties such as a foreign exchange shortage;
- > acts, decisions or default on the part of public authorities, which are deemed acts of state.

Acts of state by the Belgian authorities shall, however, be covered if resulting from the conduct of international affairs. Doubtful claims or those with multiple causes shall not be deemed to arise from political risks.

1.2.4 Unless the Special Terms provide otherwise the **claims waiting period** referred to in Article 1.1.2 shall be fixed at six months from the due date.

There is no waiting period if the claim arises from the debtor's proven insolvency.

If the insurance cover is limited to political risks and the claim arises from an inability to transfer funds, the claims waiting period shall only start to run when the debtor has completed all acts required of it for the conversion or transfer of its payments.

ARTICLE 2 EXCLUDED RISKS

- 2.1** No indemnification shall be due for a loss that is attributable, together with the covered causes defined in Article 1, to the fault of the insured or any person for whom the insured is responsible (subcontractors, authorised agents, persons acting on the insured's behalf and, where appropriate, partners).
- 2.2** Such fault may in particular consist of:
- 2.2.1** technical or financial errors in the drafting, assessment and performance of Contract obligations as well as in the drafting of the Contract itself which could result in losses, even in the absence of a claim;
 - 2.2.2** non-compliance with the legislation and regulations in force in Belgium or abroad, in particular with respect to the commissions, authorisations and formalities required for import, export or the transfer and conversion of payments;
 - 2.2.3** reckless exposure to transfer risk for payments or foreign exchange holdings, in particular due to the fact that local cash reserves in the debtor's country are disproportionate having regard to the rate or volume of works to be carried out there or to the fact that local expenditures are financed by means of euro or foreign currency transfers, while such expenditures could have been financed in the local currency;
 - 2.2.4** the acceptance of contractual provisions which are unconscionable compared to international practice and which would abnormally restrict the rights of the insured in the event of a claim; in such cases, fault may consist of penalty clauses, termination clauses or force majeure clauses which cause the covered acts to have abnormal consequences or the acceptance of questionable jurisdiction, be it of a court or arbitral tribunal;
 - 2.2.5** failure to take out, with qualified companies on the insurance market, insurance policies covering goods and persons as reasonably required by international trade practices.

ARTICLE 3 BASIS FOR COVER

3.1 The insurance shall cover:

3.1.1 termination losses : the costs incurred to perform the Contract from the time it is entered into.

3.1.2 non-payment losses: the insured's receivables corresponding to the principal amount of the Contract and contractual interest on this amount.

If these receivables arise from a loan with a maximum term of more than one year, they shall be increased by the default interest due by the debtor under the Contract during the claims waiting period referred to in Article 1.2.4, unless the insured expressly waives this right in the insurance application.

3.1.3 extraordinary expenses : extraordinary expenses arising from an event of loss or potential event of loss, incurred with Delcredere | Ducroire's approval in order to prevent or mitigate a loss giving rise to indemnity.

If, however, such expenses also relate to amounts which are not covered by Delcredere | Ducroire, they shall be allocated proportionally to the amounts insured and uninsured.

3.2 The insurance shall not cover default interest, except in the case provided for in the second paragraph of Article 3.1.2, penalties or damages owed by the debtor.

3.3 Foreign incorporations and local expenditures

3.3.1 Foreign incorporations shall be included in the basis for cover, provided Delcredere | Ducroire has been informed thereof and has expressly approved them where the value exceeds EUR 1,250,000 or 10 per cent of the Contract amount.

All orders for goods or services, other than raw materials, which are placed abroad by the insured or its subcontractors, either directly or through Belgian importers, shall be considered foreign incorporations.

3.3.2 Local expenditures shall be included in the basis for cover, provided Delcredere | Ducroire has been informed thereof and has expressly approved them, regardless of their amount.

Local expenditures shall mean:

- > all expenditures incurred by the insured or its subcontractors in the debtor's country on whatsoever basis, provided they are essential to the proper performance of the Contract or required by the debtor's authorities;
- > any loan granted to the debtor to finance its own expenditures.

3.4 Modification of the basis for cover

3.4.1 Increases in the basis for cover which on a cumulative basis do not exceed EUR 125,000 or 10 per cent of the initial Contract amount shall be automatically accepted, without the need for the insured to declare them, provided they meet the requirements set by Delcredere | Ducroire for coverage of the initial amount, in particular as regards the required authorisations as well as the means of payment and payment guarantees.

3.4.2 Increases in the basis for cover exceeding EUR 125,000 or 10 per cent of the initial Contract amount must be requested as soon as the need for them becomes apparent. Delcredere | Ducroire shall decide to which extent and at which conditions such increases may be allowed.

