EXPORT-IMPORT BANK OF THE UNITED STATES
SHORT TERM COMPREHENSIVE
MULTI-BUYER EXPORT CREDIT INSURANCE POLICY

In consideration of the payment of premiums and in reliance upon the representations in the application, Export-Import Bank of the United States, an agency of the United States Government, herein called "EXIM", agrees as follows with the *insured* named in the declarations (or "*you*"). Italicized terms used in the *Policy* shall have the meanings set forth in the declarations, Article 10 or the applicable endorsement.

The *Policy* requires that *you* report and pay premium on all *your* export sales that meet the definition of a *reportable transaction*.

ARTICLE 1. POLICY CONTENTS

The *Policy* consists of Articles 1 through 10 of this document, the declarations, the *Country Limitation Schedule* and all endorsements.

The *date of shipment* shall determine which declarations, endorsements, or parts of the *Country Limitation Schedule,* are applicable to *your insured transaction.*

ARTICLE 2. INSURING AGREEMENT

A. **Default on an Insured Transaction**

Subject to the terms and conditions of the *Policy,* EXIM agrees to pay *you* either the (i) *insured percentage,* or (ii) *non-acceptance percentage*, as applicable, of a *loss* on an *insured transaction* that remains unpaid 90 *days* after the *due date,* minus any applicable *deductible.*

B. **Special Risks/Events Coverage**

Coverage under the *Policy* includes coverage of a *loss* caused by cancellation or non-renewal of any license, the imposition of a law or regulation, or the outbreak of war, insurrection or other like disturbance, provided that, in each case, such event (i) occurs after the *date of shipment*, and (ii) prevents the *insured's* export or the *buyer's* import of the *products* into the *buyer's* country.

C. **Other Insurance Coverage**

There shall be no coverage under the *Policy* to the extent *your products* are lost or damaged and such *loss* or damage is insurable under property, casualty, shipping, freight, cargo, or other similar insurance coverage.

ARTICLE 3. REQUIREMENTS OF AN INSURED TRANSACTION

Your shipment of *products* to a *buyer* is an *insured transaction* only if it meets all of the conditions set forth below in this Article 3 on the *date of shipment*. Each shipment must be:

A. composed of *products* that (i) are not military equipment or defense related, (ii) are not for sale

to, or for use by a military or security agency, and (iii) meet the *United States content requirements* (see definition in Article 10); and

B.   shipped from the United States (or its territories) with a *date of shipment* that occurs during the *Policy period;* and

C.   evidenced by a *buyer obligation* payable to *you;* and

D.   to a *buyer* in a country that complies with the *Country Limitation Schedule* in effect on the *date of shipment*; and

E.   an export sale evidenced by a bill(s) of lading or other shipping document(s) showing shipment of the *products* from the United States (or its territories) to the *buyer* in the *buyer's* country. In all cases the shipping document(s) must be issued by and identify an unaffiliated third party and be consistent with the other documents evidencing a *buyer obligation* (please note that the foregoing applies to all shipments regardless of the Incoterms, including but not limited to, the Incoterm commonly referred to as "Ex Works"). Notwithstanding the foregoing requirement for shipping documents to show shipment of the *products* from the United States (or its territories) to the *buyer* in the *buyer's* country:

   1.   *you* may ship to a recipient that is not the *buyer* but located in the *buyer's* country provided that *you* have written instructions from the *buyer* that specify the (a) destination, and (b) name of the recipient of the *products*, and *your* shipping documents evidence delivery to the same destination specified in the written instructions; and

   2.   *you* may ship to a recipient that is not in the *buyer's* country provided that: (i) *you* have written instructions from the *buyer* that specify the (a) destination, and (b) name of the recipient of the *products*, and *your* shipping documents evidence delivery to the same destination specified in the written instructions, and (ii) the destination country is listed on the *Country Limitation Schedule* as open in the category "Up to 1 Year" and there are no "Note(s)" for the destination country in the *Country Limitation Schedule*; and

   3.   if the *buyer's* country is either Mexico or Canada, *you* may ship to a point in the United States from which, to the best of *your* knowledge, the *products* are intended for ultimate delivery to Mexico or Canada, respectively, provided that (i) *you* have written instructions from the *buyer* directing delivery to the *buyer* or the designated agent of the *buyer* at the named point in the United States, and (ii) *your* shipping document(s) evidence delivery to the point in the United States specified in the written instructions; and

F.   for payment in an *approved currency* and payable in the United States or another *payment country;* and

G.   subject to the provisions regarding *overshipments* set forth in Article 4, Section E of the *Policy,* each shipment must comply with the *Policy payment limit* and all conditions of the *buyer credit limit;* and

