

## GENERAL TERMS

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# 1. GENERAL

## 1.1 POLICY

This insurance policy (the 'Policy') consists of these general terms (the 'General Terms'), the special terms (the 'Special Terms') and any endorsements thereto.

## 1.2 TERMS AND DEFINITIONS

Unless the context otherwise requires, capitalised terms used herein shall have the meanings set forth in Section 2 (Definitions) of the General Terms and/or in the Special Terms.

## 1.3 INSURED'S REPRESENTATIONS

Credendo has issued this Policy in reliance upon the information set forth in the Special Terms and upon information provided by the Insured in its Application for Insurance.

## 1.4 CREDENDO'S UNDERTAKING

In consideration of the payment of the premiums, and subject to the Special Terms and the General Terms, the Insured and Credendo agree that Credendo shall be liable to pay Compensation to the Insured for Losses principally caused by Covered Events, listed exhaustively under Section III of the General Terms and of which the Date of Loss occurs during the Policy Term.

## 1.5 STATE GUARANTEE

The obligations of Credendo under the Policy are guaranteed by the Belgian State pursuant to Article 3 of the Law dated August 31st, 1939 on the Office National du Ducroire | Nationale Delcrederedienst.

# 2. DEFINITIONS

## A

### Agreement(s)

shall mean the agreement(s) specified in Article 6.2 of the Special Terms.

### Application for Insurance

shall mean the application submitted by the Insured to Credendo for obtaining an insurance.

### Award

shall mean a valid, final, non-appealable and binding decision rendered on the merits by a competent arbitral tribunal, court of law, or similar judicial forum in accordance with the dispute resolution procedure set forth in the Agreement(s).

### Award Default

shall have the meaning set forth in Article 3.5 of the General Terms.

### Book Value

shall mean: (i) with respect to the assets of the Foreign Enterprise, the capitalised cost of an asset less accumulated depreciation, depletion of reserves or amortisation as it appears on the books of account of the Foreign Enterprise, and (ii) with respect to the Foreign Enterprise, the difference between (a) the total assets net of depreciation, depletion of reserves and amortisation minus all intangible assets, such as but not limited to patents, operating rights, franchise agreements, trademarks, capitalised expenses, goodwill, research and development, and (b) the total liabilities, as they appear on its balance sheet. For the purpose of calculating the Book Value, any amount shall be converted into Policy Currency at the Reference Rate of Exchange prevailing on the day before the Date of Loss.

### Book Value Reduction

shall mean the reduction of Book Value of the Foreign Enterprise, which is solely and directly attributable to the appropriate Covered Event, calculated as the difference between: (i) the Book Value of the Foreign Enterprise on the day before the Date of Loss, and (ii) the Book Value of the Foreign Enterprise on the day after the Date of Loss. For the purpose of calculating the Book Value Reduction, any amount shall be converted into Policy Currency at the Reference Rate of Exchange prevailing on the day before the Date of Loss.

### Business Interruption

shall have the meaning set forth in Article 3.3 of the General Terms.

### CEPANI

shall mean the Belgian Centre for Arbitration and Mediation.

### Change of Control

shall mean the loss of effective control by the controlling shareholder of the Insured at any time after the Effective Date.

### Civil Commotion

shall mean a substantial disturbance of the public peace by a group of persons acting with common intent. It includes, without being limited to, large-scale labour or student unrest.

### Claim

shall have the meaning set forth in Section 6 of the General Terms.

### Compensation

shall mean the amount which is payable to the Insured for a Loss under the Policy.

### Coup d'Etat

shall mean the sudden violent and illegal overthrow of a government or any attempt at such overthrow.

### Covered Event(s)

shall mean any event(s) specified in Article 6.3 of the Special Terms.

### Credendo

shall mean the Nationale Delcrederedienst | Office National du Ducroire.

### Currency Inconvertibility and Transfer Restriction

shall have the meaning set forth in Article 3.4 of the General Terms.

## D

### Date of Loss

**1 In respect of the Equity Investment and/or Quasi Equity, shall have the meanings set forth below in respect of the applicable Covered Event:**

**1.1 Expropriation:** the date of the act or omission that constitutes Expropriation;

**1.2 Political Violence:** the date on which the Foreign Enterprise is prevented from conducting its operations on a Permanent basis or in case of Political Violence Damage: the date of physical damage, deterioration, destruction or permanent loss;

**1.3 Business Interruption:** the date on which the operations of the Foreign Enterprise are interrupted;

**1.4 Currency Inconvertibility and Transfer Restriction:** the date on which the Insured or the Foreign Enterprise was prevented from converting or transferring Funds constituting Currency Inconvertibility and Transfer Restriction;

**1.5 Award Default:** the date of the Award. Such date may occur during or after the expiry of the Policy Term, being understood that coverage for a Loss under Award Default shall only be valid if the event(s) that triggered the Award occurred within the Policy Term;

**1.6 Embargo:** the date on which an Embargo is imposed; and

**2. In respect of the Structured Loan, shall have the meanings set forth below in respect of the applicable Covered Event:**

**2.1 Expropriation:** the Scheduled Payment Date; being understood that, in respect of a Covered Event set forth in Article 3.1.2.2, the Date of Loss shall mean the date on which the deprivation occurs;

**2.2 Political Violence:** the Scheduled Payment Date;

**2.3 Currency Inconvertibility and Transfer Restriction:** the Scheduled Payment Date;

**2.4 Award Default:** the date of the Award. Such date may occur during or after the expiry of the Policy Term, being understood that coverage for a Loss under Award Default shall only be valid if the event(s) that triggered the Award occurred within the Policy Term;

**2.5 Embargo:** the Scheduled Payment Date.

**De Minimis Amount**

shall mean the amount per Covered Event referred to under Section 10 of the General Terms and set forth in Article 6.5.4 of the Special Terms.

