

GENERAL INSURANCE CONDITIONS **E**

for Insurance of a Confirmed Letter of Credit

Exportní garanční a pojišťovací společnost, a.s. (EGAP)
(Export Guarantee and Insurance Company)
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Registered in the Commercial Register maintained
by the City Court in Prague, Section B, insert 1619

These General Insurance Conditions are effective from 1 April 2014



Article I. Basic Provisions

1. These General Insurance Conditions "E" (hereinafter the "Insurance Conditions") regulate terms and conditions of insurance of the confirmation of a Letter of Credit against the risk of non-payment resulting from political or non-marketable commercial risks (hereinafter the "insurance"). The Insurance Conditions form an inseparable part of the Insurance Contract.
2. The insurance is provided by the Export Guarantee and Insurance Corporation in accordance with the Act No. 58/1995 Coll., on Insuring and Financing of Export with State Support and on Amendment to the Act No. 166/1993 Coll., on the Supreme Audit Office, as amended and with the Act No. 89/2012 Coll., the Civil Code as amended (hereinafter the "Civil Code").
3. The insurance according to these Insurance Conditions is concluded as an insurance against loss and damage.
4. Provisions of the sections 2791, 2792 and 2805 of the Civil Code shall not be applied to insurance according to these Insurance Conditions.

Article II. Definition of Terms

1. For the purposes of these Insurance Conditions and the Insurance Contract, it shall be understood that:
 - a) *the Insurer is the Export Guarantee and Insurance Corporation,*
 - b) *the Insured is a Bank confirming a Letter of Credit issued by an Issuing Bank in favour of an Exporter,*
 - c) *the Policyholder is a person who has concluded an Insurance Contract with the Insurer,*
 - d) *the Beneficiary is a person for whom the right for an indemnification payment has arisen from an insurance loss,*
 - e) *a Letter of Credit is an irrevocable documentary Letter of Credit drawable and negotiable in the Czech Republic, issued on the basis of a request from Principal by an Issuing Bank with a clause "This documentary Letter of Credit is subject to ICC Uniform Customs and Practice for Documentary Credits of the ICO No. 600" with a validity period of at most 24 months where the payment deferral does not exceed 12 months,*
 - f) *an Exporter (Beneficiary) is a person realising the Export who is either a natural person with the permanent residence on the territory of the Czech Republic or a legal person with the registered seat on the territory of the Czech Republic, who is an entrepreneur pursuant to the Civil Code, or a Foreign Company,*
 - g) *an Importer is a foreign entity importing from the Czech Republic according to the Export Contract, on request of whom a Letter of Credit in favour of the Exporter was issued,*
 - h) *an Export Contract is a contract concluded by and between the Exporter and the Importer on export of goods or services, or on export of goods and services,*
 - i) *the Export means a delivery of goods or provision of services, or a delivery of goods and provision of services to the Importer pursuant to the Export Contract for the purpose of their use outside the territory of the Czech Republic,*
 - j) *a Foreign Entity is a natural person who has no permanent residence on the territory of the Czech Republic or a legal person who has no registered seat on the territory of the Czech Republic,*
 - k) *a Foreign Company is a legal person with the registered seat abroad who is controlled by a legal person having its registered seat on the territory of the Czech Republic and who is an entrepreneur pursuant to the Civil Code, and who participates – directly or indirectly – in the basic capital of the Company by more than 50 %, or who controls the majority of voting rights related to the participation in the basic capital of the Company, or who can appoint a majority of members of the Board of Directors, Supervisory Board or other similar managing body of the Company,*
 - l) *an Issuing Bank is a bank of the Importer which has issued a Letter of Credit in favour of the Exporter,*
 - m) *the Self-Retention is a share of the Beneficiary in losses covered by insurance expressed in percentage points.*

Article III. Subject of Insurance

1. The subject of insurance are receivables of the Insured from a Letter of Credit from an Issuing Bank (hereinafter the "Insured Receivables"). If, according to the Letter of Credit, the Issuing Bank is obligated to pay its obligations from the Letter of Credit in the form of instalments, each instalment shall be considered for the purposes of the insurance as an independent insured receivable.
2. In case of an insurance loss, the insurance also covers the exchange rate risk of the movement of the exchange rate of the Czech crown against the currency in which the Letter of Credit has been confirmed (see Article VIII., paragraph 10).
3. Under conditions and in the extent stipulated by the Insurance Contract, the subject of insurance are also costs of the Insured related to the financing of insured receivables during the waiting period (refinancing costs).
4. Unless specified otherwise in the Insurance Contract, the insurance does not cover the receivables for the payment of the late interest, conventional fines, claims for compensations of damages, and other receivables and claims of the Insured resulting from the drawing of the Letter of Credit, which have penalty character.

