

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

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

ARTICLE 1. POLICY CONTENTS

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

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

ARTICLE 2. INSURING AGREEMENT

A. Default on an Insured Transaction

Subject to the terms and conditions of this *Policy*, Ex-Im Bank agrees to pay *you* the *insured percentage* of a loss on an *insured transaction* that remains unpaid 90 days after the *due date*, minus any applicable *deductible*.

B. Special Risks/Event Coverage

Coverage under this *Policy* includes coverage of a loss caused by cancellation or non-renewal of any license, the imposition of a law or regulation, or the outbreak of war, insurrection or other like disturbance; provided that, in each case, such event (i) occurs after shipment, (ii) is not due to the fault of the *buyer*, the *buyer's* employees or agents and (iii) prevents the *insured's* export or the *buyer's* import of the *products* into the *buyer's* country.

C. All Insured Transactions are Reportable to Ex-Im Bank

Except as otherwise provided in the declarations, this *Policy* applies to all export sales that fall within the definition of an *insured transaction*. Each such sale is referred to as a "*reportable transaction*." This means that *you* must report all *reportable transactions* to Ex-Im Bank in accordance with Article 6, Section B of the *Policy* and item 10 of the declarations and *you* must pay premium on all such *reportable transactions*.

There shall be no coverage for any loss that is insurable under the American Institute of Marine Underwriters' War Risk and Strikes, Riots and Civil Commotion clauses current on the date of shipment.

ARTICLE 3. REQUIREMENTS OF AN INSURED TRANSACTION

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

- A. comprised of *products* that: (i) are not military equipment or defense related, (ii) are not for sale to, or for use by, a military or security agency and (iii) are made in the United States with at least 50% United States content (United States content includes the costs of labor, raw materials and components), excluding price markup (*you* may not add any value to the *products* after they leave the United States); and

- B. shipped during the *policy period* from the United States (or its territories) to the *buyer's* country (shipment begins when the *products* are placed en route to the *buyer* by *you*, *your* supplier or agent); and
- C. evidenced by a *buyer obligation* payable to *you*; and
- D. an export sale evidenced by a bill of lading or other shipping document(s) that are consistent with the other documents evidencing a *buyer obligation* (A shipping document showing delivery to a transport carrier or intermediary agent will not be accepted.); and
- E. to a *buyer* in an eligible country that complies with the *Country Limitation Schedule* in effect on the date of shipment; and
- F. for payment in an *approved currency* and payable in the United States or another *payment country*; and
- G. that, subject to the provisions regarding *overshipments* set forth in Article 4, Section D of the *Policy*, complies with the *policy payment limit* and all conditions of the *buyer credit limit*; and
- H. in the event that *letter of credit* terms are used, in which the documents required by the terms of the *letter of credit* must have been presented to the *issuing bank*.

If you “drop-ship”, i.e. ship the *products* to a recipient that is not the *buyer*: (1) the *buyer* must first submit to *you* written shipping instructions that specify the destination of the *products* (*your* shipping documents must also specify that same destination); and (2) in the event the final destination is not the *buyer's* country, prior written approval from Ex-Im Bank is required for your shipment to be covered by this *Policy*.

Notwithstanding the foregoing, the *products* being sold in connection with the *insured transaction* may be delivered to the *buyer*, or an authorized representative of the *buyer*, at a location in the United States, subject to the conditions set forth below:

1. the *buyer's* purchase order must, on its face, request the *insured* to deliver the *products* to a named point in the United States from which the *buyer* will ultimately import the *products* into the *buyer's* country; and
2. if the *products* are delivered to an authorized representative of the *buyer*, the *buyer's* purchase order must, on its face, request that the *insured* deliver the *products* to the named authorized representative at the delivery point in the United States; and
3. the *insured's* invoice must, on its face, specify delivery to a named point in the United States and also specify that the *buyer* will ultimately import the *products* into the *buyer's* country; and
4. the *insured* must provide evidence of delivery of the *products* to the delivery point in the United States designated in the invoice; and
5. the *insured* must obtain from the *buyer* an acknowledgement of receipt of the *products* at the delivery point in the United States, signed by an authorized representative of the *buyer*, certifying that the *products* either:
 - a. have been imported into the *buyer's* country; or
 - b. will be imported into the *buyer's* country no later than six (6) months from the date of the invoice.

