

Schedule 1 – General Terms and Conditions

**General Terms and Conditions on Insurance of
Exporters' Working Capital Loan Portfolio
OU-OP-01/20**

Preamble

The General Terms and Conditions on Insurance of Exporters' Working Capital Loan Portfolio OU-OP-01/20 determine the terms and conditions on which the Croatian Bank for Reconstruction and Development, for and on behalf of the Republic of Croatia, as the insurer, takes into insurance the loans approved to exporters by banks as the insured pursuant to the Programme for the Insurance of Exporters' Working Capital Loan Portfolio.

**Article 1
Terms**

In the General Terms and Conditions on Insurance of Exporters' Working Capital Loan Portfolio OU-OP-01/20, the terms of this Article are used with the following meanings:

Day of calculation	a) Day of the decision on initiation of the bankruptcy proceedings against the Exporter or b) Day after the maturity of the last instalment/annuity of the Loan under the Loan Contract or c) Day after the maturity of all obligations under the Loan Contract on the basis of cancellation/termination of the Loan Contract. For the avoidance of doubt, the initiation of pre-bankruptcy proceedings does not affect the determination of the Day of calculation as stated under a) or b) or c);
Foreign buyer	Foreign legal entity or natural person that has concluded Export Contract with the Exporter;
Change of the loan repayment period due to business reasons	Change of the loan repayment period for more than 6 months that has not been caused by financial difficulties of the Exporter, but by further need for working capital;
Report on recovery	Written report set forth in Article 13 of the General Terms and Conditions containing the data on amounts paid through recovery and the actions undertaken for the purpose of collection under the Loan Contract and the Portfolio Insurance Agreement for Loans for which the Insured received the Indemnity that the Insured submits to the Insurer in the form agreed in the Portfolio Insurance Agreement;
Report on loan balance	Written report set forth in Article 6 of the General Terms and Conditions containing the data on the Loan balance on the last day of the Calendar quarter that the Insured submits to the Insurer in the form agreed in the Portfolio Insurance Agreement;
Export Contract	Any form of written communication between the Exporter and the Foreign buyer that gives rise to the obligation of the Exporter to produce and/or deliver goods and/or carry out works and/or render services to the Foreign buyer, and the obligation of the Foreign buyer to pay the price to the Exporter (for example, a written contract concluded, order acceptance, etc.);
Exporter	Local legal entity or natural person that has concluded a Loan Contract as borrower with the Insured;
Calendar quarter	In any year, any period from 1 January to 31 March, from 1 April to 30 June, from 1 July to 30 September or from 1 October to 31 December;

Loan	Loan under the Loan Contract included in the Portfolio;
Eligibility criteria for the inclusion of loan in the portfolio	The criteria established in the Portfolio Insurance Agreement and the Insurance Programme (Schedule 2) that must be fulfilled so that the Loan may be insured;
Eligibility criteria for the change of the loan repayment period due to business reasons	The criteria established in the Portfolio Insurance Agreement and the Insurance Programme that must be fulfilled so as to enable the Insured to modify the Loan repayment period on its own in case of the Change of the loan repayment period due to business reasons, pursuant to Article 7 of the General Terms and Conditions that must be fulfilled so that the Loan may be insured;
Maximum portfolio volume	The maximum amount of the Portfolio volume per an individual Insured that will be established by the Portfolio Insurance Agreement;
Notification on the change of the loan repayment period	Written notification set forth in Article 7 of the General Terms and Conditions on the change of the Loan repayment period and, in case of Change of the Loan repayment period set forth in paragraph 5 Article 7 of the General Terms and Conditions, on the calculation of the Premium in the Loan currency that the Insured submits to the Insurer in the form agreed in the Portfolio Insurance Agreement;
Notification on repaid loans	Written notification set forth in Article 6 of the General Terms and Conditions containing the data on Loans repaid in the previous Calendar quarter that the Insured submits to the Insurer in the form agreed in the Portfolio Insurance Agreement;
Notification on inclusion	Written notification set forth in Article 5 of the General Terms and Conditions by which the Loan is included in the Portfolio and the Premium calculation in the Loan currency submitted, and which the Insured submits to the Insurer in the form agreed in the Portfolio Insurance Agreement;
Approved loan principal	Loan principal initially contracted by the Loan Contract;
Indemnity	Cash amount paid to the Insured by the Insurer as compensation for the Loss incurred after the occurrence of the Insured risk;
Claim	Written demand for the payment of Indemnity for an individual Loan submitted to the Insurer by the Insured in accordance with the provisions of Article 9 of the General Terms and Conditions in the form agreed in the Portfolio Insurance Agreement;
General Terms and Conditions	General Terms and Conditions on Insurance of Exporters' Working Capital Loan Portfolio OU-OP-01/20;
Insured risk	Non-payment of receivables that are the Subject matter of insurance on the Day of calculation, in accordance with Article 3 of the General Terms and Conditions;
Insured	The bank with which the Exporter has concluded the Loan Contract, and the Insurer the Portfolio Insurance Agreement;
Insurer	HBOR – Hrvatska banka za obnovu i razvitak, Croatian Bank for Reconstruction and Development, with headquarters in Zagreb, for and on behalf of the Republic of Croatia;
Extension of the loan repayment period	Time period from the last day of the Repayment period of the initially contracted Loan until the last day of the Repayment period of the prolonged loan, which starts on the next day following the expiry of the Repayment period of the initially contracted Loan;
Portfolio	Loan portfolio consisting of all loans for which individual Loan Contracts have been concluded and which are included in the Portfolio pursuant to Article 5 of the General Terms and Conditions;
Subject matter of insurance	The Insured's receivables in respect of principal and Contracted interest on the Loan pursuant to Article 3 of the General Terms and Conditions;