INSURANCE CONTRACT

Article IV.

Insurance Promise Contract

1. The Insurer undertakes in the Insurance Promise Contract to conclude an Insurance Contract upon fulfilment of agreed terms and conditions and in the time agreed, and to arrange for reservation of the necessary insurance capacity.
2. The applicant for the insurance is obligated to pay a fee for the reservation of the insurance, which is determined in the Insurance Promise Contract.
3. The Insurer is not obligated to conclude an Insurance Contract if, according to the Insurer's opinion, a substantial change has occurred in the conditions and circumstances, which have increased the insurance risk against the level the Insurer had assumed when concluding the Insurance Promise Contract especially if a substantial worsening of the Issuing Bank's, Importer's or applicant's financial situation has occurred, or if the risk classification of the country, which is related to the Letter of Credit or to the Export Contract, has worsened substantially.
4. During the validity period of the Insurance Promise Contract, the applicant is bound to adhere to obligations resulting from these Insurance Conditions.
5. Rights and obligations of contracting parties resulting from the Insurance Promise Contract are governed by provisions of the Civil Code, especially by the provisions of sections 1785 through 1788 relating to the agreement on a future contract.

Article V.

Insurance Contract

1. The Insurance Contract shall define, beside the usual essentials, primarily the commencement and expiration of the insurance in relation to the conditions of the Letter of Credit, identification of the Exporter, identification of the Issuing Bank, reference number of the Letter of Credit, subject of the Export, the amount on which the Letter of Credit was issued, the amount of the confirmation fee for the Letter of Credit, insurance value, insurance premium rate and the total amount of the premium.
2. Unless specified otherwise in the Insurance Contract, the Policyholder is obligated to pay the agreed insurance premium in one lump sum and in the time specified in the Insurance Contract. The amount of the insurance premium shall be negotiated in dependence on the scope of the insurance risk (amount of the Letter of Credit, negotiated terms and conditions of the Letter of Credit, way of securing the payments, evaluation of character and risk degree of the Issuing Bank, assessment of the risk level of the country or territory connected with fulfilment of the conditions of the Letter of Credit and amount of the Self-Retention). The negotiated amount of the insurance premium already contains a possible increase or decrease of the insurance risk and is unchangeable during the whole duration of the insurance. In this connection, the insurance risk is understood as the classification of the country in accordance with the extent of the export credit risk, or the classification of the country into individual risk categories established by the Insurer.
3. The Self-Retention amounts to 5 %, unless specified otherwise in the Insurance Contract. Other insurance may not be arranged for the cover of the risk resulting from the specified Self-Retention and the Beneficiary is obligated to share the negotiated Self-Retention by a half at least.
4. Mutual financial obligations between the Insurer and the Policyholder or alternatively the Insured are payable in Czech crowns unless specified otherwise in the Insurance Contract. For conversion from other currency for the purposes of determination of the amount of the insurance premium, the exchange rate specified in the Insurance Contract shall be used; otherwise, the Czech National Bank's exchange rate valid on the day of signing the Insurance Contract, shall be applied.
5. The Insurer may conclude with the Policyholder a Framework Insurance Contract for the insurance of risks related to the confirmation of the Letters of Credit arising in an agreed period of time. On the basis of a request for the insurance, the Insurer shall render a decision in the form of annexes to the Framework Insurance Contract. The individual insurance decisions determine, particularly, commencement and expiry of the insurance in relation to terms and conditions of the Letter of Credit, identification of the Exporter, identification of the Issuing Bank, reference number of the Letter of Credit, subject of the Export, amount for which the Letter of Credit was issued, insurance value, insurance premium rate and the total amount of the insurance premium.
6. The insurance premium, the fee for the provision of the Insurance Promise Contract, as well as other financial obligations in relation to the Insurer are to be paid on the basis of an invoice issued by the Insurer, unless specified otherwise in the Insurance Contract.
7. In case of a different modification in the Insurance Contract, the wording of the Insurance Contract shall always prevail over the wording of the Insurance Conditions.
8. Acceptance of an offer of the Insurance Contract with an addendum or with a deviation, although they are not substantially changing conditions of the offer, pursuant to the section 1740, par. 3 of the Civil Code, is excluded.

