

**Schedule 1 – General Terms and Conditions****General Terms and Conditions of Portfolio Insurance of Liquidity Loans for Exporters  
OU-OPK-LIKV-01/25****Preamble**

By the General Terms and Conditions of Portfolio Insurance of Liquidity Loans for Exporters OU-OPK-LIKV-01/25 (hereinafter: General Terms and Conditions), the terms and conditions are determined 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 Portfolio Insurance of Liquidity Loans for Exporters PO-OPK-LIKV-01/25 with all its changes and amendments (hereinafter: Insurance Programme).

**Article 1  
Terms**

In the General Terms and Conditions, the terms in this Article are used with the following meanings:

<b>Day of calculation</b>	a) Day when the Decision on initiation of the bankruptcy proceedings against the Exporter is made, or b) Day after the maturity date of the last instalment/annuity of the Loan under the Loan Contract or all obligations under the Loan with one-off maturity, or c) Day after the maturity date of all obligations under the Loan Contract on the basis of cancellation/termination of the Loan Contract. For the avoidance of any doubt, the initiation of bankruptcy proceedings does not affect the determination of the Day of calculation as stated under a) or b) or c);
<b>Change in the loan repayment period due to business reasons</b>	Change in the loan repayment period for more than three months that has been caused by further need for liquid funds;
<b>Report on recovery</b>	Written report set forth in Article 14 of these 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;
<b>Report on loan balance</b>	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;
<b>Exporter</b>	Croatian economic entity that has concluded a Loan Contract as borrower with the Insured and that meets the Eligibility criteria for the inclusion of a loan in the portfolio in respect of the Exporter under the Insurance Programme;
<b>Calendar quarter</b>	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;
<b>Loan</b>	Loan under the Loan Contract included in the Portfolio;

<b>Eligibility criteria for the inclusion of loans in the portfolio</b>	The criteria established in the Portfolio Insurance Agreement that must be fulfilled so that the Loan may be insured;
<b>Eligibility criteria for the change in the loan repayment period due to business reasons</b>	The criteria determined in 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 in the loan repayment period due to business reasons pursuant to Article 7 of these General Terms and Conditions and that must be fulfilled so that the Loan may be insured;
<b>Maximum portfolio volume</b>	The maximum amount of the Portfolio volume per an individual Insured that will be established by the Portfolio Insurance Agreement;
<b>Administrative cost fee</b>	Monetary amount charged by the Insurer to the Insured for operating costs related to the Loan;
<b>Administrative cost fee for the change in the loan repayment period</b>	Monetary amount charged by the Insurer to the Insured for operating costs related to the Loan in the case of the Change in the loan repayment period due to business reasons;
<b>Notification on the change in the loan repayment period</b>	Written notification set forth in Article 7 of the General Terms and Conditions on the change in the Loan repayment period and, in the case of the Change in the Loan repayment period set forth in paragraph 5 Article 7 of the General Terms and Conditions, on the calculation of the Premium for the change in the loan repayment period and the Administrative cost fee for the change in the loan repayment period that the Insured submits to the Insurer in the form agreed in the Portfolio Insurance Agreement;
<b>Notification on repaid loans</b>	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;
<b>Notification on Inclusion</b>	Written notification set forth in Article 5 of the General Terms and Conditions by which the Loan is included in the Portfolio, and by which the calculations of the Premium and the Administrative cost fee are submitted, and which the Insured submits to the Insurer in the form agreed in the Portfolio Insurance Agreement;
<b>Approved loan principal</b>	Loan principal initially contracted by the Loan Contract;
<b>Indemnity</b>	Monetary amount paid to the Insured by the Insurer as compensation for the Loss incurred after the occurrence of the Insured risk, where the Indemnity in any case must not exceed 80% of the Loan principal due;
<b>Claim</b>	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 by the Portfolio Insurance Agreement;

<b>General Terms and Conditions</b>	General Terms and Conditions of Portfolio Insurance of Liquidity Loans for Exporters OU-OPK-LIKV-01/25 (Schedule 1 to the Portfolio Insurance Agreement);
<b>Insured risk</b>	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;
<b>Insured</b>	Credit institution with which the Exporter has concluded a Loan Contract, and the Insurer the Portfolio Insurance Agreement;
<b>Insurer</b>	HBOR - Hrvatska banka za obnovu i razvitak, with headquarters in Zagreb, for and on behalf of the Republic of Croatia;
<b>Extension in the loan repayment period</b>	Time period from the last day of the initially contracted Loan repayment period until the last day of the prolonged Loan repayment period, which starts on the next day following the expiry of the initially contracted Loan repayment period;
<b>Portfolio</b>	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;
<b>Premium</b>	Monetary amount charged by the Insurer to the Insured for the Loan insurance;
<b>Premium for the change in the loan repayment period</b>	Monetary amount charged by the Insurer to the Insured for the Loan insurance in case of Change in the loan repayment period due to business reasons;
<b>Insurance programme</b>	The Insurer's programme named „Programme for the Portfolio Insurance of Liquidity Loans for Exporters PO-OPK-LIKV-01/25“, published on web pages of the Insurer with all changes and amendments (Schedule 2 to the Portfolio Insurance Agreement);
<b>Business day</b>	Every day except Saturday, Sunday, festive days or national holidays in the Republic of Croatia;
<b>Waiting period</b>	Period by the expiry of which the Insured has the right to submit the Claim that lasts for 30 calendar days from the Day of calculation;
<b>Loan repayment period</b>	Period from the expiry of the loan availability period until the last day of the Loan repayment period (includes a possible grace period, which is calculated from the expiry of the Loan availability period until the start of Loan repayment, and the Loan repayment); 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;
<b>Portfolio Insurance Agreement</b>	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;
<b>Coverage rate</b>	The Insurer's share in the Loss stated in the Notification on Inclusion, amounting to 10%, 20%, 30%, 40%, 50%, 60%, 70% or 80%;
<b>Loss</b>	The amount of overdue receivables of the Insured that are the Subject matter of insurance on the day of submission of the Claim;