ARTICLE 4. LIMITATIONS OF EX-IM BANK'S LIABILITY

A. Policy Payment Limit

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

B. Claim Payment Limit

The maximum amount payable by Ex-Im Bank for any *claim* with respect to an individual *buyer* shall not exceed the *insured percentage* of the applicable *buyer credit limit* in effect at the time of shipment, less any applicable *deductible*.

C. Buyer Credit Limit

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

D. Overshipment of Buyer Credit Limits or the Policy Payment Limit

1. If you make an *overshipment* to a *buyer*, you must pay premium on the total amount shipped, including the *overshipment balance*. In that case, Ex-Im Bank's liability will still remain the *insured percentage* of the *buyer credit limit*, subject to the *policy payment limit*.
2. Provided you pay premiums on all shipments to the *buyer*, including the *overshipment balance*, all, or a portion of, the *overshipment balance* may become eligible for cover if the *buyer* makes partial payments that reduce the outstanding debt to an amount that is within the *buyer credit limit*.

E. Reduction of Liability

Each *claim* payment by Ex-Im Bank made under this *Policy* shall reduce Ex-Im Bank's liability under the *policy payment limit* and the respective *buyer credit limit* by the amount of such *claim* payment.

ARTICLE 5. EXCLUSIONS

Ex-Im Bank shall not be liable for any *loss*:

- A. if you, or any of your employees or agents fail to strictly comply with any of the terms or conditions of this *Policy* at the time such term(s) or condition (s) was (were) required to be performed; or
- B. arising out of, or related to, your actions or any actions of your employees or agents or any assignee of this *Policy*; or
- C. if you do not submit your *Notice of Claim and Proof of Loss* within the applicable filing period specified in Article 7, Section A.2 of the *Policy*; or
- D. where any unresolved dispute, of any nature, exists between you and the *buyer*, or any unresolved documentary dispute exists between you and an *issuing bank* on a *letter of credit*, until you have established the *buyer obligation* to be valid and legally enforceable against the *buyer* in the courts of the *buyer's* country or you have otherwise settled the dispute to the satisfaction of Ex-Im Bank; or

- E. where the *products* are shipped to, or for use in, countries prohibited by the *Country Limitation Schedule*; or
- F. where the *products* are military equipment or defense-related, nuclear articles or for sale to, or for use by, a military or security agency and for which Ex-Im Bank has not given you prior written approval; or
- G. to the extent that the amount of, or the obligation to pay, the *buyer obligation* has been relieved, in whole or in part, by payment or by an express or implied agreement by you or your employees or agents; or
- H. on export sales made to any of your subsidiaries or affiliates unless those *buyers* are approved in a *special buyer credit limit* endorsement.

ARTICLE 6. AGREEMENTS OF THE INSURED

You agree to:

- A. report and pay premium on all *reportable transactions* when and as required by Article 9, Section A of the *Policy*, including *overshipments* of any *buyer credit limit* or *policy payment limit* unless: (i) the *buyer* is excluded in the declarations; (ii) you have applied for a *buyer credit limit* and Ex-Im Bank has declined a *buyer credit limit* for that *buyer*; (iii) the *buyer* was not creditworthy under your *discretionary buyer credit limit* endorsement, if any; or (iv) the shipment is made on payment terms or consists of *products* not authorized in the *Policy*; and
- B. remain at risk, for your own account, for the *deductible*, if any, and the *buyer obligation* less the *insured percentage* of each *insured transaction*; and
- C. stop shipping to a *buyer* if that *buyer* is: (i) more than 90 days past due to you for \$2,000 or more, unless the *buyer* disputes the past due amount and you have acknowledged the legitimacy of the dispute in writing; or (ii) known to you to be in bankruptcy proceedings, insolvent, discontinuing operations, or in receivership; and
- D. submit a complete and accurate "Report of Overdue Accounts Under Short-Term Policies" to Ex-Im Bank within 30 days after the end of each calendar month if the *buyer* is more than 90 days past due to you for \$25,000 or more (this report can be completed via the ExIm Online web portal or, alternatively, a copy of this form can be found on Ex-Im Bank's website at www.exim.gov/tools/appsforms/insurance.html or a hard copy may be delivered to you by mail upon written request); and
- E. not amend the *due date* unless approved by Ex-Im Bank in writing; and
- F. take commercially reasonable action to minimize and reduce any existing or potential *loss*, including exercising rights of reclamation, offset, stoppage in transit and the like and any reasonable measures which may be required by Ex-Im Bank; and
- G. cooperate with Ex-Im Bank to make *recoveries*; and
- H. comply with all applicable export and import laws and regulations.

