

SPECIMEN STANDARD EXPORT COMPREHENSIVE COVER

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DEFINITIONS

1. **INSURABLE TRANSACTION**

An "**INSURABLE TRANSACTION**" means any Goods Shipped or services rendered by the Insured to a Buyer in an Insured Country, whether directly or through or on behalf of an agent of the Insured, after the Inception Date of the Policy, on credit terms not exceeding 6 months after the arrival of the Goods in the Insured Country or 6 months after the rendering of services but **excluding any Goods Shipped or services rendered against payment under a letter of credit confirmed, before Shipment, by a bank in South Africa.**

2. **BUYER**

A "**BUYER**" is any company, association, partnership or individual (**including** any Government Buyer or any Associated Company of the Insured), carrying on business in any Insured Country.

3. **INSURED BUYER**

"**INSURED BUYER**" means any Buyer in respect of whom a Credit Limit has been approved.

4. **CREDIT LIMIT**

A "**CREDIT LIMIT**" is the maximum amount owed at any time by a particular Insured Buyer which is covered in terms of this Policy. Unless specifically stated by Credit Guarantee, any Credit Limit approved in respect of a particular Insured Buyer replaces and is not additional to any Credit Limit previously approved in respect of that Insured Buyer under this or any earlier Policy.

5. **INSURED COUNTRY**

An "**INSURED COUNTRY**" is any country stated in Annexure "A" attached to this Policy.

6. **INSURED DEBT**

An "**INSURED DEBT**" is the gross invoiced value which is owed to the Insured by any Insured Buyer to the extent of the Credit Limit approved. Interest in respect of any overdue amounts is not covered in terms of this Policy.

7. **CAUSE OF LOSS**

A "**CAUSE OF LOSS**" means any of the following occurrences:

(i) **Importation**

The operation of a law, or of an order, a decree or regulation having the force of law which in circumstances beyond the control of the Insured prevents, restricts or controls the importation of Goods into an Insured Country.

(ii) **Transfer**

The operation of a law, or of an order, a decree or regulation having the force of law or the shortage or lack of foreign exchange, which in circumstances beyond the control of the Insured prevents, restricts or controls the transfer of payments from an Insured Country to the Country of Sale.

(iii) **Conflict**

The occurrence of war or the occurrence of hostilities, civil war, rebellion, revolution, or insurrection outside the Country of Sale.

(iv) **Insolvency**

The Insured Buyer's Insolvency which shall mean any of the following events or the equivalent under the law of any Insured Country having jurisdiction:

- (a) A provisional compulsory sequestration order granted against the Insured Buyer;
- (b) The provisional acceptance by the Court of a voluntary surrender of the Insured Buyer's estate;
- (c) A provisional winding-up order granted against the Insured Buyer;
- (d) The acceptance of a statutory compromise or scheme of arrangement binding on all the Insured Buyer's creditors;
- (e) A provisional judicial management order granted against the Insured Buyer.

(v) Protracted Default

The Insured Buyer's Protracted Default which is the failure to pay an Insured Debt by effecting Payment in Local Currency within 6 months of the due date for payment or the postponed due date in terms of Proviso 15.

(vi) Repudiation

The Insured Buyer's Repudiation which is the failure or refusal to accept delivery of Goods or services rendered without lawful reason or excuse.

PROVIDED that the Cause of Loss is not due to any of the following **exclusions**:

- (i) Any act or default of, or on the part of the Insured or any agent of the Insured or any collecting bank;
- (ii) Any failure or inability on the part of the Insured or the Buyer to obtain due authority to import Goods or pay for them as contracted and invoiced where it is necessary under the regulations of the Insured Country in force at the date of Shipment to obtain such authority, or from any action or omission on the part of the Insured or the Buyer which may be contrary to the laws and regulations of such Insured Country or any other country through which the Goods may have to be moved;
- (iii) Nuclear reaction or radiation or radioactive contamination;
- (iv) Any change in the rates of exchange;
- (v) Any physical damage to the Goods or loss in respect of any risk which at the date when the Shipment is made can be insured under policies normally available in the Country of Sale (Transport, Marine, Fire, etc);
- (vi) Any actual or alleged breach of contract by the Insured or an agent of the Insured;
- (vii) A dispute relating to the Insured Debt or any other transaction between the Insured and the Insured Buyer;
- (viii) The risks, set out in Definition 7(iv) (v) and (vi), in respect of any Associated Company or Agent of the Insured;
- (ix) Any loss occurring from the sale and shipment of substances which, in terms of the Montreal Protocol adopted on 16 September 1987 under the auspices of the United Nations Environment programme are classified as "controlled substances" such as chlorofluorocarbons which have a harmful effect on the ozone layer of the atmosphere, as well as technology for producing and utilising such substances;
- (x) The occurrence of war or hostilities between any of the following countries: France, People's Republic of China, Russian Federation, United Kingdom or United States of America.