<b>Loan duration</b>	Time period from the day of conclusion of the Loan Contract until the last day of the Loan repayment period that includes the Loan availability period and the Loan repayment period;
<b>Compulsory collection costs</b>	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 the costs of employees' salaries of the Insured, nor the usual administrative costs such as the costs of sending mail, making telephone calls, photocopying, etc.;
<b>Loan Contract</b>	Loan contract concluded between the Insured and the Exporter in accordance with the Portfolio Insurance Agreement;
<b>Recovery Contract</b>	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 14 of the General Terms and Conditions, in the form and content contracted in the Portfolio Insurance Agreement;
<b>Contracted interest</b>	Regular interest, interest during the disbursement period and interest in the grace period;
<b>Portfolio volume</b>	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 apply.
- (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 apply.

### **Subject Matter of Insurance and Insured Risk**

#### **Article 3**

- (1) The subject matter of insurance are the receivables of the Insured in respect of the Loan principal. The subject matter of insurance are neither the receivables in respect of Contracted loan interest, default interest, 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. If the Insurer does not submit the confirmation of receipt of the Notification on Inclusion in the stated period, the confirmation shall be deemed submitted.

- (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 the 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 that meet all the Eligibility Criteria for the inclusion of loans in the portfolio, and 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. Loans referred to in paragraph (5) of this Article may be included in the Portfolio by the Insured under the additional condition that the Insurer has given to the Insured a prior consent for the inclusion of such loans in the Portfolio.
- (2) The portfolio volume at any time must not be higher than the Maximum Portfolio Volume. If the Portfolio Volume exceeds the Maximum Portfolio Volume, the Insurer shall 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 not higher than the Maximum Portfolio Volume. The Insurer shall 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 Insured shall, in the first Calendar quarter after the day of conclusion of the Portfolio Insurance Agreement, in the Notification on Inclusion also state data on all loans for which the Loan Contract was concluded earlier than the date of conclusion of the Portfolio Insurance Agreement. The Notification on Inclusion shall 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 accidentally not stated by the Insured in the previous Notification on Inclusion, 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.
- (4) Along with the Notification on Inclusion, the Insured shall submit to the Insurer the preliminary repayment schedules for loans to be included in the Portfolio based on which the Premium and the Administrative cost fee are calculated together with the calculations of the Premium and the Administrative cost fee.
- (5) The Insured shall be obliged to request from the Insurer a prior consent for the inclusion of loans in the Portfolio for:
  - (i) Loans with respect to which the net insured sum (the product of the loan principal amount and the coverage amount) equals EUR 5,000,000.00 or more, and/or
  - (ii) Loans granted to the Borrowers to whom the Insurer is already exposed or will, together with the respective loan, possibly be exposed under the programmes for the insurance of liquidity loans / working capital loans / pre-export financing loans of the Insurer in the total gross amount of EUR 20,000,000.00 or more, or
  - (iii) Loans granted to the Borrowers who are not regular in settling their current loan obligations and

obligations to the state, in the manner defined by the Eligibility Criteria for the inclusion of loans in the portfolio in relation to the Exporter (Borrower) under the Insurance Programme.

### **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. For Loans for which the Loan Contract was concluded before the conclusion of the Portfolio Insurance Agreement, the Insured undertakes to act in the manner specified in Article 5, Paragraph (3) of these General Terms and Conditions.

### **Changes to the Loan Contract**

#### **Article 7**

(1) The Insured shall not be authorised, without a prior written consent of the Insurer, to make the following changes to the Loan Contract:

- a) Changes of the Contracting parties not conditioned by status changes,
- b) Increase in Loan amount, and
- c) Loan currency.

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

If the Insured makes any change to an individual Loan Contract set forth in this paragraph without a prior written consent of the Insurer, it will be deemed that such loan is not included in the Portfolio.

(2) 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. A change in the terms and conditions of the Loan that the Insured is obliged to accept, i.e. which results from the decision of the competent authority (decision of the court in pre-bankruptcy proceedings, etc.), act or similar, is not considered a change in the Loan Contract in terms of this Article and regardless of such change in the terms and conditions, the Loan will further be included in the Portfolio.

(3) 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 from paragraphs (4), (5) and (6) of this Article. Otherwise, it will be deemed that the individual loan is no longer included in the Portfolio.

(4) The Insured is authorised, without a prior written consent of the Insurer, to make a one-off change in the Loan repayment period for the Loan for which no Claim has been submitted, provided that the Extension of the loan repayment period equals or is shorter than three months.

The loan referred to in this paragraph will continue to be included in the Portfolio if the Insured submits to the Insurer, together with the first following Report on loan balance, the Notification on the change in the loan repayment period and new Loan repayment schedule, which indicates that the Extension in the Loan repayment period is equal or shorter than three months. Otherwise, it will be deemed that such Loan has been excluded from the Portfolio on the day of receipt of the first following Report on loan balance by the Insurer. In both cases, the Insured shall not be obliged to pay the Premium for the change in the loan repayment period and the Administrative cost fee for the change in the loan repayment

period.