**E**

**Effective Date**

shall mean the date on which the Policy enters into force, as specified in Article 6.9 of the Special Terms.

**Embargo**

shall have the meaning set forth in Article 3.6 of the General Terms.

**Equity Investment**

shall refer to the description set forth in Article 5.1 of the Special Terms.

**Expiration Date**

shall mean the date on which the Policy expires, as specified in Article 6.9 of the Special Terms.

**Expropriation**

shall have the meaning set forth in Article 3.1 of the General Terms.

**Extraordinary Costs**

shall mean the external costs arising from a claim or threat of claim and incurred, with Credendo's prior written approval, by the Insured or the Foreign Enterprise to prevent or limit a Loss or additional Losses.

**Foreign Enterprise**

shall mean the entity described in Article 4 of the Special Terms.

**Funds**

shall mean dividends, profits, return of capital, proceeds from the sale of an Insured Investment, debt service, or as the case may be, Scheduled Payments.

**General Terms**

shall have the meaning set forth in Article 1.1 of the General Terms.

**Guarantee**

shall refer to the description set forth in Article 5.1 of the Special Terms.

**Host Country**

shall mean the country specified in Article 3 of the Special Terms.

**Host Government**

shall mean: (i) the present or any succeeding governing authority (without regard to the method of its succession or whether it is internationally recognised) in effective control of all or any part of the territory of the Host Country or any political or territorial subdivision thereof, and (ii) any other public authority in or of the Host Country on which regulatory powers are conferred by the laws of the Host Country.

**Initial Policy Period**

shall mean the period stated in Article 6.9 of the Special Terms.

**Insured**

shall mean the entity (entities) specified in Article 6.1 of the Special Terms.

**Insured Investment**

shall mean the investment(s) described in Article 5 of the Special Terms being an Equity Investment and/or a Quasi Equity and/or a Structured Loan.

**Insured Percentage**

shall mean the percentage stated in Article 6.6 of the Special Terms.

**Insured Share**

shall mean the fraction of the Insured Investment as specified in Article 6.10 of the Special Terms.

**Limit of Liability per Covered Event**

shall mean the maximum amount payable by Credendo as Compensation in respect of all Losses per Covered Event as set forth under Article 6.5.2 of the Special Terms.

**Loan Agreement**

shall mean the loan agreement between the Insured and the Foreign Enterprise in respect of the Structured Loan described in Article 5.1 of the Special Terms.

**Local Currency**

shall mean the currency of the Host Country.

**Loss(es)**

shall mean the loss or losses sustained by the Insured during the Policy Term and caused principally by a Covered Event and for which the Insured seeks Compensation pursuant to this Policy.

**Lost Profits**

shall mean the net profits, expressed in Policy Currency, resulting from the operations of the Foreign Enterprise that it would have generated should Business Interruption or Embargo not have occurred, as reasonably determined by an independent and impartial expert mutually agreed by Credendo and the Insured, it being understood that the calculation of the Lost Profits shall be based on a return on equity ratio capped at the lower of (a) the Return on Equity Ratio or if applicable (b) the average return on equity ratio during the full three (3) years preceding the Date of Loss.

**Maximum Limit of Liability**

shall mean the aggregate maximum amount payable by Credendo as Compensation in respect of all Losses under the Policy, as set forth under Article 6.5.1 of the Special Terms.

**Payment Schedule**

shall mean the schedule as set forth in Article 5.6 of the Special Terms.

**Permanent**

shall mean an uninterrupted period of twelve (12) months or such shorter period if the Insured has submitted evidence of such permanence.

**Policy**

shall have the meaning set forth in Article 1.1 of the General Terms.

**Policy Currency**

shall mean the currency stated in Article 6.4 of the Special Terms, in which the premium and the Compensation are payable, and the Limits of Liability are stated.

**Policy Period**

shall refer to the annual periods commencing with the period starting on the Effective Date.

**Policy Term**

shall refer to the period between the Effective Date and the Expiration Date as specified in Article 6.9 of the Special Terms.

**Political Violence**

shall have the meaning set forth in Article 3.2 of the General Terms.

**Political Violence Damage**

shall have the meaning set forth in Article 3.2.1 of the General Terms.

**Post-Compensation Recovery**

shall mean any Recovery received following the date of payment of any Compensation.

**Pre-Compensation Recovery**

shall mean any Recovery received prior to the date of payment of any Compensation.

**Quasi Equity**

shall refer to the description set forth in Article 5.1 of the Special Terms.

**Reasonable Cost**

shall mean the lower of (a) the reasonable cost to repair the damaged, deteriorated, destroyed or lost physical asset or (b) the reasonable cost to replace such asset by an asset with material of like kind and quality. The equivalent amount in Policy Currency of the Reasonable Cost shall be determined using the Reference Rate of Exchange prevailing on the day such cost is invoiced.

**Recovery**

shall mean any amount, compensation or benefit (such as costs saved), in whatever form, other than the Compensation, received by or for the benefit of the Insured or the Foreign Enterprise from any source in respect of a Loss.

**Reference Rate of Exchange**

shall mean (a) the average official exchange rate established by the central bank of the Host Country applicable to the currencies involved or (b) if such average official exchange rate cannot be determined, the average effective rate of exchange available through the legal and customary mechanisms for these currencies.

**Return on Equity Ratio**

shall refer to the ratio set forth in Article 5.4 of the Special Terms.

**Sabotage**

shall mean wilful damage or destruction of property perpetrated for political reasons by any known or unknown person(s) excluding any disgruntled employee(s) or customer(s).