H. in the event that the payment terms for the shipment are *letter of credit*, the documents required by the terms of the *letter of credit* must have been presented to, and accepted by, the *issuing bank.*

ARTICLE 4. LIMITATIONS OF EXIM'S LIABILITY

A. **Policy Payment Limit**

The *Policy payment limit* is set forth in the declarations and is the maximum aggregate amount payable by EXIM under this *Policy,* exclusive of interest (if any), for shipments made during the *Policy period,* regardless of the number or amount of any or all *buyer credit limits.*

B. **Reduction of Liability**

Each *claim* payment, exclusive of interest, made by EXIM under this *Policy*, shall reduce EXIM's liability under the *Policy payment limit* and the respective *buyer credit limit* by the amount of such *claim* payment.

C. **Buyer Claim Payment Limit**

The maximum amount payable by EXIM for any *claim* with respect to an individual *buyer* shall not exceed the *insured percentage* of the sum of the applicable *buyer credit limit* in effect on the *date of shipment* and interest, if any, less any applicable *deductible.*

D. **Buyer Credit Limit**

Your export sale is not covered unless there is a *buyer credit limit* for a particular *buyer.* There can be no more than one *buyer credit limit* in effect for any given *buyer.* The *buyer credit limit* applicable to any particular *buyer* is governed by the *discretionary buyer credit limit,* if any, unless a *special buyer credit limit* is in effect for that particular *buyer,* in which case the *special buyer credit limit* will take precedence. If there is no *discretionary buyer credit limit* endorsement and no *special buyer credit limit* endorsement for a particular *buyer,* then there is no *buyer credit limit* and no coverage for sales to that *buyer.* The terms and amounts of the *discretionary buyer credit limit* and the *special buyer credit limit* are set forth in endorsements to the *Policy. Buyer credit limits* for the same *buyer* are not cumulative over successive *Policy periods.*

E. **Overshipment of Buyer Credit Limits/Buyer Payments**

1. If *you* make an *overshipment* to a *buyer, you* must pay premium on the total amount shipped, including the *overshipment balance* (or portion thereof) in order for the *overshipment balance* (or portion thereof) to be eligible for coverage. EXIM's liability will still remain the *insured percentage* of the *buyer credit limit* (plus interest, if any) in effect on the *date of shipment*, less any applicable *deductible,* subject to the *Policy payment limit.*

2. Provided *you* pay premiums on the *overshipment balance* (or portion thereof), any payment made by the *buyer* shall be applied to reduce that portion of the outstanding

balance for which premium was paid. *Buyer* payments shall not be applied to reduce any portion of the *overshipment balance* for which premium was not paid.

ARTICLE 5. EXCLUSIONS

EXIM shall not be liable for any *loss:*

A. if *you,* or any of *your* employees or agents fail to strictly comply with any of the terms or conditions of the *Policy* at the time such term(s) or condition(s) was (were) required to be performed; or

B. arising out of, or related to, *your* actions or any actions of *your* employees or agents or any *Assignee* of the *Policy;* or

C. where any unresolved dispute, of any nature, exists between *you* and the *buyer,* or any unresolved documentary dispute exists between *you* and an *issuing bank* on a *letter of credit,* until *you* have established the *buyer obligation* to be valid and legally enforceable against the *buyer* in the courts of the *buyer's* country, or *you* have otherwise settled the dispute to the satisfaction of EXIM; or

D. to the extent that the amount of, or the obligation to pay, the *buyer obligation* has been relieved, in whole or in part, by payment or by an express or implied agreement by *you* or *your* employees or agents; or

E. on export sales made to any of *your* subsidiaries or affiliates unless those *buyers* are approved in a *special buyer credit limit* endorsement.

ARTICLE 6. AGREEMENTS OF THE INSURED

You agree to:

A. report and pay premiums on *your reportable transactions* when and as required by Article 9, Section A of the *Policy,* including *overshipments* of any *buyer credit limit* or the *Policy payment limit;* and

B. remain at risk, for *your* own account, for the *deductible,* if any, and the *buyer obligation* less the *insured percentage* of each *insured transaction;* and

C. stop shipping directly (or indirectly through an affiliate or distributor) to the *buyer* if the *buyer* is: (i) more than 60 *days* past due to *you* for $10,000 or more, unless the *buyer* disputes the past due amount and *you* have acknowledged the legitimacy of the dispute in writing, or (ii) known to *you* to be in bankruptcy proceedings, insolvent, discontinuing operations, or in receivership; and