ARTICLE 4 EFFECTIVE DATE OF COVER

4.1 The termination losses cover shall take effect on the date on which the Contract enters into force.

4.2 The non-payment losses cover shall take effect on the date on which the insured satisfies its contractual obligations in full; however, where the Contract provides that the goods and services ordered may form the object of partial deliveries, the cover shall take effect on the date on which each delivery is made, provided the partial deliveries are invoiced separately and the payment dates are expressly mentioned.

However, an inability to collect due receivables before the date on which the non-payment losses cover takes effect may also qualify for indemnification in accordance with the rules (in particular Article 1.2.4) applicable to such cover, provided termination losses are covered and Delcredere | Ducroire, exercising the powers conferred on it by Article 5.2, obliges the insured to continue to perform the Contract.

ARTICLE 5 POWERS OF DELCREDERE | DUCROIRE

5.1 If it has reason to believe that any of the events or facts referred to in Article 1.2 are liable to occur, Delcredere | Ducroire may prescribe any measures which it deems appropriate to prevent the occurrence of a loss or to mitigate the effects thereof.

5.2 If termination losses are covered, Delcredere | Ducroire shall, in particular, be entitled to oblige the insured to suspend the production, supply and performance of the Contract or, on the contrary, to order the insured to continue to perform the Contract, notwithstanding the occurrence of any of the aforementioned events.

The consequences of such measures shall give rise to indemnification at the conditions and in the manner indicated in Articles 3, 4.2 second paragraph, and 14.

5.3 Delcredere | Ducroire may in any case amend, suspend or terminate the non-payment losses cover where the latter has not yet taken effect within the meaning of Article 4.2 first paragraph.

5.4 Where Delcredere | Ducroire has exercised the right referred to in Article 5.3, cover shall extend to the loss resulting from the damages which the insured is required to pay owing to the termination caused by Delcredere | Ducroire. This loss shall in any case not exceed the outstanding Contract amount.

5.5 Unless the Contract is a financial credit agreement, the insured may not rely on Article 5.4 if termination losses are not covered.

5.6 Delcredere | Ducroire may terminate the policy in the following cases:

- > occurrence of an event detrimental to the solvency of the insured, such as an acknowledgement of a suspension of payments, application for bankruptcy or submission of a bankruptcy petition, request for a stay of payments or an arrangement with creditors;
- > cessation or sale of the insured's business.

Termination shall not, however, affect the cover of risks that have already arisen, subject to immediate payment of the outstanding premiums due for the insurance of such risks.

ARTICLE 6 INSURED PERCENTAGE

- 6.1** Losses shall give rise to indemnification up to the insured percentage laid down in the Special Terms.
- 6.2** The insured must bear itself that percentage of the risk which is not covered by Delcredere | Ducroire. Any additional insurance cover and any arrangement which violates this requirement shall be prohibited, under penalty of invalidity of the cover.
- 6.3** If however the Contract is a financial credit agreement, the insured bank shall
- > if the insured percentage is set at 98% bear itself the uninsured percentage, i.e. 2% of the principal and interest;
 - > if the insured percentage is set at 95% bear itself 2% of the principal and 5% of the interest. It may carry forward the balance to the exporter;
 - > if the insured percentage is set at less than 95% bear itself the uninsured percentage that exceeds 5% of the principal and 5% of the interest. It may carry forward a maximum of 5% of the principal and interest to the exporter.

ARTICLE 7 VALIDITY OF THE INSURANCE

- 7.1** When applying for a policy, the insured must declare accurately all facts and circumstances known to it which are useful to properly assess the risks associated with the Contract and its economic interest (in particular, the nature and amount of foreign incorporations and local expenditures).

Except in the case of ongoing intra-bank relations, the insured is specifically obliged to declare, both prior to issue of the policy and during its term, all current and future claims against the debtor and its guarantor, any securities or guarantees granted or to be granted by these parties, and any securities or guarantees obtained or to be obtained from third parties in relation to the Contract.

The insured shall be liable for the description and, possibly, the interpretation it gives to the Contract even if Delcredere | Ducroire has received the contract documents and not commented on them.

Any omission or incorrect statement by the insured, even if made in good faith, shall automatically render the insurance cover invalid if it results in an erroneous assessment of the risks arising from, or the economic interest of, the Contract, while Delcredere | Ducroire would not have entered into the Contract, or would have done so on other terms, had more accurate information been available to it. Where, however, the insured can demonstrate that it acted in good faith, the insurance cover can remain valid, provided it is made subject to these other terms.

- 7.2** Likewise, cover shall remain valid only insofar as the terms of the Contract continue to comply with the presentation of them given upon acceptance, in particular as regards the amount, delivery times and payment terms.

Without prejudice to application of the derogations provided for by Articles 3.4.1 and 9.2, any de jure or de facto amendment to the Contract which is not approved by Delcredere | Ducroire shall expose the insured to the risk of cancellation of cover.