**Scheduled Payment(s)**

shall mean the obligation of the Foreign Enterprise to make each payment of principal and interest (excluding any late payment interests) under the Loan Agreement, scheduled to be due and payable by the Foreign Enterprise on the Scheduled Payment Date(s) in the amounts specified in the Payment Schedule.

**Scheduled Payment Date(s)**

shall mean each of the dates set forth in the Payment Schedule.

**Special Terms**

shall mean the special terms attached to and made part of the Policy.

**Standby Amount**

shall mean the amount referred to in Section 10 of the General Terms and set forth in Article 6.5.3 of the Special Terms.

**Structured Loan**

shall refer to the description set forth in Article 5.1 of the Special Terms.

**Terrorism**

shall mean any violent act of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed in the Host Country or involving the Host Country for political, religious, ideological or similar purposes.

**Uninsured Percentage**

shall mean the percentage stated in Article 6.7 of the Special Terms that is not insured by Credendo and that the Insured is required to maintain uninsured pursuant to Article 11.7 of the General Terms.

**Waiting Period**

shall mean, with respect to each Covered Event, the period commencing on the Date of Loss and ending at the expiration of the period specified in Article 6.8 of the Special Terms.

## 3. COVERED EVENTS

### 3.1 EXPROPRIATION

Expropriation shall mean any act or omission, or a series of acts or omissions, undertaken by or attributable to the Host Government that continues for the duration of the Waiting Period, for which the Host Government has not provided adequate compensation and that effectively:

- 3.1.1** in the case of Equity Investment and/or Quasi Equity,
  - 3.1.1.1** deprives the Insured of all or a substantial part of its Insured Investment and/or its fundamental rights relating to the Foreign Enterprise; or
  - 3.1.1.2** prevents the Foreign Enterprise from conducting its operations on a substantial and Permanent basis; or
  - 3.1.1.3** deprives the Insured or the Foreign Enterprise of the use or control of any Funds;
- 3.1.2** in the case of Structured Loan,
  - 3.1.2.1** prevents the Foreign Enterprise from making, or the Insured from receiving, a Scheduled Payment by (i) depriving the Insured of its fundamental rights as a lender under the Loan Agreement; (ii) preventing the Foreign Enterprise from conducting its operations on a substantial and Permanent basis; or (iii) depriving the Insured or the Foreign Enterprise of the use or control of any funds which constitute a Scheduled Payment; or
  - 3.1.2.2** following a default of a Scheduled Payment, deprives the Insured of its rights as a creditor or secured party with respect to any collateral securing the payment of such Scheduled Payment (or any portion thereof) in default;

provided, however, that no such act or omission shall be deemed an Expropriation if it constitutes a bona fide measure of general application of a kind that is not discriminatory or arbitrary and that governments normally take in the public interest, such as but not limited to measures aiming at ensuring public safety, health and well-being, raising revenues, protecting the environment or regulating economic activities

Breach by the Host Government of an Agreement shall not constitute a Loss under this Article 3.1.

### 3.2 POLITICAL VIOLENCE

Political Violence shall mean (i) any violent event or series of events in the Host Country or involving the Host Country, undertaken with the primary intent of achieving a political objective, in the form of declared or undeclared war, hostile action by national or international armed forces, civil war, revolution, insurrection, Civil Commotion, Coup d'Etat, Sabotage or (ii) Terrorism that effectively:



- 3.2.1** causes physical damage, destruction, degradation or permanent loss of physical assets (excluding precious metals, gems, works of art, money or documents) of the Foreign Enterprise ('Political Violence Damage'); or
- 3.2.2** prevents the Foreign Enterprise from conducting, totally or partially, its operations on a Permanent basis; or
- 3.2.3** prevents the Foreign Enterprise from making, or the Insured from receiving, a Scheduled Payment.

### 3.3 BUSINESS INTERRUPTION

Business Interruption shall mean the temporary inability, as a result of Political Violence Damage, of the Foreign Enterprise, continuously during the Waiting Period, to conduct, totally or partially, its operations and which deprives the Insured of all or a part of the Foreign Enterprise's profits.

### 3.4 CURRENCY INCONVERTIBILITY AND TRANSFER RESTRICTION

Currency Inconvertibility and Transfer Restriction shall mean any shortage of hard currency or any act or omission, undertaken by or attributable to the Host Government that legally prevents the Insured or the Foreign Enterprise, for the duration of the Waiting Period, from:

- 3.4.1** converting, partially or totally, Funds from Local Currency into Policy Currency, or from effecting such conversion at the exchange rate as favourable as the Reference Rate of Exchange; or
- 3.4.2** transferring outside of the Host Country, partially or totally, the Funds already converted from Local Currency into Policy Currency;

provided that the Insured or the Foreign Enterprise or both, as required:

- > as of the Effective Date, can lawfully and freely convert Local Currency into Policy Currency and transfer Policy Currency to the Insured's country; and
- > has/have, during the applicable Waiting Period, continuously applied for and failed to convert Local Currency into Policy Currency and to transfer Policy Currency outside the Host Country through all mechanisms permitted in accordance with the relevant laws, orders, decrees or regulations of the Host Country

Deprivation by the Host Government of the use or control by the Insured or the Foreign Enterprise of any Funds shall not constitute a Loss under this Article 3.4.

### 3.5 AWARD DEFAULT

Award Default shall mean the failure of the Host Government, for the duration of the Waiting Period, to honour an Award in favour of the Insured or the

Foreign Enterprise, as a result of any breach by the Host Government of any Agreement.