Premium	Cash amount collected from the Insured by the Insurer for the Loan insurance;
Premium for the change of the loan repayment period	Cash amount collected from the Insured by the Insurer for the Loan insurance in case of Change of the loan repayment period due to business reasons;
Insurance Programme	The Insurer's programme named "Programme for the Insurance of Exporters' Working Capital Loan Portfolio" adopted on 30 April 2020 and published on web pages of the Insurer together with all changes and amendments. The Insurance Programme together with all changes and amendments is a schedule to the Portfolio Insurance Agreement;
Business day	Every day except Saturday, Sunday, festive days or national holidays in the Republic of Croatia;
Waiting period	Period, upon the expiry of which the Insured has the right to submit the Claim, is 30 calendar days from the Day of calculation;
Loan repayment period	Period from the expiry of the loan availability period until the last day of the Loan repayment period; in case of revolving loans, the Loan repayment period will be deemed the period from the day of the first Loan disbursement until the last day of the Loan repayment period;
Retention	Share of the Insured in the Loss amounting to 20%;
Portfolio Insurance Agreement	Agreement determining the business cooperation between the Insurer and the Insured in the implementation of the Insurance Programme, by which the Insurer takes into insurance the loans included in the Portfolio. Constituent parts of the Portfolio Insurance Agreement are its schedules that also include the General Terms and Conditions and the Insurance Programme;
Coverage rate	The Insurer's share in the Loss amounting to 80%;
Loss	The amount of overdue receivables of the Insured that are the Subject matter of insurance on the day of submission of the Claim; in case the pre-bankruptcy proceedings have been initiated against the Exporter, the Loss will be deemed the amount of uncollected receivables of the Insured that are the Subject matter of insurance on the day of submission of the Claim increased by possible write-off under the pre-bankruptcy proceedings;
Loan duration	Time period from the day of conclusion of the Loan Contract until the last day of the Loan repayment period;
Enforced collection costs	Costs incurred by the Insured that are exclusively related to the actions taken for the purpose of the Loan collection, before or after the payment of the Indemnity; these do not include either the costs of employees' salaries of the Insured or the usual administrative costs such as the costs of sending mail, making telephone calls, photocopying, etc.;
Loan Contract	Loan contract concluded between the Insured and the Exporter in accordance with the Portfolio Insurance Agreement;
Recovery Contract	Contract between the Insured and the Insurer by which, among others, their rights and obligations are regulated in respect of the collection of all receivables under the Loan Contract and the Portfolio Insurance Agreement after the payment of the Indemnity, in accordance with the provisions of Article 13 of the General Terms and Conditions, in the form and contents as contracted in the Portfolio Insurance Agreement;
Contracted interest	Regular interest, interest in the disbursement period and interest in the grace period;
Portfolio volume	Total amount of the Approved loan principals that are not repaid on a certain day and stated in the latest Report on loan balance.