ARTICLE 7. PROOF AND PAYMENT OF CLAIMS

- A. Ex-Im Bank will pay you in accordance with the insuring agreement set forth in Article 2 of the *Policy* within 60 days of receipt of a complete *Notice of Claim and Proof of Loss* provided you:
 - 1. have made a written demand for payment from the *buyer* and any applicable guarantor at least 30 days prior to submission of the *Notice of Claim and Proof of Loss*; and
 - 2. submit a signed and complete *Notice of Claim and Proof of Loss* between 3 and 8 months after the date of *default* or, if specifically requested by Ex-Im Bank, within 30

- days from the date of such request by Ex-Im Bank (you may immediately submit a claim when the *buyer* is declared bankrupt, insolvent or placed into receivership); and
3. specify in the *Notice of Claim and Proof of Loss* all amounts outstanding under *insured transactions* and *uninsured debt* with the *buyer* on the date of your completed form; and
 4. submit a *Notice of Claim and Proof of Loss* even if the entire *loss* is subject to a *deductible* (otherwise, any other claims attributable to the *policy period* will still be subject to the same *deductible*).
- B. Payment will be made in United States dollars. For any *buyer obligation* payable in another *approved currency*, payment will be made in the United States dollar equivalent calculated at the rate of exchange for the *approved currency* as reported on the United States Federal Reserve website at www.federalreserve.gov for the date of shipment associated to the claim being paid.
- C. If *you* failed to stay at risk for the *buyer obligation* less the *insured percentage* amount of an *insured transaction* or any *overshipment balance*, Ex-Im Bank will reduce any *claim* payment by the amount for which *you* failed to stay at risk.
- D. If *you* have any other valid and collectible insurance applicable to a *loss* covered by this *Policy*, any *claim* amount paid by Ex-Im Bank pursuant to this *Policy* shall be excess insurance over the applicable limit of liability of the other insurance.
- E. Upon receipt of notification of a *claim* approval, *you* will have a maximum of 30 days to provide any additional documentation requested by Ex-Im Bank, including (i) wire instructions, (ii) taxpayer identification number, (iii) a completed original "Release and Assignment" form for all *insured transactions* and, unless otherwise agreed to in writing by Ex-Im Bank, all *uninsured debt*, and (iv) if applicable, original loan documentation endorsed to Ex-Im Bank. *You* may forfeit *your* rights to the *claim* payment if *you* fail to provide this information in the timeframe set forth above.

ARTICLE 8. RECOVERIES

- A. After paying any *claim*: (i) Ex-Im Bank will undertake all collection efforts against the *buyer* on *your insured transactions* and *uninsured debt*, if any, and (ii) *you* will be precluded from any independent recovery actions against the *buyer*. Any amounts *you* receive from the *buyer* after a *claim* payment, whether from *insured transactions* or *uninsured debt* must be remitted, without reduction, directly to Ex-Im Bank.
- B. Any *recovery* shall be applied first to *collection costs*. The balance of the *recovery* shall be shared by *you* and Ex-Im Bank in the proportion in which the *loss* was shared on the date of *claim payment*. All *recoveries* shall be shared in accordance with these proportions, without limitation, even if Ex-Im Bank collects more than the *claim* payment plus accrued interest, if any.