### 3.6 EMBARGO

Embargo shall mean the imposition by the Host Government of any law, order, decree or regulation (including the cancellation or non-renewal of a valid export or import licence) in circumstances beyond the control of the Insured and/or the Foreign Enterprise, which (i) in case of Equity Investment, solely and directly prevents the Foreign Enterprise, continuously during the Waiting Period, from exporting or importing goods or services which are essential to the Foreign Enterprise's operations or (ii) in case of Structured Loan, solely and directly causes the Foreign Enterprise to default on a Scheduled Payment.

## 4. EXCLUSIONS

No Loss shall be compensated and any Compensation paid shall be reimbursed to Credendo if the Loss is caused by:

- 4.1** any fault by the Insured, by the Foreign Enterprise, or by their authorised representatives including but not limited to: the breach of their contractual obligations towards the Host Government in any material respect or failure to provide a bond or security;
- 4.2** insolvency of the Insured and/or the Foreign Enterprise, commercial failure of the Insured and/or the Foreign Enterprise or any financial default by the Insured;
- 4.3** any legitimate action by the Host Government taken under the applicable bankruptcy laws or taken to enforce any contractual agreement to which the Insured or the Foreign Enterprise is a party, or to enforce the right of any titleholder to repossess property;
- 4.4** the acceptance by the Insured, by the Foreign Enterprise, or by their authorised representatives of a contractual provision, including but not limited to a provision in the Agreement(s) that does not comply with international practice or that would abnormally restrict the Insured's or the Foreign Enterprise's rights;
- 4.5** the Insured's, the Foreign Enterprise's or their authorised representatives' failure to comply with the laws of the Host Country, unless such law causes or constitutes a Covered Event. For the avoidance of doubt, a failure of the Insured or the Foreign Enterprise to comply with the unreasonable requirements of national or local authorities in the Host Country when these requirements substantially exceed those of the current and applicable World Bank Group Environmental, Health, and Safety Guidelines or are proven by the Insured to be otherwise manifestly unreasonable, shall not be deemed a failure within the meaning of this exclusion;

- 4.6** any event, fact or application of any law, order, decree or regulation existing or in force prior to the Effective Date;
- 4.7** any wrongful or criminal activities committed by the Insured, the Foreign Enterprise, or by their authorised representatives directly or indirectly in relation with the Insured Investment, including but not limited to bribery, fraudulent or similar corrupt practices;
- 4.8** any action or inaction, attributable to the Host Government that was voluntarily and freely agreed to by the Insured, by the Foreign Enterprise, or by their authorised representatives;
- 4.9** any failure of the Insured to act at all times with all due care and diligence as if uninsured such as but not limited to the failure to protect the assets of the Foreign Enterprise;
- 4.10** any material breach of the Insured's duties under Section 11;
- 4.11** the breach by the Host Government of any contractual agreements other than the Agreement(s) with the Insured or the Foreign Enterprise; or
- 4.12** the devaluation of the Local Currency.

## 5. COMPENSATION FOR COVERED EVENTS

Compensation for Covered Events shall be determined pursuant to this Section 5 and subject to all other terms and conditions of this Policy (including but not limited to Section 4 (Exclusions) and Section 9 (Recoveries)).

### 5.1 COMPENSATION FOR EXPROPRIATION

Compensation for a Loss under Expropriation shall be calculated as follows:

- 5.1.1** for events qualifying under Article 3.1.1.1 and under Article 3.1.1.2, the product of: (i) the Book Value Reduction, (ii) the Insured Share, and (iii) the Insured Percentage;
- 5.1.2** for events qualifying under Article 3.1.1.3, the product of: (i) the expropriated amount in Policy Currency or the equivalent in Policy Currency of the expropriated amount in Local Currency at the Reference Rate of Exchange prevailing on the day before the Date of Loss, (ii) the Insured Share, and (iii) the Insured Percentage;
- 5.1.3** for events qualifying under Article 3.1.2.1, the product of: (i) the Scheduled Payment in default in Policy Currency or the equivalent in Policy Currency of the Scheduled Payment in default in Local Currency at the Reference Rate of Exchange prevailing on the day before the Date of Loss and (ii) the Insured Percentage; and
- 5.1.4** for events qualifying under Article 3.1.2.2, the Insured Percentage of the lower of (i) the realisable value of the collateral on the day

before the Date of Loss, or (ii) the Scheduled Payment in default.

### 5.2 COMPENSATION FOR POLITICAL VIOLENCE

Compensation for a Loss under Political Violence shall be calculated as follows:

#### 5.2.1 for events qualifying under Article 3.2.1:

**5.2.1.1** if the asset is repaired or replaced within one (1) year as from the Date of Loss, the product of: (i) the Reasonable Cost to repair or replace the damaged, deteriorated, destroyed or lost physical asset, (ii) the Insured Share and (iii) the Insured Percentage;

**5.2.1.2** if the asset is neither repaired nor replaced within one (1) year as from the Date of Loss, the product of: (i) the Book Value of the damaged, deteriorated, destroyed or lost physical asset, (ii) the Insured Share and (iii) the Insured Percentage

being understood that the Reasonable Cost or the Book Value of the damaged, deteriorated, destroyed or lost physical asset shall be capped at the original purchase cost of such asset for the purpose of calculating any Compensation under this Article 5.2.1;

**5.2.2** for events qualifying under Article 3.2.2, the product of: (i) the Book Value Reduction, (ii) the Insured Share, and (iii) the Insured Percentage, less any Compensation paid under Article 5.2.1; and

**5.2.3** for events qualifying under Article 3.2.3, the product of: (i) the Scheduled Payment in default in Policy Currency or the equivalent in Policy Currency of the Scheduled Payment in default in Local Currency at the Reference Rate of Exchange prevailing on the day before the Date of Loss and (ii) the Insured Percentage.