Prevailing Provisions

Article 2

- (1) In case of non-compliance of any provision of the Portfolio Insurance Agreement with the General Terms

and Conditions or the Insurance Programme, the provisions of the Portfolio Insurance Agreement shall prevail.

- (2) In case of non-compliance of any provision of the General Terms and Conditions with the Insurance Programme, the provisions of the General Terms and Conditions shall prevail.

Subject Matter of Insurance and Insured Risk

Article 3

- (1) The Subject matter of insurance are receivables of the Insured in respect of the principal and the Contracted Loan Interest. The subject matter of insurance is neither receivables in respect of default interest and fees nor any other Loan costs.
- (2) The Insured risk arises by the non-payment of receivables that are the Subject matter of insurance on the Day of calculation.

Portfolio

Article 4

- (1) The Decision on Loan approval is made independently by the Insured.
- (2) Loans are included in the Portfolio on the day when the Insurer confirms to the Insured that the Notification on inclusion has been received. The Insurer shall be obliged to provide the confirmation of receipt of the Notification on inclusion to the Insured within 3 Business days from the receipt of the Notification on inclusion.
- (3) For loans included in the Portfolio, coverage by insurance starts from the day of conclusion of a single Loan Contract, provided that all Eligibility criteria for inclusion of loans in the portfolio have been fulfilled.

Process of Inclusion in the Portfolio

Article 5

- (1) The Insured may include in the Portfolio only those loans for which Loan Contracts are concluded during the lifetime of the Portfolio Insurance Agreement, whereby Loans must be included in the Portfolio in the entire amount of their principals.
- (2) On the occasion of inclusion in the Portfolio, the Insured must ensure that the Portfolio volume does not exceed the Maximum portfolio volume. Otherwise, the Insurer will within 5 Business days from the date of submission of the Report on loan balance request the Insured to exclude from the Portfolio certain Loans at the Insured's own choice to ensure that the Portfolio volume is lower than or equal to the Maximum portfolio volume and will ask the Insured to submit to it within 5 Business days a new Notification on inclusion and the Report on loan balance.
- (3) The Insured shall be obliged to submit to the Insurer once for each Calendar quarter the Notification on inclusion, not later than within 20 days after the expiry of the Calendar quarter. The Notification on inclusion will contain information on all loans for which the Loan Contract was concluded in that Calendar quarter, and, as an exception, the information about the loans for which the Loan Contract was concluded in the previous Calendar quarter if not stated by the Insured in the previous Notification on inclusion by mistake, and which the Insured wishes to include in the Portfolio. The Insured has no right to include loans in the Portfolio beyond the stated deadlines.

**Submission of Report on Loan Balance and of the
Notification on Repaid Loans**

Article 6

The Insured shall submit to the Insurer the Report on loan balance and the Notification on repaid loans not later than within 20 days after the expiry of an individual Calendar quarter, on the same day on which the Insured delivers the Notification on inclusion.

Changes to the Loan Contract

Article 7

- (1) The Insured shall not be authorised to make the following changes to the Loan Contract:
- a) Changes of the Contracting parties not conditioned by status changes,
 - b) Loan amount and
 - c) Loan currency.

For the avoidance of any doubt, status changes in terms of this Article shall be deemed the change of family farm owner or the owner of crafts business or other appropriate changes in Exporters that are not legal entities.

If the Insured makes any change to an individual Loan Contract set forth in this paragraph, it will be deemed that such loan is not included in the Portfolio.

- (2) The Insured is authorised to change the Loan repayment period for an individual Loan only with a prior written consent of the Insurer, if the respective change is not in accordance with the terms and conditions referred to in paragraphs (4), (5) and (6) of this Article. Otherwise, it will be deemed that the individual loan is no longer included in the Portfolio.
- (3) The Insured is authorised to make an amendment to the Loan Contract only with a prior written consent of the Insurer for a Loan for which the Indemnity has been paid, unless it is an amendment to the Loan Contract that the Insured is obliged to accept (pre-bankruptcy agreement, bankruptcy plan, etc.).
- (4) The Insured is authorised, without a prior written consent of the Insurer, to make a one-time change to the Loan repayment period for the Loan for which no Claim has been submitted, provided that the Extension of the loan repayment period equals to or is shorter than 6 months.