D. submit a complete and accurate "Report of Overdue Accounts Under Short-Term Policies" to EXIM within 30 *days* after the end of each month if the *buyer* is more than 60 *days* past due to *you* for $10,000 or more (this report can be completed via the EXIM Online web portal); and

E. not amend the *due date* without EXIM's prior written authorization; an amendment of the *due date* shall include a rescheduling, or agreement of any nature pursuant to which the *buyer* agrees to make payments toward the *outstanding buyer debt*; and

F. take commercially reasonable action to minimize and reduce any existing or potential *loss,* including exercising rights of reclamation, offset, stoppage in transit and the like and any reasonable measures which may be required by EXIM; and

G. cooperate with EXIM to make *recoveries*, which shall include, but not be limited to, the execution (including notarization) of any documentation reasonably requested by EXIM*;* and

H. comply with all laws and regulations related to the *insured transaction*, including but not limited to applicable export and import laws and regulations, the Foreign Corrupt Practices Act, and regulations issued by the Office of Foreign Assets Control (OFAC) and the related statutes; and

I. not ship to any *buyer* that is listed as actively excluded on the Government suspension and debarment system known as SAM (https://www.sam.gov) without prior written permission from EXIM; and

J. notify EXIM in writing immediately following *non-acceptance* of (i) the *non-acceptance,* (ii) the location of the *products*, (iii) any contact information with respect to the *non-acceptanc*e, and (iv) any additional information requested by EXIM; and

K. obtain EXIM's written approval (i) prior to any sale of the *products* following the *date of shipment* to a party other than the *buyer,* and (ii) if applicable, of *your* anticipated *collection costs* related to such sale.

ARTICLE 7. PROOF AND PAYMENT OF CLAIMS

A. EXIM will pay *you* in accordance with the insuring agreement set forth in Article 2 of the *Policy* within 60 *days* of receipt of a complete *Notice of Claim and Proof of Loss* provided *you:*

  1. have made a written demand for payment from the *buyer* and any applicable guarantor at least 30 *days* prior to submission of the *Notice of Claim and Proof of Loss* and submit evidence of such demand with *your claim*; and

  2. submit a signed and complete *Notice of Claim and Proof of Loss* between 90 and 240 *days* after the date of *default* or, if specifically requested by EXIM, within 30 *days* from the date of such request by EXIM. *You* are required to submit a *claim* within 30 *days* of *your* knowledge that the *buyer* or guarantor, if any, has voluntarily or involuntarily declared bankruptcy (or its legal equivalent in the country of the *buyer* or guarantor, if any), or has been placed into receivership; and

  3. specify in the *Notice of Claim and Proof of Loss* all *outstanding buyer debt* (note that if requested by EXIM, *you* may be required to submit documentary evidence of any amounts

owed to *you* by the *buyer* under *uninsured transactions*); and

4. submit *your* payment (ledger) experience with the *buyer* for the period beginning one year before the first claimed shipment(s) took place and ending on the date of *your claim* submission; and

5. submit *a Notice of Claim and Proof of Loss* even if the entire *loss* is subject to a *deductible* (otherwise, any other *claims* attributable to the *Policy period* will still be subject to the same *deductible*); and

6. submit any additional information requested by EXIM in order to process the *claim.*

B. Payment will be made in United States dollars. For any *buyer obligation* payable in another *approved currency,* payment will be made in the United States dollar equivalent calculated at the rate of exchange for the *approved currency* as reported on the United States Federal Reserve website at www.federalreserve.gov as of the *date(s) of shipment* associated to the *claim* being paid (or if pre-shipment or consignment coverage is applicable, the effective date of the contract), provided that, if the rate of exchange for the *approved currency* is not listed on the United States Federal Reserve website, then www.oanda.com shall be used. If a rate of exchange is not available on www.oanda.com, EXIM shall choose an alternative source to obtain the rate of exchange.

C. If *you* failed to stay at risk for the *buyer obligation* less the *insured percentage* amount of an *insured transaction* or any *overshipment balance,* EXIM will reduce any *claim* payment by the amount for which *you* failed to stay at risk.

D. If *you* have any other valid and collectible insurance applicable to a *loss* covered by the *Policy,* any *claim* amount paid by EXIM pursuant to the *Policy* shall be excess insurance over the applicable limit of liability of the other insurance.

E. Upon receipt of notification of a *claim* approval, *you* will have a maximum of 30 *days* to provide any additional documentation requested by EXIM, including (i) payment instructions, (ii) taxpayer identification number, (iii) a completed "Release and Assignment" form for all *outstanding buyer debt* unless otherwise agreed to by EXIM in writing, and (iv) if applicable, original loan documentation endorsed to EXIM. *You* may forfeit *your* rights to the *claim* payment if *you* fail to provide this information in the timeframe set forth above.