Article VI. Duration of Insurance (Insurance Period)

1. The insurance shall be negotiated for the period stipulated in the Insurance Contract in connection with the validity period and maturity of the insured Letter of Credit. Unless specified otherwise in the Insurance Contract, the total insured period shall not exceed 24 months.
2. Insurance of the Letter of Credit shall commence on the day the insurance premium has been paid unless an earlier date was specified in the Insurance Contract, however, not prior to the date the Insurance Contract had been concluded. The Insurance Contract may specify additional conditions precedent for the inception of the insurance.
3. Beside cases, which are specified in the generally binding legal regulations, in the Insurance Contract or in other provisions of the Insurance Conditions, the insurance also expires by a complete repayment of the Letter of Credit by the Issuing Bank, by a cancellation of the Letter of Credit or, if an insurance loss has occurred, by a decision of the Insurer on the indemnification for the last insured receivable.
4. Insurance shall not expire on the day of refusal of the indemnification (unless stipulated otherwise in the Insurance Contract).

INSURANCE LOSS AND INDEMNIFICATION

Article VII. Insurance Loss

1. An insurance loss is a partial or full non-payment of the insured receivable (the Letter of Credit) by the Issuing Bank on the due date, nor even during the waiting period, if the latter is specified, in the event that the Issuing Bank's default results directly and exclusively from one or more causes stated in the paragraph 2 (the commercial risk) or paragraph 3 (the political risk) of this Article (insured peril). It is possible to agree in the Insurance Contract on limitation of the insurance to the events specified in the paragraph 3 of this Article.
2. Causes representing the commercial risk are understood as following:
 - a) Inability of the Issuing Bank to pay its obligations, especially all measures of supervisory authorities of the country of the Issuing Bank passed for the purpose of maintaining or restoration of its financial situation, decisions on insolvency or refusal of the application for the declaration of insolvency proceedings or the cancellation of the bankruptcy proceedings for the lack of the Bank's assets, or other circumstances, which are established by the law of the Issuing Bank's country as having the same or similar legal consequences (financial insolvency),
 - b) refusal of the payment of the insured receivable by the Issuing Bank without any legal reason (protracted default).
 - c) impossibility, delay or restriction of the transfer or conversion of payments as a result of political events, legislative or administrative measures or serious economic difficulties in the Issuing Bank's country or in the country through which the payments are to be executed (especially declaration of insolvency of the country, declaration of the payments moratorium or introduction of a foreign exchange regime disallowing the conversion of the domestic currency or limiting in any other way the transfer of payments abroad or conversion of the currency),
 - d) other political events in the Issuing Bank's country, especially war, revolution, uprising, civil war, civil riots, general strike,
 - e) natural disaster in the Issuing Bank's country.
3. Causes representing the political risk are understood as following:
 - a) Administrative decisions or legal measures or interventions of authorities of a foreign country, which prevent the drawing on the Letter of Credit without the Issuing Bank's fault or provocation,
 - b) any measures or decisions of the government of the country of the Insurer or the Policyholder, including the measures and decisions of the European Union bodies, provided the country of the Policyholder is a member state of the European Union, related to trade between the member state and third countries unless its consequences are covered in other way by the respective government,
 4. In case of an insolvency, the insurance loss occurs on the day when the Insured notifies the Insurer of the existence of a cause according to the paragraph 2, letter a) by means of delivering to the Insurer a filled-in Insurer's form of the Notification of a Threat of an Insurance Loss, and also, simultaneously, by providing evidence that the Insured has duly and in time registered his insured receivables in the insolvency proceedings or in the proceedings according to the paragraph 2, letter a). The Insured has the right to request from the Insurer consultations regarding steps necessary for a proper registration of the insured receivable.
 5. In case of a protracted default and of political risk, the insurance loss occurs after expiration of a waiting period of three months from the day the Insured had notified the Insurer of the existence of a cause according to the paragraph 2, letter b) or paragraph 3, by means of delivering to the Insurer a filled-in Insurer's form of the Notification of a Threat of an Insurance Loss. The Insurer may reduce the waiting period by a unilateral declaration.