(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 in the loan repayment period due to business reasons and if on the day of making a decision on the change in the Loan repayment period all Eligibility criteria for the change in 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 the change in the loan repayment period and the new Loan repayment schedule, together with the first next Report on loan balance and
- b) Calculates and pays the respective Premium for the change in the loan repayment period and the Administrative cost fee for the change in the loan repayment period in accordance with the new Loan repayment period, pursuant to Article 18 of these General Terms and Conditions.

If the Insured does not act in accordance with this paragraph, it will be considered that such Loan is excluded from the Portfolio as of the date of receipt of the first subsequent Report on loan balance by the Insurer.

(6) If on the basis of a finally approved rescheduling plan in the pre-bankruptcy proceedings or a finally approved bankruptcy plan in the bankruptcy proceedings, the Loan repayment period is changed, the Loan will continue to be included in the Portfolio regardless of such change, and the Insurer's consent will not be required for the implementation of such changes. In such case, the Insured is not obliged to pay the Premium for the change in the Loan repayment period and the Administrative cost fee for the change in the loan repayment period.

(7) The Insured is authorised, without a prior written consent of the Insurer, to arrange any other changes to the Loan Contract not covered by the preceding paragraphs of this Article and is obliged to state those changes in the first next Report on loan balance that 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, disbursement and collection of the Loan as it otherwise treats the liquidity loans approved to Exporters that are of the same or similar risk category and shall ensure that the Loan shall not lead to a more disadvantageous position compared to other placements of the Exporter, whereby the advantages transferred by the Insured to the Exporter as a result of the conclusion of the Insurance Contract shall not for the purposes of this provision be considered as leading to a more disadvantageous position;
- b) In any case, act with the care of a good businessman and carry out activities regarding the observance of measures of limitations, anti-money laundering, counter-terrorism financing, prevention, identification and rectification of fraud, corruption and conflict of interest, tax fraud, in accordance with the relevant regulations, its internal documents and the Insurance Programme;

- c) Provide the Exporter with more favourable loan terms and conditions, for example in the form of a higher volume of financing, a lower requirement for other collaterals, lower interest rates, etc., and inform the Insurer about this as part of the Notification on Inclusion when including the loan in the Portfolio;
- d) Appropriately include in the Loan Contract the provisions from Schedule 9 of the Portfolio Insurance Agreement (Mandatory Content of the Loan Contract);
- e) Approve and disburse the Loan to the Exporter in accordance with the Eligibility criteria for the inclusion of a loan in the Portfolio and with the Loan Contract;
- f) Obtain documents/evidence for the fulfilment of Eligibility criteria for the inclusion loans in the portfolio, among other things:
  - obtain documents/evidence on the basis of which it determined that the Exporter meets the export criterion from the Insurance Programme;
  - obtain from the Exporter a signed Sanctions Statement and, in accordance with its own internal procedures, determine that the Exporter is not subject to sanctions by the European Union and international partners (United Nations - *UN sanctions list*, Financial Action Task Force - *FATF sanctions list*, United Kingdom of Great Britain and Northern Ireland – *UK sanctions list*, United States of America – *US sanctions list*),
  - obtain from the Exporter a signed Statement on Client's Status and independently check and establish that the Exporter does not meet any of the conditions for an entrepreneur in difficulties stated in the Insurance Programme,
  - obtain from the Exporter a signed Statement of Indebtedness and establish that the Exporter meets duly its current loan obligations and obligations towards the state in accordance with the terms and conditions of the Insurance Programme,
  - obtain from the Exporter a signed Statement of the Activity on the basis of which, in accordance with the Insurance Programme, it has been established that the Exporter is not involved in the activities stated on the list of Ineligible Activities under the Insurer's General Eligibility Criteria,
  - assess favourably the Exporter's creditworthiness, in accordance with regulations, its standard internal documents, rules and procedures, as the Insured otherwise deals with liquidity loans granted to borrowers in the same or similar risk category,
  - obtain from the Exporter a signed Statement on eligibility of client, and in accordance with its standard internal documents, rules and procedures, determine that the Exporter and/or responsible persons of the Exporter listed in the Statement on eligibility of client have not been convicted by a final decision of one or more criminal offences listed in the Statement on eligibility of client, and that in relation to them there are no circumstances listed in the Statement on eligibility of client, i.e. that in the event of the existence of certain final convictions and circumstances, appropriate measures specified in the Statement on eligibility of client have been taken,
  - obtain from the Exporter the Statement on the necessary liquidity (working capital), with accompanying attachments and establish that the amount of the Loan is in accordance with the amount stated by the Exporter in that Statement and its attachments (that the Loan amount is not higher than that amount),
  - obtain from the Exporter a signed Statement on loans approved with HBOR's insurance and, based on that Statement, establish whether the loan can be included in the Portfolio without the consent of HBOR, or whether it is necessary to obtain the prior consent of HBOR for the inclusion of the loan in the Portfolio, in accordance with the Insurance Programme,

as well as, if more than 3 months elapse between the receipt of the documentation on the basis of which the criteria are determined and the approval of the Loan, establish and document through a written Statement of the Insured that there have been no changes in relation to the collected

documentation or obtain new (updated) documentation;