ARTICLE 9. GENERAL CONDITIONS

A. Premiums and Reporting

1. *You* must report and pay premiums, at the rate set forth in the declarations, no later than 30 days following the end of the month during which the *insured transaction* was made.
2. *You* must report the amount of all export sales that fall within the definition of a *reportable transaction* on the "Report of Premiums Payable for Exporters Only" via the ExIm Online web portal. Alternatively, a copy of this form can be found on Ex-Im Bank's website at www.exim.gov/tools/appsforms/insurance.html or a hard copy may be delivered to *you* by mail upon written request.

3. The premium rates may be changed by Ex-Im Bank effective upon 30 days prior written notice to *you*. The amended rates will apply after the effective date of the change, unless prior to the effective date, *you* give notice of termination in accordance with this *Policy*.
4. In the event *you* fail to file any report or pay any premium when due, Ex-Im Bank may reject or accept, at its sole discretion, any such report or premium when tendered. Any *claim you* submit on a shipment for which premium was not paid or rejected will be denied.

B. Your Records - Ex-Im Bank may, at any time, examine and copy *your* records relating to (i) this *Policy*, (ii) all *reportable transactions*, (iii) any *claim* made under any Ex-Im Bank insurance policy or any guarantee from Ex-Im Bank, (iv) any shipment to a *buyer* and (v) any assignee of this *Policy* or the *Policy* proceeds. *You* will help Ex-Im Bank obtain any other information Ex-Im Bank may request.

C. Changes

1. At any time prior to shipment, Ex-Im Bank shall have the right to add to, delete, or amend the declarations, *Country Limitation Schedule*, endorsements, terms or conditions of this *Policy* or *buyer credit limits* including the right to withdraw coverage with respect to any country or *buyer*.
2. Any change made pursuant to this Article 9, Section C shall be effective on the effective date stated in the notification of the change and shall only apply to shipments which occur on or after the effective date of the change.

D. Notices, Reports and Communications

1. All communications to Ex-Im Bank shall be given to Ex-Im Bank at its office at 811 Vermont Avenue, N.W., Washington, D.C. 20571 or delivered electronically via a designated e-mail address. All communications to *you* shall be given to *you* at *your* electronic mail or street address on file with Ex-Im Bank or to *your* designated insurance broker.
2. All communications shall be written and in the English language. All communications to *you* shall, when mailed or electronically transmitted, be effective as of the date specified in such communication. All communications to Ex-Im Bank shall be effective only when received by Ex-Im Bank.
3. All communications transmitted via electronic mail shall constitute "written notifications" as may be required under this *Policy*.

E. Action Against Ex-Im Bank

1. No action may be brought against Ex-Im Bank prior to 60 days after submission of a complete and accurate *Notice of Claim and Proof of Loss* and unless a written demand is made on Ex-Im Bank 30 days prior to bringing such action.
2. No action of any kind may be brought against Ex-Im Bank more than 18 months after the date of *default*.
3. Any action or proceeding against Ex-Im Bank arising out of or relating to this *Policy* shall be instituted only in a Federal court sitting in the District of Columbia, or the state or jurisdiction in which *your* principal business is located.
4. In any action or proceeding against Ex-Im Bank, service of process shall be made upon Ex-Im Bank in accordance with Rule 4(d) (3)-(5) of the Federal Rules of Civil Procedure. Service upon Ex-Im Bank shall be given to Ex-Im Bank at its Office of General Counsel at 811 Vermont Avenue, N.W., Washington, D.C. 20571.
5. In any claim, action, suit or proceeding to enforce a claim for *loss* hereunder, the burden of proving the following is on *you*: (i) the *loss* is recoverable under this *Policy*,

(ii) all conditions of coverage related to the *loss* in question have been satisfied, (iii) all other obligations of the *insured* related to the *loss* in question have been satisfied and (iv) no exclusion applies to the *loss* in question.