- 7.3** If the Contract provides for, or if laws or regulations require, the fulfilment, upon its entry into force or within 60 days thereafter, of certain acts, conditions or formalities, the validity of cover shall be subject to the accomplishment of these acts, conditions and formalities.

Acts, conditions and formalities shall be understood to include the making of a down payment, the opening or confirmation of irrevocable credit lines, the submission of a request for or the obtaining of licences, guarantees or authorisations, and the provision of plans or specifications.

- 7.4** The policy shall be deemed to have been entered into on the issue date indicated in the Special Terms.

Delcredere | Ducroire shall not be bound by the policy if it is not returned to Delcredere | Ducroire within 30 days from this date, bearing the required signatures, or if the Contract has not entered into force within six months from the date on which it is entered into.

Likewise, Delcredere | Ducroire shall cease to be bound by any addenda to the policy that are not returned, duly signed, within 30 days of issuance.

- 7.5** If cover extends solely to the political risks defined in Article 1.2.3, a claim may be made under the policy, in the absence of an extension, only if the events giving rise to the claim provided for in this paragraph produce effects within 6 months from the due date.

If the cover for risks related to private debtors is limited to proven insolvency, a claim may be made only if insolvency occurs within 12 months from the due date, at the latest. However, at the insured's request and provided an additional premium is paid, Delcredere | Ducroire may agree to extend cover for successive 12-month periods.

CHAPTER 2

OBLIGATIONS OF THE INSURED

ARTICLE 8 RISK MANAGEMENT

- 8.1** The insured is required to manage the risks with due care and with the same level of caution and diligence as if it were not insured.
- 8.2**
- 8.2.1** The insured shall immediately:
- > inform Delcredere | Ducroire of any potential event of loss and of any event liable to influence the risks, including the events referred to in Article 5.6 which indicate a modification of its activity or a change in its financial situation, and
 - > consult with Delcredere | Ducroire on any measures to be taken and comply with any instructions given.
- 8.2.2** The insured shall send at least one reminder to the debtor within 30 days from the due date of the amount which remains wholly or partially unpaid.
- 8.2.3** If the insured is a bank, the obligations provided for in Articles 8.2.1 and 8.2.2 shall extend to both the insured financial credit and the commercial agreement to which it relates as well as the exporter performing it.
- 8.3** The insured, while bearing all consequences arising from the uninsured percentage referred to in Article 6, shall authorise Delcredere | Ducroire to exercise all rights arising from insured receivables and, in particular, to initiate any proceedings or to enter into, either with the debtor or the authorities in its country, any arrangement which Delcredere | Ducroire or the State deems necessary to protect the insured receivables.

Moreover, the insured agrees to bear all consequences of decisions Delcredere | Ducroire may be obliged to take in relation to the uninsured percentage.

If Delcredere | Ducroire so requests, the insured shall submit, in a form which is enforceable against third parties, any documents and title documents necessary or useful to the exercise of its rights.

ARTICLE 9 DECLARATIONS ON THE EVOLUTION OF RISK

- 9.1** Any notice of late payment must be received by Delcredere | Ducroire within 60 days from the end of the month in which the due date falls, unless the Special Terms provide for a shorter period.

In the absence of such a notice, the receivable shall be deemed paid.

- 9.2** Any changes to delivery times or delays in performance of the Contract which exceed 6 months or postpone the payment dates by more than 3 months must be notified to Delcredere | Ducroire within 30 days from the time at which it becomes unlikely that the previously indicated time limits will be observed, failing which they shall not be enforceable against Delcredere | Ducroire and Delcredere | Ducroire shall, in particular, be released from its obligations as from the 91st day following the original due date.
- 9.3** In the case of a financial credit line, any use of the credit line must be declared within 30 days, if appropriate by means of the open cover declaration forms provided by Delcredere | Ducroire.

ARTICLE 10 SUBCONTRACTING

- 10.1** An insured which uses subcontractors is obliged, taking into account the size and nature of the orders and, in particular, whether they are for goods which cannot be resold or can only be resold at a substantial loss, to negotiate clauses that allow it, when a potential event of loss arises, to limit the amounts due in the event the Contract is terminated.
- 10.2** Insofar as possible, subcontractors shall be required to comply with Delcredere | Ducroire's decisions taken pursuant to Article 5 and, in the event of termination, shall be obliged to limit their claims, with respect to goods which have not yet been delivered, to costs incurred for supplies and production.