8. SHIPPED/SHIPMENT

"**SHIPPED/SHIPMENT**" means as soon as the Goods:

- A. have been loaded on a ship or aircraft in a port or airport in the Country of Sale for export to an Insured Country; or
- B. have been loaded on a railway vehicle in the Country of Sale to be railed to an Insured Country as evidenced by a consignment note issued by the railway administration; or
- C. have definitely crossed the borders of the Country of Sale; or
- D. have been sealed into a container in the Country of Sale to be consigned to an Insured Country provided the container either carries Goods destined to various Buyers or contains, in addition to the Insured's Goods, other cargo; or
- E. which were Shipped from the Country of Sale, have been delivered from consignment stocks held in an Insured Country for and as the property of the Insured; or
- F. as soon as a service has been rendered in terms of the contract entered into between the Insured and the Insured Buyer; or
- G. have been legally delivered to the Insured Buyer.

9. AMOUNT OF LOSS

"AMOUNT OF LOSS" means any Insured Debt, which exceeds the Franchise Loss, that has not been paid due to a Cause of Loss, less:

- A. any expenses or commission saved by the Insured or any counter-claim or set-off which can be applied in reduction of the Insured Debt; and/or
- B. any amount excluded under Proviso 8 dealing with the Automatic Suspension of Cover.

10. INSURED PERCENTAGE

- A. **"INSURED PERCENTAGE"** is the percentage of the Amount of Loss which will be indemnified by Credit Guarantee, as stated in Section 3A of the Schedule.
- B. The Insured Percentage, is the percentage as stated in Section 3B of the Schedule which will be indemnified by Credit Guarantee in respect of an Amount of Loss resulting from any Cause of Loss as defined in Definition 7(i), (ii) and (iii) for 1 Class Insured Countries.

11. FRANCHISE LOSS

"FRANCHISE LOSS" is the amount shown in Section 5 of the Schedule which the Insured agrees to accept for own account in respect of any Insured Buyer, where the Amount of Loss does not exceed this amount.

12. SALVAGE

"SALVAGE" means any amount, nett of any legal or other costs of recovery, received after a Cause of Loss, which will reduce the Amount of Loss upon which the indemnity was based.

13. MAXIMUM LIABILITY

The **"MAXIMUM LIABILITY"** means the cumulative maximum sum for which Credit Guarantee will be liable for claims in respect of Insured Debts arising during each insurance year commencing on the Inception Date or any subsequent anniversary, shown in Section 6 of the Schedule.

14. GOODS

"GOODS" means goods or services rendered as specified in Section 2 of the Schedule.

15. ASSOCIATED COMPANY

"ASSOCIATED COMPANY" means:

- A. Any Insured Buyer in which the Insured owns either itself or through a nominee 10% or more of the equity of the Insured Buyer or conversely, any Insured Buyer which owns a similar equity interest in the Insured and/or
- B. any Insured Buyer who relies upon the Insured either directly or by way of guarantee for in excess of 20% of its funding and/or
- C. any Insured Buyer to whose board the Insured has the right to appoint a director or where the Insured Buyer enjoys a similar right with regard to the Insured.

16. PAYMENT IN LOCAL CURRENCY

"PAYMENT IN LOCAL CURRENCY" means once the countervalue of the Insured Debt owed by the Buyer has been paid in local currency to a bank in the Insured Country of the Buyer, with the irrevocable instruction to the bank to transfer the funds to the Insured.