The loan referred to in this paragraph will continue to be included in the Portfolio if the Insured submits to the Insurer the Notification on the change of the loan repayment period together with the first next Report on loan balance. In this case, the Insured shall not be obliged to pay additional Premium.

- (5) The Insured is authorised, without a prior written consent of the Insurer, during the lifetime of the Portfolio Insurance Agreement, to change the Loan repayment period for the Loan for which no Claim has been submitted, if such change is the Change of the loan repayment period due to business reasons and if on the day of making a decision on change of the Loan repayment period all Eligibility criteria for the change of the loan repayment period due to business reasons have been fulfilled.

The loan referred to in this paragraph will continue to be included in the Portfolio if the Insured:

- a) Submits to the Insurer the Notification on change of the loan repayment period together with the first next Report on loan balance and
- b) Calculates and pays the respective Premium in accordance with the new Repayment period,

pursuant to Article 17 of these General Terms and Conditions.

- (6) The Insured is authorised, without a prior written consent of the Insurer, to change the Loan repayment period if the change of the Loan repayment period has arisen from the pre-bankruptcy proceedings or the bankruptcy plan.
- (7) The Insured is authorised, without a prior written consent of the Insurer, to arrange for any other changes to the Loan Contract not covered by the preceding paragraphs of this Article and is obliged to state them in the first next Report on loan balance if they are covered by the Report on loan balance.
- (8) The Insurer undertakes to give its opinion to the Insured with respect to its request for a written consent referred to in paragraphs (2) and (3) of this Article within 10 Business days from the day of its receipt. Should the Insurer not give its opinion within the mentioned period, the consent shall be deemed to have been given.

Obligations of the Insured

Article 8

The Insured shall:

- a) Comply with the regulations, its standard internal documents, rules and procedures as well as the Loan Contract when dealing with risk assessment, approval, management, payment and payment collection of the Loan, as it otherwise treats the working capital loans approved to Exporters that are of the same or similar risk category;
- b) Approve and disburse the Loan to the Exporter pursuant to the Eligibility criteria for the inclusion of loan in the portfolio and the Loan Contract;
- c) Obtain collateral set forth in the Loan Contract;
- d) Verify that the Exporter's business accounts opened with the Insured are not blocked on the day of disbursement, before the Loan is disbursed;
- e) Upon the non-payment of the Loan obligations due, invite the Exporter and (if agreed) co-debtors/guarantors in writing to pay the obligations under the Loan, in accordance with its procedures and internal rules;
- f) Calculate and pay the Premium in accordance with Article 17 of these General Terms and Conditions;
- g) In case of submission of a Claim, submit the fully completed Claim and act in accordance with other obligations referred to in Article 9 of these General Terms and Conditions;
- h) In case of acceptance of a Claim, conclude the Recovery Contract, conduct the recovery and act in accordance with other obligations set forth in Articles 12 and 13 of these General Terms and Conditions;
- i) In case of control of the Insurer, cooperate with the Insurer and provide it with the requested documentation pursuant to Article 14 of these General Terms and Conditions;
- j) Not provide the insurance for the Retention exclusively;
- k) Submit timely, complete and accurate Reports on loan balance, Notifications on inclusion, Notifications on repaid loans, Notifications on change of the loan repayment period and Reports on recovery pursuant to these General Terms and Conditions;
- l) Demand a prior or subsequent written consent of the Insurer for actions taken by the Insured for the purpose of Loan collection, if such actions can cause the Enforced collection costs, pursuant to Article 12 of these General Terms and Conditions;
- m) In case of changes to the Loan Contract, act in accordance with Article 7 of these General Terms and Conditions;
- n) Indemnify the Insurer if the circumstances referred to in Article 15 of these General Terms and

Conditions arise.