ARTICLE 11 PREMIUM

- 11.1** The conclusion of the insurance policy shall render the insured liable for payment of the premium, the amount and payment terms of which shall be determined in the Special Terms or in the debit note sent to the insured.
- 11.2** The premium is, in principle, indivisible.
- The premium may only be refunded in the following cases:
- > cancellation of the insurance for reasons other than wilful misconduct, fraud or bad faith on the part of the insured;
 - > a reduction in cover or of the duration of the risk, in the absence of an event of loss.
- 11.3** Unless Article 3.4.1 applies or in the event of changes that fall outside the declaration provided for by Article 9.2, any modifications to the basis for cover or payment terms shall give rise to a corresponding adjustment of the premium.
- 11.4** The premium is intended to cover Delcredere | Ducroire's standard fee for administrative costs, up to 1/4‰ of the Contract amount, with a minimum of EUR 50 and a maximum of EUR 1,250.
- The refunds provided for above may not adversely affect such fee.
- 11.5** Any default in payment of a premium instalment as well as any claim for compensation shall entitle Delcredere | Ducroire to cancel the insured's right to benefit from any time limits and payment terms which may have been granted for payment of the premium.
- 11.6** Premiums shall not be adjusted by amounts below EUR 50, except where necessary to correct a material error.

ARTICLE 12 SANCTIONS FOR FAILURE BY THE INSURED TO COMPLY WITH ITS OBLIGATIONS

12.1 Failure to pay all or part of a premium or any amount owed by the insured shall automatically result in suspension of Delcredere | Ducroire's obligations.

Without prejudice to its right to the amounts due, Delcredere | Ducroire shall be definitively released from its obligations 15 days after a formal notice of default remains unanswered.

12.2 Without prejudice to the application of Article 7.1 in the event of an incorrect declaration, any increase in the permissible percentage of foreign incorporations or local expenditures must be authorised by Delcredere | Ducroire. In this case, Delcredere | Ducroire reserves the right to reduce the insured percentage referred to in the Special Terms by a number of percentage points which may be as much as the difference between the initially approved percentage and the increased percentage. In addition to or in lieu of this sanction, Delcredere | Ducroire may increase the premium by up to 50%.

12.3 Default interest shall accrue by operation of law and without formal notice on any amounts whatsoever owed by the insured to Delcredere | Ducroire, at a rate determined as follows:

- > for the euro, three-month EURIBOR plus 1%;
- > for other currencies, the three-month interbank rate of the currency concerned as determined on the London market, plus 1% (if the rate is not available on the London market, the reference rate shall be that of the main financial centre of the currency concerned).

The abovementioned rates shall be determined on the date on which default interest starts to accrue and reviewed automatically every 3 months.

Default interest shall start to accrue on:

- > the payment date, in the event of undue indemnification;
- > for recoveries as defined in Article 17, the 16th day following their collection. Moreover, if the recovered amounts are payable in a foreign currency, the insured shall be required to make up the foreign exchange loss suffered by Delcredere | Ducroire owing to late payment, insufficient payment or payment in another currency;
- > in other cases, the 31st day from the date of the debit note, or, in the absence of a debit note, the date indicated in the insurance document.

Both default interest and any amounts due to make up foreign exchange losses sustained by Delcredere | Ducroire, as referred to in this article, shall be increased by a flat fee of EUR 25 to cover the administrative costs incurred by Delcredere | Ducroire through the fault of the insured.

- 12.4** The insured may forfeit its rights and be obliged to reimburse any indemnity paid to it if, through its own fault, it aggravates the risk or is in breach of its obligations under the policy.
- 12.5** The insured shall forfeit its rights and be obliged to reimburse any indemnity paid to it if it is subject to a final judgment, rendered on the basis of the criminal provisions enacted pursuant to the OECD Convention on Combatting Bribery of Foreign Public Officials in international business transactions, signed in Paris on 17 December 1999.

Delcredere | Ducroire's obligations shall be automatically suspended if legal proceedings are commenced against the insured on the basis of the abovementioned provisions.

The insured shall be obliged to report without delay any proceedings started or criminal conviction rendered against it.

CHAPTER 3

INDEMNITY

ARTICLE 13 GENERAL PRINCIPLES

13.1 Any indemnity payment shall be subject to the submission by the insured of an application from and the production of any information and documents which Delcredere | Ducroire deems necessary in order to prove the insured's right to indemnification.

If the losses claimed by the insured are denominated in a non-transferable foreign currency, the insured shall be obliged to prove the value of its losses in euro.

13.2 If the losses in respect of which the insured claims indemnification relate to disputed rights or if the debtor claims the right to any form of set-off, Delcredere | Ducroire may, before granting the request for indemnification, require the dispute to be submitted to and settled by the competent court.

If a default judgment is rendered, indemnification may be suspended pending enforcement of the judgment in the debtor's country.

In the event of proven insolvency, Delcredere | Ducroire may also suspend indemnification pending proof that the claim has been accepted by the insolvent debtor's estate.

13.3 Without prejudice to submission of the information and documents referred to in Article 13.1, indemnification may be made subject to an examination of the insured's books in order to verify its rights, acts and declarations in connection with the event of loss or to quantify the loss giving rise to indemnification.