17. INCEPTION DATE

"INCEPTION DATE" of the Policy is the date specified in Section 1 of the Schedule.

18. COUNTRY OF SALE

A **"COUNTRY OF SALE"** means the Republic of South Africa and any country in Annexure "A", from which the Insured or an Agent of the Insured has Shipped Goods to an Insured Buyer in an Insured Country.

19. GOVERNMENT BUYER

A **"GOVERNMENT BUYER"** is a regional or local authority or an organisation whose obligations are the direct responsibility of the Central Government.

20. POLICY

The "**POLICY**" includes the Schedules to the Policy, any credit limit annexures, endorsements and written notifications which are issued in connection with the Policy and a reference to the Policy includes (where the context admits) a reference to such schedules, credit limit annexures, endorsements and notifications. This Policy constitutes the sole record between the Insured and Credit Guarantee with regard to the subject matter hereof. No addition to, variation of, or agreed cancellation of, this Policy shall be of force or effect unless in writing.

PROVISOS

1. CONDITIONS PRECEDENT

The following conditions precedent shall apply to any liability of Credit Guarantee to make any payment to the Insured under this Policy:

- A. The truth of the statements and answers in the proposal and the acceptance advice and the truth and accuracy of any declarations made by or on behalf of the Insured.
- B. Payment by the Insured of the premium due to Credit Guarantee who are not obliged to accept premium rendered after the due date for such payment but may do so at its sole discretion.
- C. The submission of correct declarations in terms of Proviso 12.
- D. Compliance by the Insured with all other terms and provisos of this Policy.

In the event of any failure to comply with the conditions laid down in B. and C. above, Credit Guarantee may, in its sole discretion suspend the Policy. Notwithstanding any suspension of the Policy, any failure to comply with the conditions laid down in A. to D. above shall entitle Credit Guarantee in its sole discretion and without prejudice to any other right, to cancel the Policy from its inception and to retain all premiums paid. In such an event Credit Guarantee shall be absolved from any further liability in terms of the Policy irrespective of whether or not the cause of loss giving rise to a claim arose prior to cancellation of the Policy.

2. EXERCISING OF CARE

The Insured shall exercise reasonable care and skill before concluding any Insurable Transaction, taking into account any unfavourable past experience gained with previous Shipments to an Insured Country or with regard to an Insured Buyer's previous payment record and shall advise Credit Guarantee of any information, not of general knowledge, which would increase the risk of non-payment or the possibility of a Cause of Loss arising in terms of this Policy.

3. ALL MARKETS PRINCIPLE

- A. Section 7 of the Schedule states whether or not this Policy is subject to the All Markets Principle, in terms of which the Insured agrees to offer for cover all Insurable Transactions.
- B. Should the All Markets Principle not apply, the Insured shall only be obliged to offer for cover Insurable Transactions involving Insured Countries in respect of which cover was requested in the proposal. The Insured may, however, elect at any time to offer for cover Insurable Transactions concerning any other Insured Country, subject to Proviso 4.

4. WHOLE TURNOVER PRINCIPLE

Once the Insured has elected to cover an Insurable Transaction involving a particular Insured Country, the Insured shall offer for cover **all** Insurable Transactions concerning such Insured Country.

5. ASSIGNMENT OF RIGHTS

The Insured shall obtain Credit Guarantee's written consent to the assignment of any rights under this Policy, which Credit Guarantee agrees shall not be unreasonably withheld.

6. ALTERATIONS IN CONDITIONS OF COVER

Credit Guarantee may:

- A. give notice in writing to the Insured that credit granted to a particular Insured Buyer will not be insured under this Policy or that a Credit Limit previously held has been reduced or restricted or that cover on Shipments to a particular Insured Country has been withdrawn or amended in any other way, provided that any change shall not apply to any Insured Debt in existence prior to the date of such notice.
- B. increase any existing premium rate or change any other term or condition of this Policy, by giving the Insured not less than 1 month's notice in writing. Should the Insured not be prepared to accept the increase or change advised, the Insured may elect to exclude the relevant Insured Country from the cover of the Policy or terminate the Policy, with effect from the expiry of the above period of notice provided that Credit Guarantee is given not less

than 14 days' written notice of the intended exclusion or termination.