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

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

G. Assignment

1. This *Policy* may not be assigned or transferred without the prior written consent of Ex-Im Bank.
2. Assignment of any *Policy* proceeds shall bind Ex-Im Bank only if Ex-Im Bank has executed an *Assignment* completed by *you* and a financial institution (the assignee) acceptable to Ex-Im Bank. If Ex-Im Bank pays the assignee amounts that *you* would not have been entitled to hereunder, *you* agree to indemnify Ex-Im Bank for such amounts plus any costs and expenses incurred by Ex-Im Bank to enforce this provision.

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

I. Cancellation

1. This *Policy* will automatically expire at the end of the *policy period* unless extended in writing by Ex-Im Bank prior to that time.
2. This *Policy* will automatically terminate when *you* cease operations, become insolvent, or *you* are the subject of bankruptcy or relief of debtors proceedings.
3. In the event *you* fail to file any report or fail to pay any premium in accordance with the terms of this *Policy*, Ex-Im Bank may at its sole discretion cancel this *Policy* as provided below.
4. This *Policy* may be cancelled by *you* or Ex-Im Bank, without cause, upon 30 days prior written notice by either to the other. *You* are not liable for payment of premium, nor is Ex-Im Bank liable for any *loss* on a shipment made after the cancellation effective date.

J. Indemnification and Repayment of Ex-Im Bank - *You* will indemnify and hold Ex-Im Bank harmless for all costs and expenses incurred by Ex-Im Bank of any nature, including: (1) costs of defense; (2) costs of collection; and (3) attorney's fees relating to any of these items IF (i) *you* (or *your* employees or agents, distributors or contractors) fail to fulfill *your* contractual or legal obligations to the *buyer* or to Ex-Im Bank or (ii) as a result of any unresolved dispute, of any nature, between *you* and the *buyer*, the *buyer* is relieved, in whole or in part, of its obligations to pay the *buyer obligation*.

ARTICLE 10. DEFINITIONS

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

“Assignment” means one of the following forms, as applicable: (1) “Notification by Insured of Amounts Payable Under Multi-buyer Export Credit Insurance Policy” or (2) “Small Business Multibuyer Export Credit Insurance Policy (ENB/ENV) Enhanced Assignment of Policy Proceeds”, as found on Ex-Im Bank’s website at www.exim.gov/tools/appsforms/insurance.html or delivered to you by mail upon written request.

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

“buyer credit limit” means the maximum amount of credit which you can have outstanding to a particular buyer as set forth in a *special buyer credit limit* endorsement (or *issuing bank credit limit* endorsement for *letter of credit* terms), or in accordance with the *discretionary buyer credit limit* endorsement. If you do not have a *discretionary credit limit* endorsement or a *special buyer credit limit* endorsement for a particular buyer, there is no *buyer credit limit* (and no coverage) for sales to that buyer.

“buyer obligation” means the written agreement of the buyer, to order the products and pay you the invoice value of the products and interest, if any, thereon, in an approved currency in a payment country or a letter of credit (also in an approved currency in a payment country) which names you as beneficiary and under which you have presented all documents required by, and in conformity with, the letter of credit which must be accepted by the issuing bank. The buyer obligation shall be evidenced by either (1) collectively, written and signed purchase order(s) or contract(s) of sale, invoice(s) and shipping documents, all of which must be consistent on their face and specify both your name and the name and address of the buyer or (2) a negotiable instrument (such as a promissory note, draft or bill of exchange) and shipping documents consistent with the negotiable instrument. This amount may include insurance and freight costs incurred by you on the buyer’s behalf and which support the sale of the products. The buyer obligation shall be valid and enforceable, when obtained, under the laws of the buyer’s country and under the laws of a state, territory, or possession of the United States or the District of Columbia.

“claim” means your request for payment from Ex-Im Bank to pay you for a loss.

“collection costs” means all costs and expenses incurred by Ex-Im Bank to prevent or minimize a loss or effect recoveries, and extraordinary costs and expenses incurred by you to prevent or minimize loss provided Ex-Im Bank gives you prior written approval to incur such costs or expenses.

“Country Limitation Schedule” means the schedule titled Country Limitation Schedule that may be found on Ex-Im Bank’s website at www.exim.gov/tools/index.html and which may be changed from time to time by Ex-Im Bank pursuant to Article 9, Section C.