13.4 All payments, with the exception of default interest, shall be allocated to the chronological settlement of claims for principal and interest, regardless of whether they are insured.

Default interest:

- > shall be due to the party that bore the delay in payment, if it relates to paid receivables;
- > shall be allocated with priority to settle insured receivables, if it relates to unpaid receivables.

However, all payments whatsoever may be allocated with priority to settle insured receivables if:

- > there are indications that uninsured receivables are being intentionally favoured;
- > circumstances indicate that no payment can be expected within a foreseeable period of time;
- > the insured receivables have been entered in a current account with the debtor.

ARTICLE 14 LOSS ACCOUNT

Without prejudice to Delcredere | Ducroire's right to indemnify in a foreign currency due to losses sustained in that currency, loss accounts shall be established in euro as follows:

14.1 Termination losses:

- 14.1.1** on the debit side, the costs referred to in Articles 3.1.1 and 3.1.3, including lawful commissions paid to specified commercial agents.

Expenses corresponding to parts of the Contract for which the non-payment losses cover referred to in the first paragraph of Article 4.2 has taken effect may be entered at the price at which they are invoiced, if they relate to a liquid debt arising from partial performance of the Contract by the insured.

Costs and losses associated with calling on bank guarantees issued in favour of the debtor may be entered in the loss account only if the guarantees fall under the specific cover provided for by Article 24.

The debit value of the loss account shall not exceed the value of the Contract, less any expenses necessary to ensure its performance in full but increased, if applicable, by the extraordinary expenses referred to in Article 3.1.3 and the amount by which bank guarantees are drawn down.

Insofar as the negotiation documents fail to show that the insured has made all reasonable efforts to comply with the requirements of Article 10, the amounts due to subcontractors for outstanding deliveries shall only be included in the loss account up to the level of expenses incurred by the subcontractors until the halt of production with Delcredere | Ducroire's consent or further to its instructions. If these expenses cannot be established based on the subcontractors' accounting documents, they shall be determined by an expert appointed by Delcredere | Ducroire.

- 14.1.2** on the credit side, the payments, dividends and recoveries collected or to be collected by the insured, in particular:

- > proceeds from the realisation of collaterals or the resale of goods manufactured and supplied;
- > indemnification of any kind received or to be received in connection with debited expenses;
- > receivables insured against the risks of non-payment pursuant to the first paragraph of Article 4.2;
- > the value of any advantage accruing to the insured as a result of the event of loss.

14.1.3 If the Contract is denominated in a foreign currency, the following amounts, to be entered in the loss account, shall be converted on the basis of the maximum exchange rate laid down in the Special Terms or, if no such rate is indicated, the rate used to determine the premium: the Contract amount, the invoiced amounts referred to in the second paragraph of Article 14.1.1, and the percentage of payments received or to be received referred to in Article 14.1.2 which correspond to these invoiced amounts.

Furthermore, the financial consequences of the conclusion of a futures contract for currency to be received under the Contract cannot be entered into the loss account.

14.2 Non-payment losses:

14.2.1 on the debit side

- > the unpaid principal amount of the receivable plus, in the case provided for by Article 3.1.2, default interest due by the debtor on the receivable during the claims waiting period, it being understood that the rate which is enforceable against Delcredere | Ducroire to calculate the interest may not exceed:
 - > for receivables denominated in euro, the six-month EURIBOR on the contractual due date of the unpaid receivable;
 - > for other currencies, the six-month interbank rate of the currency concerned as determined on the London market on the contractual due date of the unpaid receivable;
- > the extraordinary expenses defined in Article 3.1.3.

14.2.2 on the credit side

- > any amounts collected in connection with the insured receivable, in particular further to the realisation of collateral or the resale of recovered goods, and which has not been deducted from the amount indicated on the debit side;
- > the value of any advantages, such as cost savings, accruing to the insured as a result of the event of loss.

14.2.3 If the account is in a currency other than euro and Delcredere | Ducroire opts to indemnify in euro, it shall convert the unpaid balance of the receivable using the lower of the following two rates on the day the loss arises:

- > the maximum rate defined in Article 14.1.3;
- > the reference rate of the European Central Bank or, in the absence thereof, the rate on the foreign (exchange) market most frequently used to convert the foreign currency.

ARTICLE 15 INDEMNITY CALCULATION AND PAYMENT

- 15.1** Indemnities shall be calculated by applying the insured percentage to the debit balance of the loss account. Indemnities shall be paid within 30 days from the date on which the loss arises, within the meaning of Articles 1.1.1 and 1.1.2 or, if applicable, the date on which proof is produced in accordance with Article 13.
- 15.2** If the loss, through no fault of the insured, cannot be established within 6 months from the time the event of loss occurs, Delcredere | Ducroire shall make a provisional payment towards the presumed indemnity due.
- 15.3** If, as a result of insolvency, contractual provisions, a judicial decision or for any other reason, the debtor forfeits the benefit of the term, Delcredere | Ducroire may use the original due dates as the starting point for the period of indemnification.