Article VIII. Indemnification

1. The obligation of the Insurer to indemnify arises upon an occurrence of the insurance loss.
2. The Insurer shall not indemnify in case the total amount of unpaid insured receivables does not exceed the amount of fifty thousand Czech crowns, unless specified otherwise in the Insurance Contract.
3. The obligation of the Insurer shall not arise in case the Insured delivers to the Insurer the Notification of a Threat of an Insurance Loss with a delay of more than two months after the due date of the insured receivable. In case the Insured had extended the tenor of the insured receivable to the Issuing Bank with the prior written consent of the Insurer, the newly agreed tenor is considered as decisive for the purposes of submitting the Notification of a Threat of an Insurance Loss.
4. Upon obtaining the Notification of a Threat of an Insurance Loss, the Insurer is obligated to initiate an investigation necessary for a confirmation of the Insured's claim and for determining the extent of the Insurer's obligation to indemnify without unnecessary delay. The Insurer concludes the investigation, if possible or unless the parties do not agree otherwise, within one month from the date the insurance loss had occurred. The Insurer shall mention results of the investigation in the Decision on Indemnification.
5. For the purposes of the investigation of the insurance loss and determination of the unpaid amount of the insured receivable, the Insured is obligated to submit to the Insurer appropriate documentation, records, and other evidence requested by the Insurer for an assessment, which are decisive for the origination and the amount of Insured's claim for the payment of an indemnification, especially the origination of the insurance loss and reasons for it, justification of the claim against the Issuing Bank, the unpaid amount of the receivable, and documentation of the payment of the insurance premium. Furthermore, the Insured is obligated to present a valid Insurance Contract together with all other documents and information, which the Insurer may request.
6. The Insurer reserves the right to verify the truthfulness and accuracy of submitted documents, and of all data and information provided by the Insured, which the Insurer considers significant or necessary for the purposes of the investigation.
7. The outstanding unpaid amount of the insured receivable is determined as the difference between the amount which should have been paid out to the Insured by the Issuing Bank on the basis of presented documents specified by the Letter of Credit and the amount the Insured had effectively received.
8. The amount of the unpaid insured receivable according to the paragraph 7 of this Article is reduced by the amount of reciprocal creditable receivables of the Issuing Bank and the Insured, the justification of which has been acknowledged by the Insured, or which have been awarded to the Issuing Bank by an enforceable decision in legal or arbitration proceedings, and further by all payments accepted by the Insured as a settlement or a cover of the loss from the unpaid insured receivable before the day of the Decision on Indemnification when these settlements directly reduce the unpaid amount of the insured receivable, unless stated otherwise in the Insurance Contract.
9. The indemnification is set for the amount of the unpaid insured receivable determined according to the paragraph 7 of this Article, and reduced according to the paragraph 8 of this Article, and further reduced by the amount of the agreed Self-Retention.
10. The indemnification is paid out in the Czech currency. In view of the Article III., par. 2, the exchange rate of the Czech National Bank valid on the day of the Decision on Indemnification shall be used for the conversion from another currency.
11. The indemnification is payable within fifteen days from the date of the issuance of the Decision on Indemnification.