“deductible” means the amount, if any, set forth in the declarations, which is the aggregate amount that Ex-Im Bank will deduct from claim payments made to you during the policy period.

“default” means non-payment, in whole or in part, of:

1. for *letter of credit* terms, the amount due under the *letter of credit* for which documents required by the terms of the *letter of credit* have been presented to the *issuing bank*; or
2. for all other terms, the amount of principal and/or interest, if any, due on a *buyer obligation* in accordance with its terms.

Default shall not include any non-payment resulting from any tax or other charge levied by withholding or otherwise, on a *buyer obligation*.

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

"*due date*" means any date or dates of payment specified in a *buyer obligation* or *letter of credit* or any drafts drawn thereunder. Unless specified otherwise in the *buyer obligation*, the *due date* will be established by the duration of the contracted payment terms from the shipment date.

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

"*insured percentage*" means the percentage of coverage, applicable to the *buyer credit limit*, as specified in the declarations or in a *special buyer credit limit* endorsement.

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

"*issuing bank*" has the same meaning provided under Uniform Customs and Practices for Documentary Credits, 1993 revision, ICC Publication No. 500, provided that the bank has been approved by Ex-Im Bank in an issuing bank credit limit endorsement or in accordance with the requirements of the *discretionary buyer credit limit* endorsement.

"*letter of credit*" means an irrevocable and unconfirmed *letter of credit*, in the amount of the *buyer obligation*, payable in an *approved currency* in a *payment country*, which states that it is subject to the Uniform Customs and Practices for Documentary Credits, 1993 revision, ICC Publication No. 500 and requires presentation of an invoice and shipping document.

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

1. discounts, credits, or other similar allowances; and
2. any amount which, prior to the time of *claim* payment by Ex-Im Bank hereunder, *you* have received from realization of any security on the *insured transaction*; and
3. any amount which the *buyer* would have been entitled to take into account by way of payment, set-off or counterclaim; and
4. any costs or expenses saved by *you* by non-payment of any agent's commissions or its non-fulfillment of the contract of sale or purchase order.

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

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

"*Maximum Insured Interest Rate*" means: (i) for *buyer obligations* denominated in United States dollars, the prime rate at the time of shipment minus one-half percent, using the prime rate published in the Wall Street Journal under the table "money rates" or (ii) for *buyer obligations* denominated in an *approved currency* other than United States dollars, one-half percent in excess of the six-month market rate for the respective currency as published on the date of shipment in the Financial Times under the table "Interest Rates."

"*Notice of Claim and Proof of Loss*" means the form entitled "Notice of Claim and Proof of Loss Multi-buyer Policy" as found on Ex-Im Bank's website at <http://www.exim.gov/tools/claims/claims.html> or delivered to *you* by mail upon written request.

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

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

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

“*Policy*” means the terms and conditions of the collective documents set forth in Article 1.

“*policy payment limit*” means the maximum amount payable by Ex-Im Bank under this *Policy* as set forth in the declarations for *insured transactions* made during the *policy period*.

“*policy period*” means the period identified as the “Policy Period” in the declarations.

“*products*” means each of the items specified in the declarations.

“*recovery*” means, after payment of a *claim*, any and all amounts (e.g. without limitation, interest, principal, fees, or costs) received by *you* or any of *your* agents or by Ex-Im Bank from or on behalf of the *buyer* on an *insured transaction* or *uninsured debt*, regardless of any designation as to application of funds by the *buyer* or other person or entity from whom such payments are received and regardless of whether the *claim* payment was for principal or interest.

“*reportable transaction*” means all export sales which fall within the definition of an *insured transaction*.

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

“*uninsured debt*” means the total principal amount and interest thereon outstanding from a *buyer* or *issuing bank* to *you* on export sales which are not *insured transactions*.

“*you*” and “*your*” refer to the *insured*.

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

Export-Import Bank of the United States

John A. McAdams
Senior Vice President
Export Finance
811 Vermont Avenue, N.W.
Washington, D.C. 20571

ESCBPLT3 (4/06)