- g) Provide collateral set forth in the Loan Contract, in the manner as set forth in the Loan Contract;
- h) 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;
- i) To calculate and pay the Premium and the Administrative cost fee as well as the Premium for the change in the loan repayment period and the Administrative cost fee for the change in the loan repayment period in accordance with Article 18 of these General Terms and Conditions;
- j) In the event that pre-bankruptcy or bankruptcy proceedings have been initiated in relation to the Exporter or/and other debtors under the Loan Contract, act in accordance with the obligations set forth in Article 13 of these General Terms and Conditions;
- k) In case of submission of a Claim, submit the fully completed Claim and act in accordance with other obligations from Article 9 of these General Terms and Conditions;
- l) 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, 13 and 14 of these General Terms and Conditions;
- m) In the case of control of the Insurer, cooperate with the Insurer and provide it with the requested documentation pursuant to Article 15 of these General Terms and Conditions;
- n) Submit timely, complete and accurate Reports on loan balance, Notifications on Inclusion, Notifications on repaid loans, Notifications on change in the loan repayment period and Reports on recovery pursuant to these General Terms and Conditions;
- o) 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 Compulsory collection costs, pursuant to Article 12 of these General Terms and Conditions;
- p) In case of changes to the Loan Contract, act in accordance with Article 7 of these General Terms and Conditions;
- q) Indemnify the Insurer if the circumstances referred to in Article 16 of these General Terms and Conditions occur.

**Claim**  
**Article 9**

- (1) The Insured may submit a Claim upon the expiry of the Waiting Period.
- (2) The Insurer shall not process the Claim, if the Insured submits it before the expiry of the Waiting Period, and shall notify the Insured of this within three Business Days from the day when it has been established that the Claim was submitted prematurely. The Insured has the right to resubmit the Claim upon the expiry of the Waiting Period.
- (3) In addition to a fully completed Claim signed by authorised persons of the Insured (legal representative, holder of a general power of attorney or proxy holder), 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 provided collaterals stated in the Loan Contract (for example, the copy of debenture, excerpt from the land register etc.), in the manner as determined in the Loan Contract,
- e) Statements of the Exporter with attachments, which were used as documents/evidence for fulfilling the eligibility criteria for the inclusion of loans in the portfolio, in accordance with Article 8, paragraph f),
- f) Statement of the Insured:
  - that it has checked and established, in accordance with the Insurance Programme, that the Exporter is not subject to sanctions by the European Union or international partners,
  - that it has checked and established, in accordance with the Insurance Programme, that the Exporter does not meet any of the requirements for an entrepreneur in difficulties,
  - that it has checked and established that the Exporter meets duly its loan obligations and obligations towards the state as prescribed by the Insurance Programme, which includes: (i) that on the day of the Loan approval, the exposure to the Exporter, in accordance with the Decision on the classification of exposure into risk groups and the manner of determining credit losses of the Croatian National Bank (Official Gazette Nos. 114/2017, 110/2018 and 139/2022, with all subsequent changes and amendments) by the Insured was classified in risk group A (if the Insured was exposed to the Exporter), or a statement by the Insured that it was not exposed to the Exporter (if the Insured was not exposed to the Exporter), (ii) that the Exporter has no overdue liabilities older than 30 calendar days to other creditors it has debt with (with all credit institutions in accordance with the Credit Institutions Act and with the Croatian Bank for Reconstruction and Development as lender), and (iii) that the Exporter has no overdue outstanding and unregulated liabilities on the basis of public contributions for which official records are kept by the Tax Administration,
  - that the Borrower's creditworthiness has been favourably assessed by the Insured in accordance with the regulations, its standard internal documents, rules and procedures, as it usually proceeds with liquidity loans granted to Exporters of the same or similar risk category,
  - that, on the basis of the Exporter's Statement of eligibility of client and in accordance with its standard internal documents, rules and procedures, it has established that the Exporter and/or responsible persons of the Exporter listed in the Statement of eligibility of client have not been convicted by a final decision of one or more criminal offences specified in the Statement of eligibility of client, as well as that in relation to them there are no circumstances stated in the Statement of eligibility of client, i.e. that in the event of the existence of certain final convictions and circumstances, the appropriate measures stated in the Statement of eligibility of client have been taken,
- g) Copy of the Exporter's available official annual financial statements, export contracts/orders and/or other documents on the basis of which the Insured has determined the export criterion in accordance with the Eligibility criteria for the inclusion of loans in the portfolio in relation to the Exporter (paragraph 1.1. of the Insurance Programme),
- h) Statement by the Insured that there have been no changes in relation to the documentation on the basis of which the Eligibility criteria for the inclusion of loans in the portfolio are determined (item 1 of the Insurance Programme), if more than 3 months have elapsed from the collection of the documentation to the approval of the Loan, and no new (updated) documentation has been obtained,
- i) Documents/evidence on the basis of which the Insured has established that the Eligibility criteria for the change in the loan repayment period due to business reasons (item 2 of the Insurance Programme) have been met, if the loan repayment period has been changed due to business reasons,
- j) Statement by the Insured that there have been no changes in relation to the documentation on the basis of which the Eligibility criteria for the change in the loan repayment period due to business

reasons are determined (item 2 of the Insurance Programme), if the loan repayment period has been changed due to business reasons and if, from the receipt of that documentation to the approval of the Change in loan repayment period due to business reasons of the Loan, more than 3 months have passed, and no new (updated) documentation has been obtained.