If it agrees to consider the receivables due, the insured's financing cost savings shall be credited to the loss account provided for by Article 14.2.2.

- 15.4** Any indemnification due in respect of a receivable shall require an irrevocable order, accepted by the signatory banks of the indemnification receipt, to pay any sums recovered directly to Delcredere | Ducroire, up to the indemnified percentage

ARTICLE 16 SUBROGATION

In accordance with Article 11 of the Act of 31 August 1939, Delcredere | Ducroire is subrogated by operation of law to all rights and actions of the insurance beneficiary in respect of the covered transaction, to the extent of its effective intervention.

ARTICLE 17 RECOVERIES

- 17.1** Recoveries refer to any amounts collected after indemnification, which fall under, where appropriate pursuant to Article 13.4, the definitions given in Article 14 concerning the establishment of the loss account.
- 17.2** Recoveries shall be shared by Delcredere | Ducroire and the insured excluding the application of Article 1252 of the Civil Code, with Delcredere | Ducroire's share being determined based on the indemnified percentage. This amount shall be paid to Delcredere | Ducroire in the currency in which the recoveries have been collected.
- 17.3** Recoveries shall be shared regardless of the amounts recovered, without regard to, in particular, any foreign exchange gains or losses which could affect these amounts but subject to the following limitations:
- 17.3.1** If the recovery pertains to an indemnity for the costs referred to in Articles 3.1.1 and 3.1.3, Delcredere | Ducroire's share shall be limited to the indemnity paid, plus interest at the statutory rate as from the indemnification date.
- 17.3.2** If all expenses qualifying for indemnification have been recovered and where the recovery results from the payment by the debtor of default interest, the share of this interest relating to the period preceding indemnification shall revert to the insured in full. This provision shall not apply, however, if the default interest is covered by Article 3.1.2.

In this case, any recovery of default interest shall be shared by Delcredere | Ducroire and the insured based on the indemnified percentage of the receivable to which the default interest relates.

CHAPTER 4

MISCELLANEOUS PROVISIONS

ARTICLE 18 ASSIGNMENT OF THE RIGHT TO INDEMNITY

18.1 With Delcredere | Ducroire's consent, the insurance cover may be assigned to a third party.

Any such agreement shall take the form of an endorsement to the policy signed by Delcredere | Ducroire, the insured and the assignee.

18.2 Without releasing the insured from any of its obligations, the assignment shall render the assignee jointly and severally liable with the insured for fulfilment of the risk management obligations provided for by Articles 8 and 9, to the extent of its supervisory and enforcement powers.

18.3 Any exceptions which may be raised by Delcredere | Ducroire against the insured shall be enforceable against the assignee.

18.4 If the assignee is a bank opening or confirming an irrevocable documentary credit in favour of the insured, the assignment shall not cover indemnities resulting from failure by the assignee to comply with the obligations incumbent on it under this documentary credit.

ARTICLE 19 AUDIT AND VERIFICATION

19.1 Any statements by the insured regarding, in particular, foreign incorporations, as well as compliance by the insured with its obligations under the policy, may give rise at any time to an audit or examination of its books of account.

19.2 Any such audit or verification, as well as the examination provided for by Article 13.3, shall be carried out by a representative of Delcredere | Ducroire or an expert appointed by the latter.

19.3 If, in the latter case, the insured disagrees with Delcredere | Ducroire's choice, it shall be entitled, provided it does so without delay, to request that an expert be appointed by the president of the Brussels Commercial Court.

ARTICLE 20 STATUTE OF LIMITATIONS

Any action for the payment of indemnities arising from the policy shall be time-barred 180 days from the date on which Delcredere | Ducroire notifies its refusal and, at the latest, 3 years from the due date of the insured receivable.

ARTICLE 21 GOVERNING LAW

Any dispute relating to the construction, validity or performance of the policy or in connection herewith shall be governed by and construed in accordance with the laws of Belgium.

ARTICLE 22 JURISDICTION

22.1 Mediation

In the event of any dispute arising out of, relating to, or in connection with the policy that the parties, acting in good faith, have been unable to resolve within forty-five (45) calendar days after that dispute arises, the senior managements of the parties shall meet in a good faith effort to resolve that dispute. The senior managements of the parties shall then have thirty (30) calendar days to resolve the dispute. Any dispute unresolved at the end of such thirty (30) calendar days period shall be submitted to arbitration pursuant to the Article 22.2 below.