7. FRAUDULENT OR FALSE CLAIMS

If the Insured wilfully makes a false, fraudulent or misleading statement concerning this Policy or in connection with any claim lodged under the Policy or if any Amount of Loss is due to the Insured's wilful act or connivance, the Policy shall be rendered void, all premiums paid by the Insured shall be forfeited and any sums previously paid by Credit Guarantee under the Policy shall immediately be repayable by the Insured.

8. AUTOMATIC SUSPENSION OF COVER

Unless agreed to by Credit Guarantee in writing, the cover under this Policy shall not apply to any Insured Debt arising from an Insurable Transaction concluded when:

- A. a bill of exchange or any other negotiable instrument remains unpaid by the Insured Buyer for a period of 30 days or more; or
- B. any amount owed by the Insured Buyer on open account remains unpaid for 2 months or more after the original or postponed (in accordance with Proviso 15) due date; or
- C. payment in respect of a previous Insurable Transaction involving the same Insured Country is not received in the Country of Sale within 2 months after Payment in Local Currency; or
- D. it is public knowledge or the Insured is aware that a Cause of Loss, has occurred or is about to occur.

9. CURRENCY

- A. Premiums payable by the Insured and any indemnity payable by Credit Guarantee shall be paid in South African Rand.
- B. Where South African R and is not used in an Insurable Transaction, the Insured Debt and any payments received in respect of any Insured Debt shall, for the purpose of payment of the premium and any indemnity, be converted to South African Rand:
 - (i) at the rate of exchange quoted in the original forward exchange cover contract relating to the Insurable Transaction, or
 - (ii) in the absence of any relevant forward exchange cover contract at the Insured's banker's Public Buying Rate of exchange for the currency concerned ruling at 10 a.m. on the date of Shipment.

10. CREDIT LIMITS

A. Limit of Discretion

Credit Limits required by the Insured, on any Buyer other than a Government Buyer, up to the Limit of Discretion stated in Section 4 of the Schedule, shall be established by the Insured according to the following criteria which shall be applicable prior to the conclusion of any Insurable Transaction:

- (i) By the Insured's favourable experience with the Buyer over an immediately preceding period of not less than 12 months, evidenced by a satisfactory payment record involving at least 4 separate Insurable Transactions; or
- (ii) By a written bank or information bureau report, not older than 6 months as at the date of Shipment, commenting favourably on the Buyer and the amount of the limit established by the Insured.

Once established, the Credit Limit shall be deemed to have been approved by Credit Guarantee.

B. Credit Limit Annexures

The Insured shall apply to Credit Guarantee for Credit Limits required on Buyers for amounts in excess of the Limit of Discretion. Any Credit Limit approved by Credit Guarantee, within its discretion, shall only be of force and effect if confirmed by a Credit Limit Annexure issued by Credit Guarantee.

- C. Should the amount owing to the Insured exceed the Credit Limit approved on a particular Insured Buyer, the excess shall only qualify for cover under the Credit Limit:
 - (i) once and to the extent that the excess is brought within the Credit Limit as a result of the Insured Debt being reduced by a payment being received from the Insured Buyer;
 - (ii) if the excess was declared in accordance with the provisions of Proviso 12.
- D. Any Credit Limit approved under the Limit of Discretion or by the issue of a Credit Limit Annexure shall not apply if, at the date of the approval of the Credit Limit:

- (i) the relevant Insured Buyer owed an amount which was unpaid as described in Proviso 8A or B; and/or
- (ii) adverse information was known to the Insured about the Insured Buyer.

11. ALLOCATION OF PAYMENTS

Any Payment received:

- A. other than by way of legal proceedings, shall liquidate the outstanding amounts which have fallen due first, even though a Buyer or an Insured Buyer may have declared that the payment was in settlement of an outstanding amount falling due at some later date.
- B. by way of legal proceedings, shall be deemed to liquidate the outstanding balance, with the payment being allocated to the Insured Debt and any uninsured portion of the outstanding balance, on a pro rata basis.