- (4) A Claim shall be deemed complete when all documents from the above paragraph (3) of this Article have been submitted to the Insurer.
- (5) All documents submitted by the Insured attached to 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. The respective translation costs shall not be regarded as Compulsory collection costs.
- (6) The Insurer reserves the right, during the processing of the Claim, but not later than by the expiry of the 27<sup>th</sup> 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.
- (7) The Insurer shall be obliged to 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 (3) 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.
- (8) 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 right to claim Indemnity in a lawsuit against the Insurer.
- (9) 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.
- (10) If the Claim is accepted, the Insurer shall pay Indemnity within 10 calendar days from the date of the Insurer's opinion on the Claim, provided that the Insurer and the Insured have concluded the Recovery Contract. The Insurer undertakes to invite the Insured to conclude the Recovery Contract no later than seven days from the date of the Insurer's opinion on the Claim.

### **Terms and Conditions for the Acceptance of Claim** **Article 10**

- (1) The Insurer will accept a Claim if it has established 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 from the Insurer in respect of the Premium, the Administrative cost fee, the Premium for the change in the loan repayment period and the Administrative cost fee for the change in the loan repayment period for Loans,
  - d) The Insured has sent a cancellation letter to the Exporter (if the Loan Contract has been cancelled),
  - e) The Insured has provided collaterals under the Loan Contract, in the manner as provided for in the Loan Contract,
  - f) At the moment of Loan approval, the Eligibility criteria for the inclusion of a loan in the portfolio have

been met in respect of the Exporter and the Loan,

- 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 from the Day of calculation,
- i) The Insured has not acted contrary to Article 13, paragraphs (4) and (5) of these General Terms and Conditions.

- (2) Statements of the Insured and the Exporter referred to in Article 9 paragraph (3) items e, f) and h) shall be considered by the Insurer as evidence for determining the fulfilment of the appropriate Eligibility criteria for the inclusion of loans in the portfolio in terms of paragraph (1) item f) of this Article.
- (3) New statements of the Insured and the Exporter referred to in Article 9 paragraph (3) items e), f) and j), to be collected by the Insured when establishing the fulfilment of the appropriate Eligibility criteria for change in the loan repayment period due to business reasons), shall be considered by the Insurer as evidence for establishing the fulfilment of the appropriate Eligibility criteria for the change in the loan repayment period due to business reasons in terms of paragraph (1) item g) of this Article.

### **Indemnity Article 11**

- (1) The amount of the Indemnity is calculated as the product of the Loss and the Coverage rate, where the Indemnity must not in any case exceed 80% of the amount of due Loan principal.
- (2) In the event that the Insured collects a portion of receivables under the Loan Contract that are the Subject matter of insurance after the 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 this new excerpt, determine the Loss amount for the purpose of calculation of the Indemnity amount pursuant to paragraph (1) above.

### **Compensation for Compulsory 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 Compulsory collection costs pursuant to the Coverage rate, provided that the Insurer has accepted the relevant Claim and that the Insured has obtained a prior or subsequent written consent of the Insurer for such Compulsory collection costs. For the avoidance of any doubt, the stated costs also include costs arising from proceedings in which the Insured is a passive party (defendant, executor, etc.), and which are related to receivables arising on the basis of the Loan Contract and the Portfolio Insurance Agreement.

### **Powers and Obligations of the Insured in Pre-Bankruptcy and Bankruptcy Proceedings against the Exporter Article 13**

- (1) In the period before or after payment of the Indemnity (including during the recovery), the Insured is authorised and obliged to participate independently in the pre-bankruptcy and bankruptcy proceedings against the Exporter (and any co-debtor, guarantor-payer, pledgor, etc.) and independently, without the consent of the Insurer, undertake all actions and make all decisions in the aforementioned procedures, including if the aforementioned actions and decisions may result or result in changes and amendments to the Loan terms and conditions, including changes in the amount or method or deadlines for settling the

receivables under the Loan Contract (rescheduling plan, bankruptcy plan), with the exceptions specified in paragraphs (3) and (4) of this Article.

- (2) The Insured shall, within 5 Business days from the publication of the rescheduling plan or the bankruptcy plan, inform the Insurer of how the rescheduling plan or the bankruptcy plan provides for the settlement of receivables under the Loan Contract, regardless of whether the Insured is required to request consent for changes to the Loan Contract referred to in Article 7 and/or for proceedings pursuant to paragraph (3) of this Article.
- (3) During the pre-bankruptcy or bankruptcy proceedings conducted against the Exporter (and any co-debtor, guarantor-payer, pledgor, etc.), the Insured is not authorised without the Insurer's prior written consent to:
  - a) vote in favour of a rescheduling plan or a bankruptcy plan that provides for the write-off or/and release of the Loan principal receivables under the Loan Contract (including partial write-off or/and release),
  - b) in the pre-bankruptcy proceedings, give a statement about the waiver or non-waiver of the right to separate settlement, if the Insured has a separate satisfaction right covering the receivable under the Loan Contract and if the rescheduling plan in the pre-bankruptcy proceedings provides for the write-off and/or release of the Loan principal receivables under the Loan Contract (including partial write-off or/and release),
  - c) in the pre-bankruptcy proceedings, give a statement of consent or denial of consent to the postponement of settlement from the case to which the Insured's separate satisfaction right applies, if the Insured has a separate satisfaction right covering the receivable under the Loan Contract and if the rescheduling plan in that pre-bankruptcy proceedings provides for a write-off or/and release of the Loan principal receivable under the Loan Contract (including partial write-off or/and release),
  - d) in the bankruptcy proceedings, give a statement on the waiver of separate settlement in connection with the receivable under the Loan Contract, which receivable is covered by a separate satisfaction right held by the Insured,

unless, in the abovementioned cases, and after the payment of the Indemnity, the competent body or the competent court allows the Insured to act in relation to the insured receivable under the Loan Contract in a manner different from its actions in relation to other receivables of the Insured in that pre-bankruptcy/bankruptcy proceedings, despite the fact that the Insured, acting with due diligence, made efforts and took all available actions with the aim of enabling it to proceed differently.