F. Notwithstanding Section A above, *you* may submit a *Notice of Claim and Proof of Loss* with respect to any payment from the *buyer* that is rescinded or must otherwise be returned by *you* if such rescission or return of payment has been compelled by law as the result of the bankruptcy or insolvency of the *buyer*. The submission of a *Notice of Claim and Proof of Loss* with respect to any such returned payment must be made promptly but in no event later than 30 *days* after *you* have returned the amount.

ARTICLE 8. RECOVERIES

A. After paying any *claim:* (i) EXIM will undertake all collection efforts against the *buyer* on *your outstanding buyer debt*, and (ii) *you* will be precluded from any independent recovery actions against the *buyer.* Any amounts *you* receive after a *claim* payment directly or indirectly from (a) the *buyer* or on behalf of the *buyer*, whether from *insured transactions* or *uninsured transactions,* and regardless of the payment terms on such *insured transactions* or *uninsured transactions*, or (b) from the sale of the *products,* must be remitted, without reduction, directly to EXIM.

B. Any *recovery* shall be applied first to *collection costs.* The balance of the *recovery* shall be shared by *you* and EXIM in the proportion in which the *outstanding buyer debt* was shared on the date of *claim* payment. All *recoveries* shall be shared in accordance with these proportions, without limitation, even if EXIM collects more than the *claim* payment plus accrued interest, if any.

ARTICLE 9. GENERAL CONDITIONS

A. **Premiums and Reporting**

1. *You* must report and pay premiums on each of *your reportable transactions*, at the rate set forth in the declarations, no later than 30 *days* following the end of the month during which the *date of shipment* for the *reportable transactions* occurred.

2. *You* can report and pay premium on each of *your reportable transactions* via the EXIM Online web portal.

3. The premium rates may be changed by EXIM, and the amended rates will apply to shipments made after the effective date of the change.

4. In the event *you* fail to file any report or pay any premium when due, EXIM may reject or accept, at its sole discretion, any such report or premium when tendered. Any *claim you* submit on a shipment for which premium was not paid or was rejected will be denied.

5. In the event the transaction was invoiced in an *approved currency* other than United States dollars, the premiums shall still be payable in United States dollars and the amount of the invoice in United States dollars shall be computed using the rate of exchange for the *approved currency* as reported on the United States Federal Reserve website at www.federalreserve.gov as of each *date(s) of shipment* (or if pre-shipment or consignment coverage is applicable, the effective date of the contract), provided that, if the rate of exchange for the *approved currency* is not listed on the United States Federal Reserve website, then www.oanda.com shall be used. If a rate of exchange is not available on www.oanda.com, EXIM shall choose an alternative source to obtain the rate of exchange.

6. EXIM's acceptance of any premium report or payment is not an acknowledgment of coverage and does not constitute a waiver of any *Policy* condition or limitation.

B. **Your Records** - EXIM may, at any time, examine and copy *your* records relating to (i) the *Policy,* (ii) all *reportable transactions,* (iii) any *claim* made under any EXIM insurance policy or any guarantee from EXIM, (iv) any shipment to a *buyer*, and (v) any *Assignee* of the *Policy* or the *Policy* proceeds. *You* will help EXIM obtain any other information EXIM may request, which shall include the signing of any documentation requested by EXIM.

C. **Changes**

1. EXIM shall have the right to add to, delete, or amend the declarations, *Country Limitation Schedule,* endorsements, terms, or conditions of the *Policy* or *buyer credit limits,* including the right to withdraw coverage with respect to any country or *buyer.*

2. Any change made pursuant to this Section C shall be effective on the effective date stated in the notification of the change and shall only apply to shipments which occur on or after the effective date of the change.

D. **Notices, Reports and Communications**

1. All communications to EXIM shall be given to EXIM at its office at 811 Vermont Avenue, N.W., Washington, D.C. 20571 or delivered electronically via a designated electronic mail address. All communications to *you* shall be given to *you* at *your* electronic mail or street address on file with EXIM or to *your* designated insurance broker.

2. All communications shall be written and in the English language. All communications to *you* shall, when mailed or electronically transmitted, be effective as of the date specified in such communication. All communications to EXIM shall be effective only when received by EXIM.

3. All communications transmitted via electronic mail shall constitute "written notifications" as may be required under the *Policy.*

E. **Action Against EXIM**

1. No action may be brought against EXIM prior to 60 *days* after submission of a complete and accurate *Notice of Claim and Proof of Loss* and unless a written demand is made on EXIM 30 *days* prior to bringing such action.