### 5.3 COMPENSATION FOR BUSINESS INTERRUPTION

Compensation for a Loss under Business Interruption shall be the product of: (i) Lost Profits during the Waiting Period, (ii) the Insured Share, and (iii) the Insured Percentage.

If the Business Interruption continues after the expiration of the Waiting Period, one (1) additional Compensation shall be awarded after the expiration of a period not exceeding six (6) months as from the end of the Waiting Period. Such additional Compensation shall be the product of: (i) the Lost Profits during the relevant period, (ii) the Insured Share, and (iii) the Insured Percentage. However, if the Business Interruption exceeds or is expected to exceed a period of six (6) months as from the end of the Waiting Period, the Compensation shall be the product of: (i) the Book Value Reduction, (ii) the Insured Share, and (iii) the Insured Percentage, less any Compensation previously paid for Business Interruption.

No Compensation for Business Interruption shall be payable if the Loss constitutes a Loss under Article 3.2.

## 5.4 COMPENSATION FOR CURRENCY INCONVERTIBILITY AND TRANSFER RESTRICTION

Compensation for a Loss under Currency Inconvertibility and Transfer Restriction shall be:

- 5.4.1** for dividends, profits, return of capital or proceeds from the sale of the Equity Investment, the product of: (i) the amount in Policy Currency equivalent to the amount in Local Currency attributable to the shares issued in respect of the Equity Investment, or the amount of such Policy Currency that could not be transferred, and (ii) the Insured Percentage;
- 5.4.2** for debt service in respect of the Quasi Equity, and for Scheduled Payments, the product of: (i) the amount in Policy Currency equivalent to the amount in Local Currency attributable to such debt service or Scheduled Payment(s) that could not be converted, or the amount in such Policy Currency attributable to such debt service or Scheduled Payment(s) that could not be transferred, and (ii) the Insured Percentage.

The equivalent amount in Policy Currency shall be determined using the Reference Rate of Exchange prevailing on the day before the Date of Loss.

## 5.5 COMPENSATION FOR AWARD DEFAULT

- 5.5.1** In the event the Award is issued in favour of the Insured, Compensation for a Loss under Award Default shall be the product of: (i) the amount due by the Host Government to the Insured under the Award less any amount due by the Insured to the Host Government under the Award (if any), and (ii) the Insured Percentage. The equivalent amount in Policy Currency of such amount due under the Award shall be determined using the Reference Rate of Exchange prevailing on the day the Award is rendered.
- 5.5.2** In the event the Award is issued in favour of the Foreign Enterprise, Compensation for a Loss under Award Default shall be the product of: (i) the amount due by the Host Government to the Foreign Enterprise under the Award less any amount due by the Foreign Enterprise to the Host Government under the Award (if any), (ii) the Insured Percentage, and (iii) the Insured Share. The equivalent amount in Policy Currency of such amount due under the Award shall be determined using the Reference Rate of Exchange prevailing on the day the Award is rendered.
- 5.5.3** Punitive damages shall be excluded from the calculation of Compensation.

## 5.6 COMPENSATION FOR EMBARGO

Compensation for a Loss under Embargo shall be in the case of (a) Equity Investment, the product of: (i) Lost Profits during the Waiting Period, (ii) the Insured Share,

and (iii) the Insured Percentage, and (b) Structured Loan, the product of: (i) the Scheduled Payment in default in Policy Currency or the equivalent in Policy Currency of the Scheduled Payment in default in Local Currency at the Reference Rate of Exchange prevailing on the day before the Date of Loss and (ii) the Insured Percentage.

With respect to Compensation relating to an Equity Investment, if the Embargo continues after the expiration of the Waiting Period, one (1) additional Compensation shall be determined after the expiration of a period not exceeding twelve (12) months as from the end of the Waiting Period. Such additional Compensation shall be the product of: (i) Lost Profits during such period, (ii) the Insured Share, and (iii) the Insured Percentage. However, if the Embargo exceeds or is at any time expected to exceed a period of twelve (12) months as from the end of the Waiting Period, the Compensation shall be the product of: (i) the Book Value Reduction, (ii) the Insured Share, and (iii) the Insured Percentage, less any Compensation previously paid for Embargo.

No Compensation for Embargo shall be payable if the Loss constitutes a Loss under Article 3.1.

## 5.7 COMPENSATION FOR EXTRAORDINARY COSTS

Credendo shall pay Compensation for Extraordinary Costs, calculated at the Insured Percentage and, if applicable, the Insured Share. If any such costs also relate to amounts not insured by Credendo, they shall only be covered in proportion to the amount insured. The equivalent amount in Policy Currency of the Extraordinary Costs shall be determined using the Reference Rate of Exchange prevailing on the day the Extraordinary Costs are invoiced.

## 6. SUBMISSION OF CLAIMS

The Insured shall provide written notice to Credendo of any event that may give rise to a Loss within fifteen (15) calendar days from the date on which it became aware of such event.

The Insured shall submit a written request, in form and content reasonably satisfactory to Credendo, which demonstrates its right to receive Compensation under the Policy (a 'Claim').

The Insured shall promptly provide Credendo with all documents and available evidence, including but not limited to: (i) all documents which Credendo reasonably determines are necessary to prove the Claim, (ii) any relevant law, order, decree, or regulation of the Host Country in case of Expropriation, (iii) the certificate (if any) issued by the Belgian Ministry of Foreign Affairs in case of Political Violence, (iv) a bank certificate stating the fulfilment of the acts and formalities necessary for converting the Local Currency or transferring the Policy Currency in case of Currency

Inconvertibility and Transfer Restriction, and (v) the Award in case of Award Default.