For the avoidance of any doubt, the Insurer's potential liability in terms of Compensation for Loss under the Portfolio Insurance Agreement is not considered reduced if, by a final decision confirming the rescheduling plan in pre-bankruptcy proceedings or by a final decision confirming the bankruptcy plan in a bankruptcy proceedings, the Insured's Loan principle receivable under the Loan Contract would be partially written off or released, unless the Insured, exclusively before paying the Indemnity, undertakes the actions referred to in items a) to d) of this paragraph, without the prior written consent of the Insurer, when the Insurer's potential liability in terms of the payment of Indemnity under the Portfolio Insurance Agreement is considered reduced in proportion to the amount of write-off or release of the Loan principal amount under the Loan Contract.

- (4) During the pre-bankruptcy or bankruptcy proceedings conducted against the Exporter (and any co-debtor, guarantor-payer, pledgor, etc.), the Insured is not authorised without the prior written consent of the Insurer, to decide on the sale or any other transfer of the Loan principle receivable under the Loan Contract, unless it is a transfer of receivable to a third party on the basis of legal subrogation.

(5) If the Coverage Rate is 50% or more and when the Insurer, in order to protect its interests, deems it necessary in a certain case, the Insurer is authorised to give binding instructions to the Insured in a timely manner for the purpose of taking actions in the pre-bankruptcy and bankruptcy proceedings against the Exporter (and any co-debtor, guarantor-payer, pledgor, etc.). If, as a result of acting on such a binding instruction of the Insurer, the Insured incurs loss, the Insurer undertakes to compensate the Insured only for ordinary loss.

### **Special Obligations of the Insured after the Acceptance of Claim**

#### **Article 14**

(1) At the moment of the payment of the Indemnity 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 the payment of the Compulsory collection costs to the Insured, the receivables under the Loan Contract, together with the ancillary rights (including collaterals to the extent possible), up to the amount of the paid Compulsory 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 Compulsory collection costs, shall be transferred to the Insurer.

(3) The Insurer shall, by the Recovery Contract that will 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 receivables referred to in paragraphs (1) and (2) of this Article, increased by appropriate statutory default interest, including the collaterals agreed by the Loan Contract in favour of the Insured, and shall authorise the Insured to conduct all necessary collection actions and procedures. The respective assignment for the purpose of fulfilment between the Insurer and the Insured neither creates a creditor-debtor relationship nor has it existed beforehand, and they determine that the receivables referred to in paragraphs (1) and (2) of this Article remain the assets of the Insurer until their full settlement, and for the purpose of conducting compulsory collection of receivables referred to in paragraphs (1) and (2) of this Article, an extract from the business records of the Insured and/or the Insurer shall be valid evidence of the amount and due date of receivables referred to in paragraphs (1) and (2) of this Article.

(4) HBOR shall at its own expense have its signature be certified on the Recovery Contract.

(5) The Insured shall, upon the conclusion of the Recovery Contract and the payment of the Indemnity in favour of the Insured, notify in writing the Exporter and other debtors under the Loan Contract, as well as the authority or court before which any proceedings regarding the receivables under the Loan Contract are conducted, about the assignment for the purpose of fulfilment of receivables referred to in paragraphs (1) and (2) of this Article, whereby the Insurer is also authorised to notify the Exporter and other debtors under the Loan Contract, as well as the authority or court before which any proceedings regarding the receivables under the Loan Contract are conducted, about the respective assignment.

(6) After receiving the Indemnity from HBOR, the Insured shall be authorised and obliged to independently initiate and participate in procedures (conduct the recovery) and undertake all actions and make all decisions for the purpose of collecting the receivables referred to in paragraphs (1) and (2) of this Article against any of the debtors under the Loan Contract, including the activation of collaterals, except in cases referred to in paragraph (8) of this Article, and shall be authorised and obliged to participate in

the pre-bankruptcy and bankruptcy proceedings in accordance with Article 13 of these General Terms and Conditions.

- (7) If the Coverage Rate is 50% or more and if the Insurer, in order to protect its interests, deems it necessary in a certain case, the Insurer shall be authorised to give binding instructions to the Insured in a timely manner for the purpose of taking actions for the recovery of receivables referred to in paragraphs (1) and (2) of this Article pursuant to the Recovery Contract. If, as a result of actions taken upon such binding instruction of the Insurer, the Insured incurs loss, the Insurer shall compensate the Insured exclusively for ordinary loss.
- (8) In any case, the Insured is not authorised without a prior written consent of the Insurer to make a decision on:
  - a) Write-off or release of receivables referred to in paragraphs (1) and (2) of this Article, except in cases referred to in Article 13 of these General Terms and Conditions;
  - b) Sale or any other transfer of receivables referred to in paragraphs (1) and (2) of this Article, except in cases referred to in Article 13 of these General Terms and Conditions;
  - c) Instalment payment, moratorium or rescheduling of receivables referred to in paragraphs (1) and (2) of this Article, except in cases referred to in Article 13 of these General Terms and Conditions;
  - d) Non-initiation or suspension of individual proceedings within the framework of recovery of receivables referred to in paragraphs (1) and (2) of this Article. The Insured is authorised, without the Insurer's prior written consent, to make a decision on non-initiation or suspension of particular procedure or actions within the framework of the recovery of receivables referred to in paragraphs (1) and (2) of this Article, if the Insured undertakes the said procedure in order to change the implementation method of recovery with the aim of possible increase in collection success (for example, suspension of enforcement proceedings on immovable property and/or suspension of account blocking in order to reach an agreement on voluntary repayment of receivables, etc.). The Insured is authorised to independently take actions for the purpose of delaying, halting or interrupting certain actions or certain procedures within the scope of recovery of receivables referred to in paragraphs (1) and (2) of this Article.

