

**EXPORT-IMPORT BANK OF THE UNITED STATES  
SHORT TERM  
MULTIBUYER EXPRESS INSURANCE POLICY**

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 and (ii) prevents the *insured's* export or the *buyer's* import of the *products* into the *buyer's* country.

There shall be no coverage under this *Policy* to the extent *your products* are lost or damaged and such loss or damage is insurable by *you* under property, casualty, shipping, freight, cargo or other similar insurance coverage.

**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 following conditions set forth below in this Article 3 on the date of 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) meet the *United States content requirements* (see definition in Article 10); and
- B. shipped during the *policy period* (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. to a *buyer* in an eligible country that complies with the *Country Limitation Schedule* in effect on the date of shipment; and
- E. an export sale evidenced by a bill(s) of lading or other shipping document(s) showing shipment of the *products* from the United States (or its territories) to the *buyer* in the *buyer's* country, in all cases the shipping document(s) must be issued by an unaffiliated third party (unless otherwise approved in writing by Ex-Im Bank) and be consistent with the other documents evidencing a *buyer obligation*. Notwithstanding the foregoing requirement with respect to shipping documents:
1. *you* may ship to a recipient that is not the *buyer* but located in the *buyer's* country provided that *you* have written instructions from the *buyer* that specify the destination of the *products* and *your* shipping documents evidence delivery to the same destination specified in the written instructions; or
  2. *you* may ship to a recipient that is not in the *buyer's* country (without prior written authorization from Ex-Im Bank) provided that: (i) *you* have written instructions from the *buyer* that specify the destination of the *products* and *your* shipping documents evidence delivery to the same destination specified in the written instructions and (ii) the destination country is listed on the *Country Limitation Schedule* as open in the category "Up to 1 Year" and there are no restrictions or footnotes identified in the "Note(s)" category; or
  3. if the *buyer's* country is either Mexico or Canada, *you* may ship to a point in the United States from which, to the best of your knowledge, the *products* are intended for ultimate delivery to Mexico or Canada, respectively, provided that (i) *you* have written instructions from the *buyer* directing delivery to the *buyer* or the designated agent of the *buyer* at the named point in the United States and (ii) *your* shipping document(s) evidence delivery to the point in the United States specified in the written instructions.
- F. for payment in an *approved currency* and payable in the United States or another *payment country*; and
- G. subject to the provisions regarding *overshipments* set forth in Article 4, Section D of the *Policy*, each shipment must comply with the *policy payment limit* and all conditions of the *buyer credit limit*; and
- H. in the event that the payment terms for the shipment are *letter of credit*, the documents required by the terms of the *letter of credit* must have been presented to, and accepted by, the *issuing bank*.

## 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 on the date 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. 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

- D. 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
- E. 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 Ex-Im Online web portal or, alternatively, a copy of this form can be found on Ex-Im Bank's website at [www.exim.gov/toots/apps/forms/insurance.html](http://www.exim.gov/toots/apps/forms/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 laws and regulations related to the *insured transaction*, including but not limited to applicable export and import laws and regulations, the Foreign Corrupt Practices Act, and regulations issued by the Office of Foreign Assets Control (OFAC) and the related statutes; and
- I. not ship to any *buyer* that is listed on the Government debarment list know as the Excluded Parties List System (<http://www.epls.gov/epls/search.do>) without express permission from Ex-Im Bank.

## 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](http://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.
- F. Notwithstanding the provisions of Sections A(1) and A(2) above, you may submit a *Notice of Claim and Proof of Loss* with respect to any payment from the *buyer* that is rescinded or must otherwise be returned by you if such rescission or return of payment has been compelled by law as the result of the bankruptcy or insolvency of the *buyer*. The submission of a *Notice of Claim and Proof of Loss* with respect to any such returned payment must be made promptly but in no event later than 30 days after you have returned the amount.

## 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 Ex-Im 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](http://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 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 F, you will promptly refund the payment to Ex-Im Bank, with interest.

## G. Assignment of Policy Proceeds

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](http://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*. The *buyer obligation* (subject to any applicable exception set forth in Article 3, Section E) shall be evidenced by either:

(1) open account documents: collectively, written and signed purchase order(s) or contract(s) of sale, invoice(s) and bill(s) of lading or other shipping document(s) (in either case, issued by an unaffiliated third party unless otherwise approved in writing by Ex-Im Bank), all of which must be consistent on their face and specify both *your* name and the name and address of the *buyer* in the *buyer's* country; or

(2) a negotiable instrument: a promissory note, draft or bill of exchange together with and bill(s) of lading or other shipping document(s) (in either case, issued by an unaffiliated third party unless otherwise approved in writing by Ex-Im Bank) consistent with the negotiable instrument; or

(3) for *letter of credit* payment terms, a *letter of credit* issued 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 documents must have been accepted by the *issuing bank*.

The *buyer obligation* amount may include insurance and freight costs incurred by *you* on the *buyer's* behalf and which support the sale of the *products*.

*"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](http://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, provided, however, the *due date* shall not exceed 180 days from the date of shipment unless specified otherwise in *your buyer credit limit*.

"insured" means a person or entity who meets the criteria of a "small business" as defined by the Small Business Administration (<http://www.sba.gov/content/what-are-small-business-size-standards>), 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, ICC Publication No. 600 (as may be amended from time to time), 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, ICC Publication No. 600 (as may be amended from time to time) 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 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 to a *buyer* for which a *buyer credit limit* has been approved by Ex-Im Bank and 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*.

"United States content requirements" means:

(a) Item-by-Item: Each *product* on an invoice must be manufactured or reconditioned with more than 50% United States content (comprised of all direct and indirect costs including, but not limited to, labor, materials, research and administrative costs, but excluding net profit) for 100% of the gross invoice value to be eligible for coverage. If the United States content is 50% or less, then the value of the United States content only is eligible for coverage; or

(b) Aggregate: If *you* submitted a Content Report at the time of shipment, the aggregate percentage of United States content (comprised of all direct and indirect costs including, but not limited to, labor, materials, research and administrative costs, but excluding net profit) of all *products* on the invoice must be greater than 50% for 100% of the gross invoice value to be eligible for coverage. If the aggregate United States content is 50% or less, then the value of the United States content only is eligible for coverage.

"*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

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John A. McAdams  
Senior Vice President  
Export Finance  
811 Vermont Avenue, N.W.  
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