Notwithstanding anything to the contrary in this Policy, if the Insured fails to prove a Claim within one (1) year (or such other period as may be consented to in writing by Credendo) from the end of the applicable Waiting Period for each Covered Event, the Claim shall be deemed withdrawn. Credendo shall not be liable to any Compensation in respect of such Claim. The Insured shall not be entitled to submit more than one Claim per Loss.

## 7. VALIDITY OF A CLAIM AND PAYMENT OF A COMPENSATION

Credendo shall determine the validity of any Claim. It shall pay any Compensation within thirty (30) calendar days from the date upon which such Compensation amount has been ascertained by Credendo. No Claim shall be deemed valid prior to the expiration of the applicable Waiting Period, nor shall any Compensation be payable prior to the expiration of the applicable Waiting Period, unless Credendo otherwise agrees.

Late payment interests, penalty fees (or other fees), taxes or costs associated with the Structured Loan shall not be deemed part of the Scheduled Payments and shall be excluded from the calculation of Compensation.

Compensation in respect of the Structured Loan shall be payable by Credendo as set forth in Article 5.6 of the Special Terms being understood that:

- 7.1** if Credendo pays Compensation for a default of a Scheduled Payment in respect of a Covered Event other than Currency Inconvertibility and Transfer Restriction, Business Interruption and Embargo, Credendo shall be liable to pay Compensation for subsequent consecutive defaults unless Credendo can prove that such defaults are not attributable to such Covered Event;
- 7.2** if Credendo pays Compensation for a defaulted Scheduled Payment, and the Insured receives payment(s) from the Foreign Enterprise in respect of subsequent Scheduled Payments, the Insured must prove that any default thereafter was caused by separate Covered Events.

## 8. TRANSFER AND SUBROGATION

As a condition precedent to the payment of any Compensation other than a Compensation for Lost Profits, the Insured shall assign to Credendo all of its right, title and interest in all or part of the Insured Investment.

As a condition precedent to the payment of any Compensation for Currency Inconvertibility and Transfer Restriction, the Insured shall assign and deliver to Credendo or its authorised representative, in cash or such other form as Credendo may require, the Insured Percentage of the amount in Local Currency or Policy

Currency which was subject to the Covered Event. If the Insured is unable to legally deliver such Local Currency or Policy Currency, the Insured shall assign to Credendo all of its right, title and interest in such currency.

As a condition precedent to the payment of any Compensation for Award Default, the Insured shall assign and deliver to Credendo or its authorised representative, all of its right, title (including but not limited to enforcement measures) and interest related to the Award.

As a condition precedent to the payment of any Compensation, the Insured shall cause Credendo to be exempted from any sharing provisions to which the Insured may be subject pursuant to any intercreditor arrangement or otherwise.

Upon payment of any Compensation, Credendo shall be subrogated to all of the Insured's rights against any person or organisation, including but not limited to the Host Government, in respect of the Loss for which any Compensation is paid.

The Insured shall perform, at its costs, any act as may be requested by Credendo to entitle the latter to exercise its rights under this Section 8.

Any assignment and subrogation to Credendo pursuant to this Section 8 shall be free and clear of all liens, claims, defences, counterclaims, rights of set-off and other encumbrances.

## 9. RECOVERY

### 9.1 PRE-COMPENSATION RECOVERY

Any Compensation shall be reduced by an amount equal to the product of: (i) any Pre-Compensation Recovery, (ii) the Insured Percentage, and (iii) if received by the Foreign Enterprise, the Insured Share.

### 9.2 POST-COMPENSATION RECOVERY

Any Post-Compensation Recovery in respect of the Equity Investment and/or Quasi Equity shall be shared between Credendo and the Insured, the share of Credendo being equal to the product of: (i) such Post-Compensation Recovery, (ii) the Insured Percentage, and (iii) if received by the Foreign Enterprise, the Insured Share.

Any Post-Compensation Recovery in respect of a Structured Loan shall be shared between Credendo and the Insured, the share of Credendo being equal to the product of: (i) such Post-Compensation Recovery and (ii) the Insured Percentage.

The Insured undertakes to pay Credendo's share in any Post-Compensation Recovery within fifteen (15) calendar days of receipt of such Post-Compensation Recovery.

For the avoidance of any doubt, article 1252 of the Belgian Civil Code shall not apply.



### 9.3 EXCHANGE RATE

Any Recovery expressed in foreign currency shall be converted into Policy Currency at the Reference Rate of Exchange prevailing at the date the Recovery has actually been received by the Insured or by the Foreign Enterprise.

## 10. LIMITS OF LIABILITY

The aggregate amount of Compensation shall not exceed the Maximum Limit of Liability, regardless of the number of Losses incurred during the Policy Term.

The Maximum Limit of Liability shall automatically be reduced by the amount of Compensation paid by Credendo.

The aggregate amount of Compensation for any Covered Event shall not exceed the relevant Limit of Liability per Covered Event.

No Compensation shall be due if the amount of the Loss does not exceed the De Minimis Amount.

The Maximum Limit of Liability and the Limit of Liability per Covered Event shall be reduced to the extent Scheduled Payments are made by the Foreign Enterprise in accordance with the Loan Agreement, including prepayments.

If subsequent to the Date of Loss relating to any Quasi Equity or Structured Loan for which Compensation is claimed, the Foreign Enterprise has repaid the Insured any uninsured obligations up to a percentage greater than the percentage up to which the Foreign Enterprise has repaid such Quasi Equity or Structured Loan, then Credendo may adjust its Compensation so that such percentages are equal after such Compensation is paid.