For the avoidance of any doubt, the Insured is not authorised without a prior written consent of the Insurer to make a decision on the suspension of the entire recovery of receivables referred to in paragraphs (1) and (2) of this Article.

- (9) The Insured shall be entitled to propose to the Insurer the non-initiation or suspension of a particular procedure under the recovery of receivables referred to in paragraphs (1) and (2) of this Article when the Insured assesses and considers that it is not reasonable and justified to initiate the particular procedure (non-initiation) or that all reasonable and justified options available under the recovery of receivables referred to in paragraphs (1) and (2) of this Article have been exhausted in the respective procedure (suspension) by taking into account the circumstances of each individual case and when, in the case of submitting a proposal for the suspension of a particular procedure, it obtains a lawyer's opinion confirming the Insured's assessment.

The Insurer shall, within 30 days from the receipt of the Insured's proposal, issue to the Insured the consent for non-initiation or suspension of a particular procedure under the recovery of receivables referred to in paragraphs (1) and (2) of this Article if it assesses that it is not reasonable and justified to initiate the particular procedure (non-initiation) or that all reasonable and justified options available under the recovery of receivables referred to in paragraphs (1) and (2) of this Article have been exhausted (suspension) by taking into account the internal documents of the Insurer and the circumstances of each

individual case.

If the Insurer does not give its consent for the Insured's proposal for the suspension of a particular procedure within the specified period, the Insured shall continue conducting that procedure under the recovery of receivables referred to in paragraphs (1) and (2) of this Article, whereby the Insurer shall bear 100% of the costs of compulsory collection in the respective procedure, which arose after having received the Insured's proposal to suspend the procedure.

If the Insurer does not give its consent for the Insured's proposal for the non-initiation of a particular procedure within the specified period, the Insured shall initiate that procedure under the recovery of receivables referred to in paragraphs (1) and (2) of this Article, whereby the Insurer shall bear 100% of the costs of compulsory collection in the respective procedure if the Insured obtains a lawyer's opinion confirming the Insured's assessment.

- (10) The Insured shall be independently entitled to make a decision on the write-off and sale (assignment, transfer) exclusively of those receivables under the Loan Contract for which no coverage has been contracted under the Portfolio Insurance Agreement. The aforementioned decision of the Insured shall not affect the Insured's obligations under the Portfolio Insurance Agreement (e.g. the Insured's obligations referred to in the previous paragraph of this Article).
- (11) The Insured shall submit to the Insurer a Report on Recovery no later than by the end of the 1<sup>st</sup> calendar quarter of the current year on all actions taken in the previous year.
- (12) After receiving the Indemnity, the Insured shall, each Calendar quarter once, forward to the Insurer in accordance with the Coverage Rate all payments (revenues) received by the Insured on the basis of the Loan Contract and the Portfolio Insurance Agreement up to the amount of the receivables referred to in paragraphs (1) and (2) of this Article increased by the statutory default interest that belongs to the Insurer. For the avoidance of any doubt, the Insured's income from the sale of receivables under the Loan Contract shall be considered revenues for the purposes of this paragraph.
- (13) Should it be necessary, for the purpose of collecting the payment of the receivables referred to in paragraphs (1) and (2) of this Article, to deliver any document and/or data to the competent authority, the Insured shall notify the Insurer of the above in writing without delay. The parties to the contract shall obtain/prepare/sign all necessary documents without delay and, if necessary, take all actions and conclude legal transactions necessary for the purpose of collecting the payment of the aforementioned receivables.
- (14) 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 receivables referred to in paragraphs (1) and (2) of this Article increased by the statutory default interest and to 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 take all permitted legal actions (for example, transfer of divisible collateral, if necessary execution of a contract on assignment by means of which the Insured assigns back the Insurer's receivables, etc.) in order to transfer to the Insurer all rights under the Loan Contract in proportion to the amount of unsettled portion of the receivables referred to in paragraphs (1) and (2) of this Article, all increased by appropriate statutory default interest. The cost of the actions taken in this regard shall be borne by the Insurer.

**The Insurer's Right to Inspection**  
**Article 15**

- (1) The Insurer shall have the right, in accordance with its own assessment, to inspect the actions of the Insured pursuant to the obligations under the Portfolio Insurance Agreement for Loans for which it has paid the Indemnity no later than within 3 years from the date of the Indemnity payment.
- (2) For the purposes of the inspection referred to in paragraph (1) of this Article, the Insured shall enable the Insurer to inspect the business books, loan files, records and internal documents exclusively on the Insured's premises, it shall provide the necessary information in a timely manner and shall enable insight into documents necessary for the inspection of Loans in accordance with the Insurer's requests.
- (3) The inspection must be announced to the Insured in advance, at least 10 Business Days before the planned inspection. During the inspection, which may last up to a maximum of fifteen Business Days per Loan, the Insurer shall act reasonably and the Insurer shall submit to the Insured the findings and opinion of the performed inspection within ten Business Days of the inspection. At the Insurer's request, the Insured shall give a statement on the Insurer's report within ten Business Days.