Claim
Article 9

- (1) The Insured may submit a Claim upon the expiry of the Waiting period.
- (2) In addition to a fully completed Claim signed by authorised persons of the Insured in accordance with internal authorisations of the Insured, the Insured is obliged to submit the following documents:
 - a) Copy of the Loan Contract and possible annexes to the Loan Contract,
 - b) Excerpt from the business records of the Insured under the Loan ID,
 - c) Copy of the cancellation letter (if the Loan Contract has been cancelled) and/or the copy of the decision on initiation of the bankruptcy proceedings (if bankruptcy proceedings have been initiated against the Exporter) and/or the copy of the decision on initiation of the pre-bankruptcy proceedings (if pre-bankruptcy proceedings have been initiated against the Exporter),
 - d) Evidence that the Insured has obtained collaterals stated in the Loan Contract (e.g. copy of debenture, excerpt from the land register, etc.),
 - e) Copy of the Exporter's available official financial statements or any other document based on which the Insured has determined the size and the exporter criterion in accordance with the Eligibility criteria for inclusion of the loan in the portfolio with respect to the Exporter,
 - f) Document based on which the Insured has determined the amount of the Loan in accordance with the Eligibility criteria for inclusion of the loan in the portfolio with respect to the Loan (e.g. copy of the Export Contract and possible annexes to the Export Contract or the calculation of the planned amount of the required working capital, if the Insured approved the Loan on that basis).
- (3) A Claim shall be deemed complete only when all documents referred to in the above paragraph of this Article have been submitted to the Insurer.
- (4) All documents submitted by the Insured attached with the Claim must be in Croatian or English. The Insured shall be obliged, at request of the Insurer, to arrange that the documents which are not in Croatian or English be translated by a sworn court interpreter or another translator acceptable for the Insured. The respective translation costs shall not be regarded as Enforced collection costs.
- (5) The Insurer reserves the right, during the processing of the Claim, but not later than by the expiry of the 27th calendar day after the receipt of the Claim, to request from the Insured additional clarifications regarding the submitted documentation and the Insured shall submit the requested clarifications within 3 Business days.
- (6) The Insurer shall give its opinion with respect to the received Claim not later than within 35 calendar days from the day of receipt of the complete Claim in accordance with paragraph (2) of this Article. The stated opinion will include an overview of calculation by which the amount of Indemnity is determined and will be accompanied by the filled in Recovery Contract. Provision of additional clarifications to the Insurer in accordance with the preceding paragraph shall not affect the deadline for giving opinion on the received Claim.
- (7) If the Insurer fails to give its opinion with respect to the Claim within the period stated in paragraph (6) of this Article, the Insured shall have the right to claim Indemnity in a lawsuit against the Insurer.
- (8) The Insured shall submit the Claim not later than one year from the Day of calculation, otherwise the

Insurer shall not be obliged either to receive the Claim or pay the Indemnity.

- (9) If the Claim is accepted, the Insurer shall pay Indemnity within 10 calendar days from the day of receipt of the Insurer's opinion on the Claim, provided that the Insurer and the Insured have concluded the Recovery Contract.

Terms and Conditions for the Acceptance of Claim

Article 10

The Insurer shall accept a Claim if it has determined cumulatively that:

- a) The Loan is included in the Portfolio pursuant to Article 5 of these General Terms and Conditions,
- b) The Insured risk has occurred, and the Loss has arisen,
- c) On the day of the Claim submission, the Insured has no debt due towards the Insurer with respect to the Premium for Loans,
- d) The Insured has sent a cancellation letter to the Exporter (if the Loan Contract has been cancelled),
- e) The Insured has obtained collaterals under the Loan Contract,
- f) At the moment of its approval, the Loan met the Eligibility criteria for inclusion of loan in the portfolio,
- g) Possible changes to the Loan Contract have been made in accordance with Article 7 of these General Terms and Conditions,
- h) The Claim has been submitted after the expiry of the Waiting period, but not later than one year after the Day of calculation.

Indemnity

Article 11

- (1) The amount of the Indemnity is calculated as the multiplication of the Loss and the Coverage rate.
- (2) In the event that the Insured collects a portion of receivables under the Loan Contract that are the Subject matter of insurance upon submission of the Claim, but before receiving the Indemnity, the Insured shall, without delay, notify the Insurer thereof and submit a new excerpt from the business records of the Insured. In the mentioned case, the Insurer shall, based on the new excerpt, determine the Loss amount for the purpose of calculation of the Indemnity amount pursuant to paragraph (1) of this Article.