2. No action of any kind may be brought against EXIM more than 18 months after the date of *default.*

3. Any action or proceeding against EXIM arising out of or relating to the *Policy* shall be instituted only in a Federal court sitting in the District of Columbia, or the state or jurisdiction in which *your* principal business is located, provided that such court has appropriate subject-matter jurisdiction.

4. In any action or proceeding against EXIM, service of process shall be made upon EXIM in accordance with Rule 4 of the Federal Rules of Civil Procedure. Service upon EXIM shall

be given to EXIM at its Office of General Counsel at 811 Vermont Avenue, N.W., Washington, D.C. 20571.

5. In any *claim*, action, suit or proceeding to enforce a *claim* for *loss* hereunder, the burden of proving the following is on *you:* (i) the *loss* is recoverable under the *Policy,* (ii) all conditions of coverage related to the *loss* in question have been satisfied, (iii) all other obligations of the *insured* related to the *loss* in question have been satisfied, and (iv) no exclusion applies to the *loss* in question.

6. The construction, validity and performance of the *Policy* shall be governed by and construed in accordance with uniform Federal Law.

F. **False or Fraudulent Statements, Reports, Claims or Concealment** - If *you* knowingly (i) make false statements to EXIM, or conceal facts *you* should disclose to EXIM in the *Policy* application or in other *Policy* related documentation, or (ii) report a *claim* that is false or fraudulent, the *Policy* will be void and EXIM will not pay any *claim.* If EXIM has already made a *claim* payment in connection with a *claim* or *insured transaction* for which *you* committed any of the actions described in this Section F, *you* will promptly refund the payment to EXIM, with interest.

G. **Assignment of Policy Proceeds**

1. The *Policy* may not be assigned or transferred without the prior written consent of EXIM.

2. Assignment of any *Policy* proceeds shall bind EXIM only if EXIM has executed an *Assignment* completed by *you* and a financial institution (the *Assignee*) acceptable to EXIM. If EXIM pays the *Assignee* amounts that *you* would not have been entitled to hereunder, *you* agree to indemnify EXIM for such amounts plus any costs and expenses incurred by EXIM to enforce this provision.

H. **Compliance by Insured** - Notwithstanding any other action by EXIM, *your* failure to timely comply with any term or condition of the *Policy* shall not be deemed to have been excused or accepted by EXIM unless explicitly agreed to by EXIM in writing.

I. **Cancellation**

1. The *Policy* will automatically expire at the end of the *Policy period* unless extended in writing by EXIM prior to that time.

2. EXIM may terminate the *Policy* when *you* cease operations, become insolvent, or *you* are the subject of bankruptcy or relief of debtors proceedings.

3. In the event *you* fail to file any report or fail to pay any premium in accordance with the terms of the *Policy,* EXIM may at its sole discretion cancel the *Policy* as provided below.

4. The *Policy* may be cancelled by *you* or EXIM, without cause, upon 30 *days* prior written notice by either party to the other. *You* are not liable for payment of premium, nor is EXIM

liable for any *loss* on a shipment made after the cancellation effective date.

J. **Indemnification and Repayment of EXIM -** *You* will indemnify and hold EXIM harmless from any *loss*, and shall repay any related *claim* or *claim* payments, and costs and expenses of any nature incurred by EXIM, including: (1) costs of defense; (2) costs of collection; and (3) attorney's fees - IF (i) *you* (or *your* employees or agents, distributors, or contractors) fail to fulfill *your* contractual or legal obligations to the *buyer* or to EXIM, or (ii) the *buyer* is relieved, in whole or in part, of its obligations to pay the *buyer obligation* because of payment, express or implied agreement of *you* or *your* agents, or as a result of any unresolved dispute, of any nature, between *you* and the *buyer*.

K. **Survival -** *Your* obligations under the *Policy* shall in all events survive the termination of the *Policy* and the payment of any *claim* filed under the *Policy*.

ARTICLE 10.   DEFINITIONS

"*approved currency*" means the currency in which the *buyer* is to make payment of the *buyer obligation,* which currency is either United States dollars, Canadian dollars, Japanese Yen, Swiss Francs, United Kingdom Pounds Sterling, European Union Euro, or other currency approved by EXIM in an endorsement.

"*Assignee*" means the entity designated as such in the declarations.

"*Assignment*" means "Notification by Insured of Amounts Payable Under Multi-Buyer Export Credit Insurance Policy". A copy of this form can be found on EXIM's website at www.exim.gov.