Article IX. Exclusions from Insurance, Refusal and Reduction of Indemnification

1. The obligation of the Insurer to indemnify shall not arise (exclusions from insurance):
 - a) If the rights resulting from the Letter of Credit have been transferred to a third person without a prior written consent of the Insurer,
 - b) in case of a dispute between the Insured and the Issuing Bank concerning performance of the Letter of Credit or justification of the insured receivable and before an enforceable decision solving the dispute has been made to the benefit of the Insured; the Insurer shall decide on the payment of an advance on the indemnification or on the payment of the indemnification within 30 days of the request of the Insured in case the dispute had been considered unjustified by the Insurer,
 - c) if the loss has been caused by the Insured, particularly by an incorrect or unjustified drawing on the Letter of Credit or by set-off of the insured receivable,
 - d) if the insured receivable was denied by the official receiver and if it was not subsequently approved by the official receiver, or if the denied insured receivable was not accepted by a court decision when the denial of the insured receivable had been made on the basis of an evidently discriminatory decision of the official receiver or of the court; in such case the Insurer shall proceed by analogy according to the Art. VII, paragraph 3, letter a).
2. The Insurer has the right to refuse the indemnification:
 - a) In case the Beneficiary has knowingly stated untruthful or grossly distorted information relating to the extent of the insurance loss or withheld essential data concerning this loss when making a claim for the indemnification,
 - b) in all other cases specified in the Civil Code.

3. The Insurer has the right to reduce the indemnification in an appropriate extent if the non-payment of the receivable has been caused, directly or indirectly:
 - a) By the Insured or a person acting for the Insured or on behalf of the Insured, especially by violation of Letter of Credit terms and conditions or by violation of legal regulations valid in the Issuing Bank's country or in the country through which the payment has been (or should have been) executed,
 - b) by the application of any provision of the Letter of Credit or related documentation, which restricts the rights of the Insured or possibility of their implementation and enforcement,
 - c) by a subsequent agreement between the Insured and the Issuing Bank made after the date of the confirmation of the Letter of Credit without a prior written consent of the Insurer which inhibits, delays or limits the repayment of the insured receivable,
 - d) if the Insured has violated the obligations towards the Insurer as specified in the Insurance Contract, Insurance Conditions, and in respective provisions of the generally binding regulations related to the insurance, and this violation had a significant influence on an occurrence of an insurance loss, its course or on an increase in the amount of its consequences or on the ascertainment or determination of the amount of the indemnification,
 - e) in other cases specified in the Civil Code.

Article X. Cession of Rights

1. Concurrently with the partial or full payment of the indemnification, the Insurer is entitled to request the Insured to transfer, cede or otherwise surrender financial or other claims against the Issuing Bank in a way effective towards the Issuing Bank. Upon the Insurer's request, the Insured is obligated to transfer, cede, or otherwise convey at the same time, all rights connected with these claims.
2. Notwithstanding the cession of claims, the Insured is always obligated to enable the Insurer to recover the indemnification from the insured receivable from the Issuing Bank. For this purpose, the Insured is obligated to submit to the Insurer all documents related to the insured receivable, and to provide the Insurer with the necessary co-operation without unnecessary delay.
3. For reasons of expediency of the recovery of the insured receivables or for simplification of the legal procedures against the Issuing Bank, the Insurer may authorise the Insured or other person with the recovery of the insured receivables from the Issuing Bank, or as the case may be, from persons guaranteeing the insured receivables or respective financial or other claims. The Insurer shall undertake to reimburse the Insured for purposefully spent expenses of recovery of the insured receivable on the basis of their proper accounting and evidencing on Insured's part.
4. Payments made by the Issuing Bank or by a third person as settlements of the insured receivable after the Insurer had paid out the indemnification shall belong to the Insurer and the Insured is obligated to inform the Insurer on such payments without delay and to cede these payments to the Insurer within five days upon their receipt in such way that the Insurer shall be paid first up to the amount of the paid indemnification and after that the rest amount shall be paid to the Insured.
5. If rights of the Insured have not been transferred to the Insurer by a contract on cession of a receivable in accordance with the Art. 1 for the reason of purposefulness of recovery of the receivable, the Insurer and the Insured shall conclude a contract on arrangement of rights and obligations where reciprocal rights and obligations in recovery of the insured receivable shall be regulated.