Reimbursement of Enforced Collection Costs

Article 12

At the Insured's request, the Insurer undertakes to reimburse the Insured within 15 calendar days from receiving the request for reimbursement of costs, a proportional part of the Enforced collection costs pursuant to the Coverage rate, provided that the Insurer has accepted the relevant Claim and that the Insurer has obtained a prior or subsequent written consent of the Insurer for such Enforced collection costs.

Special Obligations of the Insured after the Acceptance of Claim

Article 13

- (1) At the moment of the Indemnity payment to the Insured, all receivables under the Loan Contract, together with the ancillary rights, including collaterals to the extent possible, up to the total amount of the paid Indemnity, increased by the statutory default interest accruing in favour of the Insurer from the payment date to the date of settlement of the Insurer's receivables, shall be transferred to the Insurer.
- (2) At the moment of payment of the Enforced collection costs to the Insured, receivables under the Loan Contract, together with the ancillary rights, including collaterals to the extent possible, up to the amount

of the paid Enforced collection costs, increased by the statutory default interest accruing in favour of the Insurer from the payment date to the date of settlement of the Enforced collection costs, shall be transferred to the Insurer.

- (3) The Insurer shall, by the Recovery Contract to be concluded by the Insured and the Insurer after the acceptance of the Claim and before the payment of the Indemnity, assign to the Insured for the purpose of settlement the receivable referred to in paragraphs (1) and (2) of this Article, increased by appropriate statutory default interest, and authorise the Insured to conduct all necessary collection actions and procedures.
- (4) The Insured shall be authorised and obliged to undertake all actions independently and conduct all procedures for the purpose of collecting the receivable referred to in paragraphs (1) and (2) of this Article, including also the activation of collateral, and acting in pre-bankruptcy and bankruptcy proceedings. The Insured is not authorised to independently make a decision either on the write-off of the said receivables, the suspension of collection procedures or non-initiation of further actions for the purpose of collecting the said receivables.
- (5) The Insured is obliged to submit to the Insurer the Report on Recovery not later than until the end of the 1st Calendar quarter of the current year on all actions taken in the previous year.
- (6) After the receipt of the Indemnity, the Insured shall, on a quarterly basis, forward to the Insurer, pursuant to the Coverage rate, all payments received by the Insured under the Loan Contract and the Portfolio Insurance Agreement, regardless of the declared purpose, up to the amount of the receivable referred to in paragraphs (1) and (2) of this Article, increased by statutory default interest pertaining to the Insurer.
- (7) The Insurer shall be entitled at any time unilaterally by a written statement sent to the Insured to take back from the Insured the unsettled portion of the receivable referred to in paragraphs (1) and (2) of this Article, plus statutory default interest, and inform the Insured that from that moment onwards the Insurer shall take all necessary actions and all collection procedures on its own. The Insured shall undertake all permitted legal actions (for example, transfer of divisible collateral, etc.) in order to transfer to the Insurer all rights under the Loan Contract in proportion to the amount of unsettled portion of the receivable referred to in paragraphs (1) and (2) of this Article, all increased by statutory default interest. The cost of the actions taken in this regard shall be borne by the Insurer.

The Insurer's Right of Control

Article 14

- (1) The Insurer shall have the right, in accordance with its own assessment, to control the actions of the Insured pursuant to the obligations of the Portfolio Insurance Agreement for Loans for which it has paid the Indemnity, not later than within 3 years from the date of the Indemnity payment.
- (2) For the purpose of the control referred to in paragraph (1) of this Article, the Insured undertakes to enable the Insurer, on the premises of the Insured only, to inspect the business books, loan files and records and to provide in time the information and documents necessary for the control in accordance with the Insurer's requirements.
- (3) The control must be announced in advance to the Insured, at least 10 Business days before the planned control. During the control, the Insurer undertakes to act reasonably.