**The Insurer's Right to Compensation for Loss**  
**Article 16**

- (1) The Insurer shall be entitled to the compensation for loss in the amount of the unsettled portion of the receivables referred to in Article 14, paragraphs (1) and (2) of these General Terms and Conditions together with the statutory default interest accruing from the date of disbursement until the date of settlement in the following cases:
  - a) If, based on the inspection referred to in Article 15 of these General Terms and Conditions, the Insurer establishes that in the risk assessment, approval, management, disbursement and collection of the Loan, the Insured has committed a serious violation of the Loan Contract, the regulations, the internal documents, the rules and the procedures of the Insured;
  - b) If, based on the inspection referred to in Article 15 of these General Terms and Conditions, the Insurer establishes that the conditions for the Indemnity payment referred to in Article 10 of these General Terms and Conditions have not been met or that the statements of the Insured referred to in Article 9 of these General Terms and Conditions have not been true, which means that the Eligibility criteria for the inclusion of the loan into the portfolio or the Eligibility criteria for the change in the loan repayment period due to business reasons have not been met;
  - c) If the Insured has acted contrary to the obligation referred to in Article 13, paragraphs (3), (4) or (5) of these General Terms and Conditions;
  - d) If it is established by a final decision in court, arbitration or other proceedings between the parties to the Loan Contract that the Insured's receivables under the Loan Contract are completely unfounded. If, in the aforementioned proceedings, it is established by a final decision that the Insured's receivables under the Loan Contract are partially unfounded, the Insurer shall have the right to compensation for loss in the amount of the unsettled portion of the receivables referred to in Article 14, paragraphs (1) and (2) of these General Terms and Conditions together with the statutory default interest accruing from the date of disbursement until the date of settlement, however, not exceeding the amount for which the partial unfoundedness of the receivables under the Loan Contract has been established by the final decision.
- (2) In the cases referred to in items a), b) and c) in the above paragraph of this Article, the Insurer shall, after the performed inspection in accordance with Article 15 of these General Terms and Conditions, invite the Insured to pay the compensation for loss in the amount of the unsettled portion of the

receivables referred to in Article 14, paragraphs (1) and (2) of these General Terms and Conditions plus the corresponding statutory default interest, and the Insured shall pay the stated amount to the Insurer within 15 Business Days from the receipt of the Insurer's invitation.

(3) In the case referred to in item d), paragraph (1) of this Article, the Insurer shall, after becoming aware of the final decision, invite the Insured to pay the compensation for loss in the amount of the unsettled portion of the receivables referred to in Article 14, paragraphs (1) and (2) of these General Terms and Conditions, however not exceeding the amount for which the partial unfoundedness of the receivables under the Loan Contract has been established by the final decision, plus the corresponding statutory default interest, and the Insured shall pay the stated amount to the Insurer within 15 Business Days from the receipt of the Insurer's invitation.

### **Currencies of Payment under the Portfolio Insurance Agreement**

#### **Article 17**

(1) The Premium, the Administrative cost fee, the Premium for the change in the loan repayment period and the Administrative cost fee for the change in the loan repayment period are stated and charged in Euros.

(2) The Indemnity is stated and paid in Euros.

(3) Compulsory 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 Insurer on the date of payment.

(4) The amounts recovered by the Insured shall 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 Insurer on the payment date.

### **Premium, Administrative Cost Fee, Premium for the Change in the Loan Repayment Period and Administrative Cost Fee for the Change in the Loan Repayment Period**

#### **Article 18**

(1) The Insured shall pay to the Insurer the Premium and the Administrative cost fee for each Loan included in the Portfolio.

(2) The Insured calculates the Premium and the Administrative cost fee one-off for each Loan when including that loan in the Portfolio in accordance with the Insurance Programme, and it displays the calculated amount in the Notification on Inclusion.

(3) The Premium for the change in the loan repayment period is calculated as the difference between the Premium for the new Loan Duration and the Premium for the initial Loan Duration in the manner stated in the Insurance Programme. The Administrative cost fee for the change in the loan repayment period is calculated as the difference between the Administrative cost fee for the new Loan Duration and the Administrative cost fee for the initial Loan Duration in the manner stated in the Insurance Programme

(4) The Insurer shall issue to the Insured invoices for the Premium and the Administrative cost fee on the basis of the calculations of the Premium and the Administrative cost fee contained in the Notification on Inclusion as well as invoices for the Premium for the change in the loan repayment period and the Administrative cost fee for the change in the loan repayment period on the basis of the calculation of the

Premium for the change in the loan repayment period and the Administrative cost fee for the change in the loan repayment period contained in the Notification on the change in the loan repayment period within 15 Business Days from the day when the Insurer confirms to the Insured that it has received the Notification on Inclusion or the Notification on the change in the loan repayment period.

- (5) The Insured shall pay the Premium, the Administrative cost fee, the Premium for the change in the loan repayment period and the Administrative cost fee for the change in the loan repayment period within 15 Business Days from the issuance of invoice by the Insurer, the receipt of which the Insured shall acknowledge to the Insurer without delay.
- (6) Should the Insurer and/or the Insured subsequently establish that the Premium or the Administrative cost fee or the Premium for the change in the loan repayment period or the Administrative cost fee for the change in the loan repayment period, which has already been paid, has not been calculated correctly, the Insurer shall have the right immediately after having established as aforementioned, in the case of an established shortfall, to invoice the Insured for the difference so determined, and in the case of an established surplus, it shall return the surplus paid Premium or the Administrative cost fee.

**Transfer of Rights and Obligations under the Portfolio Insurance Agreement**  
**Article 19**

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.