RIGHTS AND OBLIGATIONS OF CONTRACTING PARTIES

Article XI. Rights and Obligations of the Insured

1. The Insured has the right to:
 - a) Indemnification resulting from the occurrence of an insurance loss provided the Insured is simultaneously a Beneficiary,
 - b) cede the insured receivables with a prior written consent of the Insurer to a third person, to establish a lien to the insured receivables or to encumber these receivables in any other way,
 - c) request the Insurer to perform the proper investigation necessary to determine the extent of the Insurer's obligation to provide the indemnification, to state the results of investigation in the Decision on Indemnification and to inform the Insured on its contents,
 - d) the payment of the indemnification within the time limit of fifteen days from the date of the Decision on Indemnification.
2. The Insured is obligated to:
 - a) Proceed in the process of the confirmation of the Letter of Credit and of fulfilment of obligations thereof with due care and caution while taking into account international business conventions and practices, especially to pay regard to the fulfilment

- of the conditions from the Letter of Credit by the Exporter,
- b) provide the Insurer with precise and truthful information on own economic situation, financial and legal status and all information known to the Insured on economic situation, financial and legal status of the Issuing Bank, even without being requested to do so by the Insurer,
 - c) inform the Insurer without delay on all circumstances known to the Insured which might lead to an origination of an insurance loss or to an increase in its extent, or which may affect obligations of the Insurer resulting from the Insurance Contract,
 - d) in case of a non-payment of an insured receivable, to send to the Issuing Bank a written reminder for the payment not later than five working days from the due day and to inform the Insurer of the non-payment of the insured receivable without delay,
 - e) take individually, or by agreement with the Insurer, all purposeful steps aimed at preventing the occurrence of an insurance loss or the increase in its extent, especially to demand his claims properly and in time, and to enforce consistently repayment of the due insured receivables. The Insured is liable for the reduction of recoverability or legal enforceability of the insured receivables caused by their late presentation to court or to other relevant authority,
 - f) coordinate with the Insurer any steps taken in order to prevent a threat of an insurance loss to occur or to reduce its consequences, and to take all necessary steps against the Issuing Bank or a third person with a prior consent of the Insurer; in case the Insurer does not inform the Insured on his opinion to the proposed procedure within 10 working days since receiving the request of the Insured, or does not agree with the Insured any other deadline for giving his opinion, it is considered as if the Insurer gave his consent to the proposed course of action,
 - g) inform the Insurer without delay on a prescribed form that a circumstance has arisen which is decisive for an occurrence of an insurance loss and to submit necessary documentation in accordance with these Insurance Conditions and other documents requested by the Insurer,
 - h) inform the Insurer without delay on an agreement on a concurrent insurance with another Insurer against the same or similar risk,
 - i) participate in the insured risk in the extent of the agreed Self-Retention and not to conclude another insurance for the Self-Retention,
 - j) conclude, simultaneously with the indemnification payment and on suggestion of the Insurer, a contract on cession of receivables which the Insurer had indemnified, or to conclude a contract on arrangement of rights and obligations in compliance with the Article X.,
 - k) enable the Insurer assertion of claims, especially the claims for the compensation of damages, which belong to the Insured,
 - l) return to the Insurer the paid-out indemnification if the Insured prevented the Insurer to carry out the rights ceded to him, or their cession was refused by the Insurer, or the Insured has not enabled the Insurer to carry them out properly, or if the Insured has complicated the recovery of the receivables for which the Insurer had paid the indemnification,
 - m) return to the Insurer the already paid indemnification if it had been paid out on the basis of incomplete or untruthful information, or without the rightful title for the payment of the indemnification, or if such claim later ceased to exist or if it had come out that facts mentioned in the Article IX. had occurred,
 - n) in case of insolvency proceedings (or proceedings for which the legal code in the county of the Issuing Bank accepts as having the same legal consequences), to register the insured receivables properly and timely into insolvency proceedings; this applies in an appropriate way for other proceedings in the sense of the Article VII., paragraph 2, letter a). The Insured has the right to request from the Insurer consultations regarding steps necessary for a proper registration of the insured receivable.
3. The Insured may not, without a prior written consent of the Insurer:
 - a) agree on a change in conditions of the Letter of Credit or the documentation related thereto,
 - b) establish the right of lien on the insured receivables or to encumber the insured receivables in any other way,
 - c) cede the insured receivables to a third person.