Right of the Insurer to Compensation

Article 15

- (1) The Insurer shall be entitled to indemnification in the amount of unsettled portion of the receivable referred to in Article 13, paragraphs (1) and (2), of these General Terms and Conditions together with the statutory default interest accruing from the date of disbursement until the day of settlement in the following cases:
 - a) If, based on the control referred to in Article 14 of these General Terms and Conditions, the Insurer determines that in the risk assessment, approval, management, disbursement and collection of the Loan the Insured committed a serious violation of the Loan contract, regulations, internal documents, rules and procedures of the Insured;
 - b) If, based on the control referred to in Article 14 of these General Terms and Conditions, the Insurer determines that the conditions for the Indemnity payment referred to in Article 10 of these General Terms and Conditions have not been met;
 - c) If it is established with the force of res judicata in a court, arbitration or other procedure between the parties to the Loan Contract that the Insured's receivable under the Loan Contract is unfounded.
- (2) In the cases referred to in the above paragraph of this Article, the Insurer shall invite the Insured to pay compensation in the amount of unsettled portion of the receivable referred to in Article 13 paragraphs (1) and (2) of these General Terms and Conditions increased by appropriate statutory default interest, and the Insured shall pay to the Insurer the stated amount within 15 Business days from the receipt of the Insurer's invitation.

Currencies of Payment under the Portfolio Insurance Agreement

Article 16

- (1) The Premium is stated and charged in EUR and for its conversion, the selling rate of the Croatian Bank for Reconstruction and Development in effect on the day of the invoice issue by the Insured shall apply.
- (2) The Indemnity is stated and paid in the Loan currency or at the request of the Insured in EUR equivalent amount at the selling rate of the Croatian Bank for Reconstruction and Development on the payment date.
- (3) Enforced collection costs are stated and paid in the currency in which the Insured paid them or, at the request of the Insured, in EUR equivalent amount at the selling rate of the Croatian Bank for Reconstruction and Development on the date of payment.
- (4) The amounts recovered by the Insured will be forwarded to the Insurer in the currency in which they were collected or, if that is not possible, in EUR equivalent amount at the selling rate of the Croatian Bank for Reconstruction and Development .

Premium

Article 17

- (1) The Insured undertakes to pay to the Insurer the Premium for each Loan included in the Portfolio. The Insured calculates the Premium once for each Loan on the occasion of its inclusion in the Portfolio and displays the calculated amount in the Notification on inclusion.
- (2) The annual premium rate for an individual credit rating of the Exporter is determined in the Portfolio Insurance Agreement.

- (3) The loan duration in years is calculated as (Loan duration in days / 365) and is rounded to two decimal places.¹
- (4) Premium for an individual Loan is calculated as follows:
Premium = Approved Loan principal x Loan duration in years x Annual premium rate.
- (5) The Insurer shall issue to the Insured an invoice for the Premium based on the Premium calculation set forth in the Notification on Inclusion within 15 Business days from the day when the Insurer confirms to the Insured that it has received the Notification on Inclusion.
- (6) The Insured shall pay the Premium within 15 Business days from the issue of invoice by the Insurer.
- (7) Premium for the change of the Loan repayment period is calculated as:
Premium for the change of the Loan repayment period = amount of the Loan principal on the day of approval of change of the Loan repayment period x Extension of the loan repayment period in years x Annual premium rate.
- (8) Extension of the loan repayment period in years is calculated as (Extension of the loan repayment period in days / 365) and is rounded to two decimal places.
- (9) When determining the Annual premium rate for the calculation of Premium for change of the Loan repayment period, the credit rating of the Exporter on the day of approval of change of the Loan repayment period is taken into account.
- (10) Should the Insurer and/or the Insured subsequently determine that the Premium has already been paid or that the Premium for change of the loan repayment period has not been calculated properly, the Insurer has the right, immediately upon the determination of such fact, if a deficit has been determined, to charge the determined difference to the Insured, and if a surplus has been determined, it undertakes to refund the excess paid Premium.

Transfer of Rights and Obligations under the Portfolio Insurance Agreement

Article 18

The Insured and the Insurer may not transfer the rights and obligations under the Portfolio Insurance Agreement without a prior written consent of the other party.

¹ When calculating the Loan duration in years and the Extension of the loan repayment period in years, the number of days in February is always taken to be 28 irrespective of whether the year is a leap year or not.