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-acceptance, 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](http://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
811 Vermont Ave, N.W.
Washington, D.C. 20571

ESCBPLT(05) (04/2022)