Article XII. Rights and Obligations of the Insurer

1. The Insurer is obligated to:
 - a) Perform a proper investigation necessary to determine the extent of the Insurer's obligation to provide the indemnification,
 - b) state the results of the investigation in the Decision on Indemnification and to inform the Insured on its contents,
 - c) pay the indemnification within the time limit of fifteen days from the date of the Decision on Indemnification,
 - d) preserve the documents entrusted and provided to the Insurer with due care.
2. The Insurer has the particular right to:
 - a) request payment of the insurance premium for the whole period of validity of the insurance,
 - b) request from the Insured submission of the Letter of Credit and documentation related thereto; in doing so, the Insurer does not become responsible for the content and form of these documents,

- c) increase the insurance premium rate and the Self-Retention in case that the Letter of Credit and the documents related thereto had been modified without a prior consent of the Insurer,
- d) verify the truthfulness and exactness of the submitted documents and of all data and information given by the Insured, while respecting the generally binding regulation on the business secrecy,
- e) request from the Insured the proper enforcement of the claims against the Issuing Bank or third persons,
- f) agree with the Insured subsequent steps in recovery and collection of the receivable independently from acquiring the unpaid insured receivable after payment of the indemnification,
- g) claim from the Insured return of the paid-out indemnification and compensation of damages the Insurer had suffered in case that the indemnification has been provided on the basis of incomplete or untruthful information, or if it had come out that facts mentioned in the Article IX. had occurred.
- h) after indemnification payment to the Insured, to exercise the claim against the Issuing Bank or against the person to whom the Issuing Bank ceded its obligations.

FINAL AND CLOSING PROVISIONS

Article XIII. Final Provisions

1. Relations unregulated by the Insurance Contract or by the Insurance Conditions, are governed by the appropriate provisions of the Civil Code.
2. Wordings of the Insurance Conditions and of the Insurance Contract in the Czech language are decisive.
3. The Insurer is entitled to terminate the Insurance Contract if:
 - a) The Insured has been withdrawn the banking licence, the Insured went into receivership, the court shall decide on insolvency of the Insured or refuse insolvency proceedings for the lack of assets of the Insured,
 - b) it is so stated in the Insurance Contract,
 - c) it is so stated in the Civil Code or in other legal regulations.
4. The notice of termination must be in writing. The term of notice starts to run on the day of delivery of the notice of termination to other party and it lasts 6 weeks, unless stipulated otherwise by law.
5. If any provision of the Insurance Conditions or the Insurance Contract becomes at least partially invalid, apparent, ineffective or non-applicable as a result of a change in legal regulations, this does not make the remaining provisions invalid, apparent or ineffective.
6. Information provided in any form by the contracting parties to each other related to the conclusion of the Insurance Contract and to the fulfilment of obligations resulting from it, is confidential. The party, which has received such information may not provide it to a third person without consent of the other party, nor may use such information for a purpose different from the one for which it has been provided unless stipulated otherwise by law (e.g. the Act on Insurance, etc.).
7. Unless agreed otherwise by the contracting parties in the Insurance Contract, any possible disputes arising between them from legal relations established by this Insurance Contract or related to it (including issues of validity or invalidity of the Insurance Contract), which cannot be resolved by an amicable settlement with exclusion of jurisdiction of ordinary courts in a reasonable time, shall be finally decided in arbitration proceedings at the Arbitration Court at the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic in accordance with its Order by 3 arbitrators appointed pursuant to this Order. Parties undertake to meet all obligations imposed on them in the arbitration decision within the time prescribed therein.
8. Insurance under these Insurance Conditions shall be governed by the rule of law of the Czech Republic.
9. In compliance with provisions of section 1801 of the Civil Code, the Insurer and the Policyholder who is an entrepreneur depart from relevant provisions of sections 1799 and 1800 of the Civil Code on adhesion contracts. In this way, the potential invalidity of provisions of these Insurance Conditions or Insurance Contract for contradiction with the mentioned provisions on adhesion contracts is excluded, particularly, invalidity of:
 - i. clauses referring to conditions outside the wording of the insurance contract as such where the Policyholder was not made acquainted with their content and the knowledge of the Policyholder of their meaning will not be proven;
 - ii. clauses which can be read with extraordinary difficulties only, or clauses which are unintelligible for a person of average intellect even in the case when it causes detriment to the Policyholder and its meaning has not been sufficiently explained to the Policyholder; and
 - iii. clauses which are particularly disadvantageous for the Policyholder without any reasonable ground, particularly, when the Insurance Contract or these Insurance Conditions differ substantially and without any particular reason from usual conditions negotiated in similar cases.