"*buyer*" means the person or entity approved by EXIM in a *special buyer credit limit* endorsement or approved by *you* in accordance with the terms and conditions of the *discretionary buyer credit limit* endorsement and with whom *you* have contracted for the sale of *products.* For *letter of credit* transactions, "*buyer"* means the *issuing bank.*

"*buyer credit limit*" means the maximum amount of credit which *you* can have outstanding to a particular *buyer* as set forth in a *special buyer credit limit* endorsement (or *issuing bank credit limit* endorsement for *letter of credit* terms), or in accordance with the *discretionary buyer credit limit* endorsement. If *you* do not have a *discretionary buyer credit limit* endorsement or a *special buyer credit limit* endorsement for a particular *buyer*, there is no *buyer credit limit* (and no coverage) for sales to that *buyer*. *Buyer credit limits* for the same *buyer* are not cumulative over successive *Policy periods*.

"*buyer obligation*" means the written agreement of the *buyer* to order the *products* and pay *you* the invoice value of the *products,* and interest, if any, thereon, in an *approved currency* in a *payment country*. The *buyer obligation* (subject to any applicable exception set forth in Article 3, Section E) shall be evidenced by:

1. for open account and *CAD* terms: (i) written and signed purchase order(s) or contract(s) of sale, (ii) invoice(s), and (iii) bill(s) of lading or other shipping document(s) (which must be issued by and identify an unaffiliated third party), all of which must be consistent on their face and specify both *your* name and the name and address of the *buyer* in the *buyer's* country; or

2. for terms which include a negotiable instrument (including *SDDA* and *SDDP*): (i) a promissory note, draft, or bill of exchange, and (ii) bill(s) of lading or other shipping document(s) (which must be issued by and identify an unaffiliated third party) consistent with the negotiable instrument; or

3. for *letter of credit* payment terms: a *letter of credit* issued in an *approved currency* and payable in a *payment country* which names *you* as beneficiary and under which *you* have presented all documents required by, and in conformity with, the *letter of credit,* which documents must have been accepted by the *issuing bank.*

The *buyer obligation* amount may include (i) *your local costs*, (ii) insurance, and (iii) freight costs incurred by *you* on the *buyer's* behalf.

"*CAD*" means cash against documents, which means a shipment in which both the documents and *products* remain in control of the *insured* or a bank or other agent of the *insured* until such time as payment in cash is received from the *buyer* and accepted by the *insured* or the bank or other agent of the *insured*.

"*claim*" means *your* request for payment from EXIM to pay *you* for a *loss.*

"*collection costs*" means all costs and expenses incurred by EXIM to prevent or minimize a *loss* or effect *recoveries,* and reasonable costs and expenses incurred by *you* to prevent or minimize *loss*, provided EXIM gives *you* prior written approval to incur such costs or expenses.

"*Country Limitation Schedule*" means the schedule titled Country Limitation Schedule that may be found on EXIM's website at www.exim.gov and which may be changed from time to time by EXIM.

"*date of shipment*" means the date the *products* are placed en route to the *buyer* by *you, your* supplier or agent.

"*day*" means a calendar day.

"*deductible*" means the amount, if any, set forth in the declarations, which is the aggregate amount that EXIM will deduct from *claim* payments made to *you* during the *Policy period.*

"*default*" means non-payment, in whole or in part, of:

1. for *letter of credit terms,* the amount due under the *letter of credit* for which documents required by the terms of the *letter of credit* have been presented to the *issuing bank;*

2. for *CAD* and *SDDP* terms, the amount of principal and/or interest, if any, outstanding 30 *days* from the *date of shipment*;

3. for all other terms, the amount of principal and/or interest, if any, due on a *buyer obligation* in accordance with its terms.

Default shall not include any non-payment resulting from any fee or charge that is not included in the definition of *buyer obligation.*

"*discretionary buyer credit limit*" means the maximum amount of credit which *you* can have outstanding to any particular *buyer* at any one point in time as specified in the *discretionary buyer credit limit* endorsement.

"*due date*" means any date or dates of payment specified in a *buyer obligation* or *letter of credit* or any drafts drawn thereunder. The *due date* shall not exceed the *maximum payment terms*, but in any event shall not exceed 180 *days* from the *date of shipment* unless specified otherwise in *your buyer credit limit.* For *CAD* and *SDDP* terms, the *due date* shall be 30 *days* from the *date of shipment*.

"*EXIM Convicted Parties List*" means that list of parties convicted of an act of fraud or corruption in connection with an EXIM matter, and which may be found on EXIM's website at www.exim.gov and which may be changed from time to time by EXIM.

"*insured*" means the person or entity to whom the *Policy* is issued and is so named in the declarations. The *insured* is sometimes referred to as "*you*" or "*your.*"

"*insured percentage*" means the percentage of coverage applicable to a *loss* on an *insured transaction,* as specified in the declarations or an endorsement.