In the event that such dispute exclusively relates to the indemnity calculation, pursuant to Chapter 3, the parties may have such calculation determined - in accordance with the terms of these general terms - by an independent expert, explicitly agreed on in writing by both parties. The independent expert's calculation shall be final and binding. The independent expert's fees and costs shall be born equally by the parties. Should the parties fail to agree on the appointment of the independent expert, the dispute shall be submitted to arbitration pursuant to the Article 22.2 below.

22.2 Arbitration

Without prejudice to Article 22.1 above, any dispute arising out of, relating to, or in connection with the policy shall be exclusively and finally settled under the CEPANI Rules of Arbitration by three (3) arbitrators appointed in accordance with those rules. The seat of the arbitration shall be Brussels. The arbitration shall be conducted in the language of the policy.

ARTICLE 23 SPECIAL CONDITIONS

The following articles contain provisions specific to certain types of insurance cover. Articles 1 to 22 shall apply thereto, unless provided otherwise in these special conditions.

CHAPITRE 5

BANK GUARANTEE COVER

ARTICLE 24 BANK GUARANTEE COVER

If so provided in the Special Terms, the insurance cover shall extend to bank guarantees issued pursuant to the instructions and on behalf of the insured in favour of the debtor.

- 24.1** The covered risks shall be the draw-down of the guarantee due to an act of the debtor which is unlawful having regard to the Contract or to the occurrence of a political (or similar) risk listed in Article 1.2.3 of the General Terms.
- 24.2** Cover shall take effect on the later of the following two dates: the date of entry into force of the guarantee or the date of entry into force of the Contract. The event of loss shall be deemed to arise on the date on which the insured's account is debited by the bank that constituted or countersigned the bank guarantee which is called upon by the debtor.
- 24.3** Cover shall automatically cease on the date referred to in the Special Terms of the policy.

Delcredere | Ducroire may consider extending cover beyond this date only if an extension has been requested at the time the need for it first became apparent. Delcredere | Ducroire shall decide to which extent and how such an extension may be granted, in particular with regard to the premium.

- 24.4** Bank guarantees denominated in a freely transferable foreign currency shall benefit from foreign exchange cover.

In this regard, Delcredere | Ducroire shall have the option of paying the indemnity in either:

- > the foreign currency; or
- > euro, by converting the amount drawn down on the basis of the rate at which the exporter has been debited.

CHAPITRE 6

BUSINESS EQUIPMENT COVER

ARTICLE 25 BUSINESS EQUIPMENT COVER

Where the Special Terms so provide, cover shall extend to business equipment.

Such cover shall comply with the following rules:

- 25.1** The covered risks are total or partial destruction or loss of possession, including the impossibility to remove the equipment from the country in which the works are being performed, provided the claim is attributable to one of the risks listed in Article 1.2.3 of the General Terms.
- 25.2** Within the limits of the policy term approved by Delcredere | Ducroire, cover shall extend from shipment to the country in which the works are being carried out to repatriation to Belgium or, if necessary, local resale or arrival in an agreed country for the purpose of resale or the performance of other works.

Cover shall extend to the equipment stipulated in the Special Terms, within the limits of the value of such equipment at various stages of performance of the Contract as indicated in these Terms, it being understood that any such indication shall not imply Delcredere | Ducroire's approval.

25.3

25.3.1 The claims waiting period shall be set at 6 months.

25.3.2 The loss account shall be established in euro, as follows:

- > on the debit side: the value of the equipment at the time of the event of loss, taking into account its wear and tear and obsolescence as established by an expert in accordance with Article 19 of the General Terms, provided this amount does not exceed the insured value as defined in Article 25.2 above.
- > on the credit side:
 - > all amounts collected or to be collected by the insured in connection with the damaged equipment, such as financing obtained from the principal for the purpose of acquiring the equipment or using it for the intended works, indemnities of any kind paid or to be paid under other policies or by responsible third parties or public authorities;
 - > the residual value of the damaged equipment still in the insured's possession.

25.3.3 In the event of a partial loss, underinsurance shall result in application of the proportional rule.

- 25.4** In all cases where the insured does not take back the equipment recovered following an event of loss, it shall make every effort to sell the equipment at the best possible terms. For a period of 12 months following indemnification, Delcredere | Ducroire may oblige the insured to take back the recovered equipment at a value calculated in accordance with the same rules applied at the time of indemnification.

CHAPITRE 7

EXCHANGE RISK COVER

ARTICLE 26 EXCHANGE RISK COVER

Where the Special Terms so provide, cover shall extend to foreign exchange risk.

ARTICLE 27 COVERED RISKS

The insurance shall cover losses arising from the application of a euro exchange rate to foreign currency collected pursuant to the insured receivables, which is below the rate in effect on the date on which cover takes effect, hereinafter referred to as "the insured rate".

In return, the insured undertakes to remit to Delcredere | Ducroire any foreign exchange gains resulting from the application of exchange rates above the insured rate.