Credendo shall upon the Insured's request increase the Limits of Liability set forth in Article 6.5 of the Special Terms by the Standby Amount (or a portion thereof) to reflect additional equity investment by the Insured or retained earnings applicable to the Equity Investment. No increase of the Limits of Liability shall be permitted if (i) any circumstances have arisen which could materially increase the risk of a Covered Event or give rise to a Claim, or (ii) Credendo has not recovered in full any Compensation. Such request from the Insured must be made no later than fifteen (15) calendar days prior to the end of the Policy Period.

## 11. INSURED'S DUTIES

The Insured represents, warrants and/or covenants that:

- 11.1** it shall take all reasonable steps to avoid or minimise any Loss and to pursue all reasonable opportunities to maximise any Recovery, including but not limited to pursuing action against other parties to enforce any rights and remedies or obtaining any relief or indemnity;
- 11.2** it shall furnish all information which Credendo may reasonably request, including but not limited to: (i) making available for inspection and copying all documents and accounting records relating to the Policy or the Foreign Enterprise, (ii) providing a report on the situation of the Foreign Enterprise, and (iii) to that end authorising Credendo to inspect the Foreign Enterprise;
- 11.3** at the inception of the Policy Term, it has no knowledge of any circumstance which could reasonably give rise to a Loss under the Policy;
- 11.4** all of the information that the Insured has provided in the Application for Insurance, and that the Insured will provide to Credendo, whether in written or verbal form, is true, correct, complete and up to date and no material information has been omitted;
- 11.5** it shall notify Credendo without delay, and in any event within fifteen (15) calendar days of acquiring knowledge thereof, of any material information relevant for assessing a risk, such as but not limited to any circumstances which could materially increase the risk of a Covered Event or give rise to a Claim, any modification to the Foreign Enterprise or any material financial deterioration of the Insured;
- 11.6** it shall notify Credendo without delay, and in any event within fifteen (15) calendar days of acquiring knowledge thereof, of a Change of Control;
- 11.7** it shall keep for its own account the Uninsured Percentage of any Loss;
- 11.8** it shall notify Credendo without delay, and in any event prior to the payment of any Compensation, of the existence of any other insurance policy or indemnity pursuant to Article 15.3;
- 11.9** it shall comply with all of its obligations under the Policy;
- 11.10** it shall fully cooperate with Credendo in the investigation of any Claim, the recovery process and the exercise of any rights, claims or causes of action against the Foreign Enterprise, the Host Government or any other party as Credendo may reasonably request;
- 11.11** it shall comply with any instruction or measure deemed appropriate by Credendo to minimise a Loss or maximise a Recovery;

**11.12** it shall refrain from taking any action or measure which could adversely materially affect Credendo's rights under Section 8; and

**11.13** it shall not distribute or pay any dividends which could materially adversely affect the Foreign Enterprise's ability to comply with its obligations under the Loan Agreement (if any) or with any other payment obligation.

The Insured shall, to the extent it can legally do so, cause the Foreign Enterprise and/or its authorised representative(s) to comply with the foregoing duties.

## 12. PREMIUM

The Insured shall pay the premiums as specified in the Special Terms to Credendo at the start of each Policy Period. Subject only to Article 13.3 (Termination by the Insured), the premium is indivisible and shall not be altered by any change of risk occurring during (i) the relevant Policy Period in case of Equity Investment or Quasi Equity or (ii) the Policy Term in case of Structured Loan.

The premium(s) shall be computed as set forth in Article 8 of the Special Terms.

Credendo shall have no liability to pay any Compensation for any Loss occurring during any period in which any premium due and payable under the Policy remains unpaid.

## 13. VALIDITY, DURATION AND TERMINATION OF THE POLICY

### 13.1 VALIDITY

The Policy shall be deemed effective on the Effective Date.

Credendo shall not be liable should the Policy fail to be returned to it within thirty (30) calendar days of the Effective Date, duly bearing the required signature(s) of the Insured.

Credendo shall not be liable should any endorsement to the Policy, duly bearing the required signature(s) of the Insured, fail to be returned to Credendo within thirty (30) calendar days as from the date it is sent to the Insured.

### 13.2 DURATION

The Policy shall automatically terminate on the Expiration Date. Credendo shall have no liability to pay any Compensation for any Loss occurring after the termination of the Policy.

### 13.3 TERMINATION BY THE INSURED

The Insured may terminate the Policy on any anniversary date of the Policy by giving notice of termination to Credendo at least ninety (90) calendar days prior to the end of the Policy Period. If the Insured

terminates the Policy during the Initial Policy Period, the Insured shall pay to Credendo fifty per cent (50 %) of the total amount of the premiums that would otherwise have been paid during the remaining period of the Initial Policy Period. Credendo shall have no obligation to return to the Insured any amount of premiums if the Insured terminates the Policy at any time during the Policy Period.

### 13.4 TERMINATION BY CREDENDO

Credendo may terminate the Policy upon notice to the Insured:

**13.4.1** if (i) an event detrimental to the Insured's solvency occurs, such as in particular a suspension of payments, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law, an arrangement with creditors, the introduction of judicial rehabilitation proceedings or the appointment of a receiver, administrator or similar officer, (ii) the Insured ceases to exist, (iii) the Insured transfers its activities to any person or (iv) the Insured sells, leases, transfers, conveys or disposes (by way of merger, consolidation or otherwise), whether in a single transaction or a series of transactions, all or substantially all of its assets; or

**13.4.2** for the non-payment of premiums, in which case termination shall be retroactive to 00.01 a.m. (Belgian time) of the first day of the relevant Policy Period for which the premium due was not paid, unless the Insured has paid such premium within fifteen (15) calendar days as from such notice; or

**13.4.3** for any material breach of the Insured's duties listed under Section 11 above or for misrepresentation by the Insured. Credendo may, but shall have no obligation to permit the Insured to cure such breach. In the event Credendo allows the Insured to cure such breach, the Insured shall take all necessary measures to cure such breach immediately but in any event within thirty (30) calendar days from the date on which the Insured is so notified by Credendo; or

**13.4.4** in case of Change of Control, in which case termination shall be effective as of the date specified in such notice.