"*insured transaction*" means a sale and shipment of *products* which complies with all the requirements specified in Article 3 of the *Policy.*

"*issuing bank*" has the same meaning provided under the Uniform Customs and Practices for Documentary Credits, ICC Publication No. 600 (as may be amended from time to time), provided that the bank has been approved by EXIM in an *issuing bank credit limit* endorsement or in accordance with the requirements of a *discretionary buyer credit limit* endorsement.

"*issuing bank credit limit*" means a bank credit limit set specifically for an individual *issuing bank* in an *issuing bank credit limit* endorsement.

"*letter of credit*" means an irrevocable and unconfirmed *letter of credit,* in the amount of the *buyer obligation,* payable in an *approved currency* in a *payment country,* which states that it is subject to the Uniform Customs and Practices for Documentary Credits, ICC Publication No. 600 (as may be amended from time to time) and requires presentation of an invoice and shipping document.

"*local costs*" means costs incurred by *you* on the *buyer's* behalf in the *buyer's* country subject to the following:

1. *Local costs* will be covered under the *Policy* at a maximum of 15% of *your* invoice for the *products*. Separately invoiced *local costs* will not be covered. The total amount of *your local costs* and total shipments are not to exceed the *buyer credit limit*.

2. *Local costs* may include costs which support the delivery and installation of the *products*, and local duties/taxes.

3. *Local costs* may not include (i) local goods, (ii) costs associated with promoting the sale of the

products (e.g., sales representative travel, promotional materials) or (iii) post-installation costs (e.g., post-installation equipment repairs).

4. When *you* report *local costs* at the time of *your* shipment report, the *local costs* must comply with the requirements above.

"*loss*" means the amount of the *default* on an *insured transaction,* less:

1. discounts, credits, or other similar allowances; and

2. any amount which, prior to the time of *claim* payment by EXIM hereunder, *you* have received from (i) realization of any security on the *insured transaction*, or (ii) the sale of the *products* to a third party (less *your* reasonable *collection costs* where applicable); and

3. any amount which the *buyer* would have been entitled to take into account by way of payment, set-off or counterclaim; and

4. any costs or expenses saved by *you* by non-payment of any agent's commissions or non-fulfillment of the contract of sale or purchase order.

Accrued and unpaid interest at a rate not exceeding the *Maximum Insured Interest Rate* shall be included in the calculation of *loss,* provided that: (1) the *buyer obligation* specifies an interest rate and includes provisions for interest up to and/or after the *due date;* and (2) the amount of interest is calculated to the earlier of the date on which EXIM pays the *claim* or 180 *days* from the *due date.*

For calculation of *loss,* EXIM will apply any payments or credits for an *insured transaction* or *uninsured transaction,* regardless of the payment terms on such *insured* or *uninsured transaction*, made to *you* by, or on behalf of, the *buyer* between the date of *default* and the *claim* payment date in chronological order by *date of shipment*, regardless of how the *buyer* or other entity from whom such payments are received may have designated such payments or credits.

"*Maximum Insured Interest Rate*" means: (i) for *buyer obligations* denominated in United States dollars, the prime rate on the *date of shipment* minus one-half percent, using the prime rate published in the Wall Street Journal under the table "money rates" (the first date on which the Wall Street Journal is published following the *date of shipment* shall be used if the Wall Street Journal does not publish the prime rate on the *date of shipment*), or (ii) for *buyer obligations* denominated in an *approved currency* other than United States dollars, one-half percent in excess of the six-month market rate for the *approved currency* as published on the *date of shipment* in the Financial Times under the table "Interest Rates".

"*maximum payment terms*" means the *maximum payment terms* on which the *buyer obligation* must be payable (calculated from the *date of shipment*) as specified in the *special buyer credit limit* and/or *discretionary buyer credit limit* endorsements to the *Policy*.

"*non-acceptance*" means the failure of the *buyer* to physically take possession of the *products*, provided, however, that the failure of the *buyer* to take possession of the *products* due to the *buyer's* bankruptcy (or the legal equivalent in the country of the *buyer*) following the *date of shipment* shall not constitute *non-acceptance*.

"non-acceptance percentage" means, as set forth in the declarations, the percentage of coverage applicable to a *loss* on an *insured transaction* in the event of *non-acceptance.*

"Notice of Claim and Proof of Loss" means the form entitled "Notice of Claim and Proof of Loss Export Credit Insurance Policy", which can be filed via the EXIM Online web portal.