ARTICLE 28 BASIS FOR COVER

The insurance shall cover the receivables referred to in the Special Terms.

Notwithstanding Article 3.4 of the General Terms, Delcredere | Ducroire shall, in the event of an increase in the amounts at risk or an extension of the due dates, be entitled to refuse to extend cover or, on the contrary, impose such extension of cover with payment of an additional premium determined in accordance with the provisions of Article 34.

ARTICLE 29 EFFECTIVE DATE OF COVER

Cover shall be effective from the date on which the insured is definitively bound by the foreign currency value of the Contract. This date shall be mentioned in the Special Terms.

ARTICLE 30 EXPIRY OF COVER

Delcredere | Ducroire may put an end to cover:

- 30.1** in the event of overlapping coverage of the risks defined in Article 1 of the General Terms, on the date on which the cover of such risks becomes ineffective;
- 30.2** in other cases, 6 months after maturity.

ARTICLE 31 INSURED PERCENTAGE

Article 6 of the General Terms shall not apply. Any foreign exchange gains or losses shall be debited or credited, as the case may be, to Delcredere | Ducroire in the manner laid down in Article 35.

ARTICLE 32 VALIDITY OF THE INSURANCE

- 32.1** Pursuant to Article 7.1 of the General Terms, the insured shall declare, both before issue of the policy and during the policy term, any securities (collaterals) obtained from third parties relating to the insured receivables, in particular for non-payment losses cover, regardless of the form of such security. This obligation shall also apply to changes affecting the security.
- 32.2** In the event of similar security interests and in the absence of a written release, the insured shall provide Delcredere | Ducroire with an undertaking in which the third party in question undertakes to notify Delcredere | Ducroire immediately of any payments made against the insured receivables of which it has knowledge or which it makes itself by reason of its security interest and of the possible extinction of its security interest for any other reason.

ARTICLE 33 OBLIGATIONS OF THE INSURED

Pursuant to Article 8.1 of the General Terms, the insured shall act promptly to prevent any delay in the recovery of insured receivables and shall use all means at its disposal to mitigate the loss, including the allocation of amounts received in payment of existing debts in the same currency.

Without prejudice to the forfeiture of rights provided for by Article 12.4 of the General Terms and the expiry of cover provided for by Article 30, the insured shall be obliged to remedy any adverse consequences to Delcredere | Ducroire resulting from the breach of its obligations.

ARTICLE 34 PREMIUM

The premium shall be calculated from the time cover takes effect, for indivisible periods of 6 months, at the annual rate fixed in the Special Terms on the value of the insured receivables, converted into euro on the basis of the insured rate.

The premium is payable in full upon conclusion of the policy.

ARTICLE 35 INDEMNITY

- 35.1** Every 6 months and for the first time one month following collection of the first insured receivable, a settlement shall be carried out to determine the overall foreign exchange gain or loss resulting from all amounts collected on insured receivables.

Collections within the meaning of this article shall mean any sums received by the insured in payment of an insured receivable, whether paid by the debtor or its guarantors or arising from any other security interest, in particular the enforcement of non-payment losses cover by Delcredere | Ducroire or a third party.

- 35.2** The insured, with a view to the settlements provided for above, shall forward Delcredere | Ducroire, within 15 days from expiry of each six-month period, a statement of collections made during that period. This statement shall be accompanied by bank documents justifying the collection and the sale of foreign currency. Unless an exemption is granted in writing, this statement must be provided with the mention «none», if applicable.
- 35.3** The insured shall sell the foreign currency within 7 clear days from its collection or, where applicable, from the day on which sale becomes possible. If it appears that the currency has not been sold within this period, Delcredere | Ducroire shall be entitled to select as the exchange rate any buying rate obtained from the date on which the sale of the currency first became possible until the date on which the sale is eventually completed.
- 35.4** If the insured fails to produce the abovementioned statement or bank documents within the period laid down in Article 35.2, automatic settlement may be carried out, using either the insured rate or any buying rate applicable between the due date and the date of automatic settlement.
- 35.5** Amounts due to the insured by Delcredere | Ducroire on the occasion of the half-yearly settlements shall be paid within 15 clear days from receipt of the statement and documents referred to in Article 35.2.

Amounts due to Delcredere | Ducroire by the insured shall be paid within 15 clear days from the mailing date of the statement prepared by Delcredere | Ducroire.

ARTICLE 36 DELCREDERE | DUCROIRE'S PRE-EMPTIVE RIGHT

If Delcredere | Ducroire so requires, the insured shall be obliged to sell it for cash foreign currency collected or to forward sell it foreign currency to be collected.

Such sales shall be negotiated at the insured rate.

They shall not be included in the half-yearly settlements.

Unless expressly authorised, any forward sales concluded by the insured with third parties shall not be enforceable against Delcredere | Ducroire upon exercise of its pre-emptive right.

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