Subject only to Articles 13.4.2 and 13.4.4, termination under this Article 13.4 shall be effective on the date of Credendo's notice. No such termination shall release the Insured from its obligations under Section 12.

## 14. GOVERNING LAW AND DISPUTE RESOLUTION

### 14.1 GOVERNING LAW

Any dispute relating to the construction, validity or performance of the Policy shall be governed by and construed in accordance with the laws of Belgium.

### 14.2 MEDIATION

In the event of any dispute arising out of, relating to, or in connection with the Policy that Credendo and the Insured, acting in good faith, have been unable to resolve within forty-five (45) calendar days after that dispute arises, the senior management of Credendo and the Insured shall meet in a good faith effort to resolve that dispute. The senior management of Credendo and the Insured shall then have thirty (30) calendar days to resolve the dispute. Any dispute unresolved at the end of such period of thirty (30) calendar days shall be submitted to arbitration pursuant to the Article 14.3 below.

In the event that such dispute exclusively relates to the Compensation calculation, Credendo and the Insured may have such calculation determined – in accordance with the terms of this Policy – by an independent expert appointed by Credendo and the Insured. The independent expert's calculation shall be final and binding. The independent expert's fees and costs shall be borne equally by Credendo and the Insured. Should Credendo and the Insured fail to agree on the appointment of the independent expert, the dispute shall be submitted to arbitration pursuant to the Article 14.3 below.

### 14.3 ARBITRATION

Without prejudice to Article 14.2, any dispute arising out of, relating to, or in connection with this Policy shall be exclusively and finally settled under the CEPANI Rules of Arbitration by three (3) arbitrators appointed in accordance with those rules. The seat of the arbitration shall be Brussels. The arbitration shall be conducted in the language of the Policy.

## 15. MISCELLANEOUS

### 15.1 ACCOUNTING PRINCIPLES

For the purpose of calculating any Compensation under the Policy, all financial statements and accounts of the Foreign Enterprise shall be established in accordance with international financial reporting standards (IFRS).

### 15.2 INTERESTS FOR LATE PAYMENT

Any amount due under the Policy to Credendo and unpaid after thirty (30) calendar days following its due date shall automatically and without formal notice bear interest for late payment from the day following its due date up to the date of its actual payment in full, at the following rates:

- 15.2.1** for payment due in euros, at the three-month EURIBOR increased by 1 %; and
- 15.2.2** for payment due in other currencies, at the applicable three-month LIBOR increased by 1 % or, if no rate is available at LIBOR, at the reference rate of the main financial centre for the currency concerned.

Should the EURIBOR, LIBOR or other reference rate turn negative, the interest rate for late payment shall be equal to 1 % per annum.

### 15.3 OTHER INSURANCE

In the event that the Insured has subscribed to any other insurance policy covering all or part of a Loss, then nothing shall be payable under the Policy in respect of such Loss if and to the extent that it is recoverable under such other insurance policy. This Policy shall still cover such Loss, subject to its exclusions, conditions and other terms, to the extent that the amount of such Loss exceeds the amount received under such other insurance policy.

The Insured shall notify Credendo without delay of the existence of any such insurance policy.

### 15.4 BARRING BY LAPSE OF TIME

All claims or actions relating to Compensation shall be barred at the earliest of (a) the lapse of one hundred and eighty (180) calendar days after the date on which Credendo notified the Insured of its decision with respect to the relevant Claim or (b) the lapse of three (3) years after the relevant Date of Loss.

All other claims or actions relating to the Policy shall be barred at the earliest of (a) the lapse of one hundred and eighty (180) calendar days after the Expiration Date or (b) the lapse of three (3) years after the relevant Date of Loss, if any.

### 15.5 NOTICES

All notices under this Policy shall be in writing and given by hand, registered mail or e-mail to the address specified in Article 9 of the Special Terms.

Any notice given as described above shall be deemed to be received and effective upon the earlier of actual receipt thereof by the addressee or five (5) working days after the date such notice was sent.

### 15.6 TRANSFER OF THE RIGHT TO COMPENSATION

The right of the Insured to Compensation shall not be transferred by the Insured without the prior written approval of Credendo. Any transfer shall materialise by way of an amendment to the Policy duly executed by Credendo, the Insured and the transferee.

Such transfer shall render the Insured and the transferee jointly and severally liable for the fulfilment of the obligations incumbent upon the Insured under the Policy.

### 15.7 DISCLOSURE OF THE EXISTENCE OF THE POLICY

Unless such disclosure is required by law, the Insured shall not disclose the existence or the content of the Policy to any third party – with the exception of its auditors and its other professional advisors held by a duty of confidentiality – without the prior written approval of Credendo.

### 15.8 COMPLETE AGREEMENT BETWEEN CREDENDO AND THE INSURED, AMENDMENTS AND WAIVERS

The Policy constitutes the complete agreement between Credendo and the Insured, superseding any prior agreements or understandings. No provision of the Policy may be amended or supplemented except by a written agreement executed by the authorised representatives of Credendo and the Insured. Neither Credendo nor the Insured shall be deemed to have waived any of their rights under the Policy, unless expressly so stated in a notice.

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Government body under State guarantee