"outstanding buyer debt" means the total amount owed to *you* by the *buyer* under *insured transactions* and *uninsured transactions.*

"overshipment" means an export sale which has a credit balance that exceeds the applicable *buyer credit limit* or exceeds the *Policy payment limit.*

"overshipment balance" means the amount by which the outstanding credit balance extended to a *buyer* in connection with a shipment exceeds the applicable *buyer credit limit* or the *Policy payment limit.*

"payment country" means the country in which the *buyer obligation* or *letter of credit* is payable and which is the United States, Canada, Japan, Switzerland, United Kingdom or any member country of the European Economic Union, or other country approved by EXIM in an endorsement.

"Policy" means the terms and conditions of the collective documents set forth in Article 1.

"Policy payment limit" means the amount set forth in the declarations, and further described in Article 4, Section A.

"Policy period" means the period set forth as the "Policy Period" in the declarations.

"products" means each of the items specified as such in the declarations.

"recovery" means, after payment of a *claim,* (i) any and all amounts (including, but not limited to, interest, principal, fees, or costs) received by *you* or any of *your* agents or by EXIM directly or indirectly from or on behalf of the *buyer* on either an *insured transaction* or *uninsured transaction,* regardless of the payment terms on such *insured transaction* or *uninsured transaction,* and (ii) the proceeds of any sale of the *products*, regardless of any designation as to application of funds by the *buyer* or other person or entity from whom such payments are received, and regardless of whether the *claim* payment was for principal or interest.

"reportable transaction" means *your* export sale, which includes *your local costs*, if any, to any person or entity with whom *you* have contracted for the sale of *products,* unless: (i) such person or entity is excluded in the declarations or otherwise under the *Policy*; or (ii) *you* have applied for a *buyer credit limit*, EXIM has declined such *buyer credit limit* and the person or entity is not creditworthy under *your discretionary buyer credit limit* endorsement, if any, or (iii) such sale consists of payment terms that were declined by EXIM or of *products* not authorized in the *Policy*.

"SDDA" means sight draft documents against acceptance, which means a draft (bill of exchange) attached to negotiable documents, presented through a bank with instructions not to release the documents unless the draft is accepted by an authorized representative of the *buyer*. The payment terms shall not exceed the number of *days* specified in *your special buyer credit limit* endorsement or

your discretionary credit limit endorsement (if applicable).

"SDDP" means sight draft documents against payment, which means a draft (bill of exchange) payable at sight and attached to negotiable documents, presented through a bank with instructions not to release the documents unless payment is received from the *buyer* by the bank.

"*special buyer credit limit*" means a *buyer credit limit* set specifically for an individual *buyer* in a *special buyer credit limit* endorsement.

"*uninsured transaction*" means any transaction that is not an *insured transaction.*

"*United States content requirements*" means:

1. If *you* meet the criteria of a "small business", as defined by the Small Business Administration, *you* chose one of the following:

    (a) Item-by-Item: Each *product* on an invoice must be shipped from the United States (or its territories) and must have more than 50% United States content (comprised of all direct and indirect costs including, but not limited to, labor, materials, research and administrative costs, but excluding net profit) for 100% of the gross invoice value to be eligible for coverage. If the United States content is 50% or less, then the value of the United States content only is eligible for coverage; or

    (b) Aggregate: If *you* submitted a Content Report at the time *you* reported *your* shipment, each *product* must be shipped from the United States, and the aggregate percentage of United States content (comprised of all direct and indirect costs including, but not limited to, labor, materials, research and administrative costs, but excluding net profit) of all *products* across all invoices in a single shipment must be greater than 50% for 100% of the gross invoice value to be eligible for coverage. If the aggregate United States content is 50% or less, then the value of the United States content only is eligible for coverage.

    Any value added to the *products* or invoice following the *date of shipment* of the *products* from the United States is ineligible for cover.

    OR

2. If *you* do not meet the criteria of a "small business", as defined by the Small Business Administration, then each *product* on an invoice must be (i) manufactured or reconditioned in, and (ii) shipped from the United States (or its territories) and have more than 50% United States content (comprised of labor, materials and direct overhead, exclusive of profit). Any value added to the *products* or invoice following the *date of shipment* of the *products* from the United States is ineligible for cover. If the value added to the *products* following shipment from the United States results in a final *product* that no longer meets the definition of *products* as specified in the declarations, *your claim* will be denied.

"*you*" and **"*your*"** refer to the *insured.*

IN WITNESS WHEREOF, Export-Import Bank of the United States has caused the *Policy* to be executed.

Export-Import Bank of the United States

James Burrows
Senior Vice President
EXIM Bank
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Washington, D.C. 20571