12. DECLARATIONS OF TRANSACTIONS

- A. The Insured shall declare to Credit Guarantee, on the forms provided by Credit Guarantee for this purpose, the gross invoiced value of all Insurable Transactions concluded each month under the cover of the Policy with each Insured Country. The gross invoiced value shall include any insurance, freight or other charges payable by the Insured on behalf of the Buyer or the Insured Buyer, but shall exclude any payments made prior to the date of Shipment or the amount of any irrevocable letter of credit confirmed before Shipment by a bank in South Africa.
- B. The declarations shall be sent by the Insured in order to reach Credit Guarantee within 21 days after the end of each month.
- C. The Insured shall retain copies of all supporting documentation used in compiling the monthly declarations and make this available to Credit Guarantee at its request.

13. COLLECTION OF OVERDUE PAYMENTS

- A. The Insured shall send a Final Demand to any defaulting Insured Buyer:
 - (i) not later than 90 days after due date, where the Insured Buyer has not effected Payment in Local Currency in respect of any amount owing on open account, or at any earlier point in time at the discretion of the Insured;
 - (ii) immediately upon the Insured becoming aware of any unpaid bill of exchange or other negotiable instrument.
- B. These Final Demands shall be on the Insured's own stationery/letterhead and shall in all cases incorporate:
 - (i) the following paragraph:

"Unless payment is made within a period of 21 days from the date of this letter, we shall be obliged to report your default to Credit Guarantee Insurance Corporation of Africa Limited who, in turn, will advise the International Union of Credit and Investment Insurers of your non-payment. Legal action will also be instituted against you without any further notice."
 - (ii) details of the outstanding amount showing, for each month of shipment, the total amount invoiced and the due date of payment.
 - (iii) the correct legal entity and the correct physical address of the Insured Buyer, both of which shall be the duty of the Insured to verify. Any inaccuracy will result in non-compliance by the Insured with this Proviso.
- C. The Insured shall conduct their own credit control collection procedures, without reference to Credit Guarantee, prior to the sending out of the Final Demand.
- D. Where a collecting bank is involved, the Insured shall ensure that the bank is instructed:
 - (i) to note and protest the non-payment of any bill of exchange or other negotiable instrument;
 - (ii) to confirm as soon as possible after the expiry date stipulated in the Final Demand, whether or not Payment in Local Currency has been made by the Insured Buyer.
- E. Should the collecting bank confirm that it has not received Payment in Local Currency or should the Insured Buyer

ignore the Final Demand for payment of an amount owing on open account, the Insured shall not later than 15 days after the expiry date of the Final Demand, inform Credit Guarantee by completing one of the Notification Forms No 1 ("Instruction to Take Legal Action"), furnished by Credit Guarantee for this purpose, **and attaching a copy of the relevant Final Demand together with any supporting documentation evidencing the unpaid Insured Debt.**

- F. Once Credit Guarantee has been instructed to take legal action, the Insured shall not accept any payment or offer of settlement tendered by an Insured Buyer, **without the prior written approval of Credit Guarantee.**
- G. Should the Insured become aware of an actual or a threatening Cause of Loss, including the non-receipt of any Insured Debt, the Insured shall immediately advise Credit Guarantee by completing a standard Notification Form No 2 ("Advice of Actual/Threatening Cause of Loss"), as supplied by Credit Guarantee.

14. PREMIUM/CREDIT LIMIT FEE

- A. The minimum premium shown in Section 8 of the Schedule shall be paid by the Insured to Credit Guarantee before the issue of the Policy and shall be applied in reduction of premiums payable. Once the minimum premium has been liquidated, any additional premium payable shall be settled by the Insured upon receipt of Credit Guarantee's statement.

If not utilised, the balance of any minimum premium shall not be refundable to the Insured.

- B. The premium payable under this Policy shall be the product of the amounts to be declared in accordance with Proviso 12A and the relevant premium rates shown in Section 10 of the Schedule for the different terms of payment, and any cover type if applicable together with any amounts payable under the Stamp Duties Act.
- C. In addition, the Insured shall pay a monthly fee as specified in Section 9 of the Schedule for each Credit Limit Annexure in force at the end of each month, with the exclusion of any nil or replaced Credit Limit Annexures.
- D. Where urgent Credit Limit applications are requested, the Insured shall pay the rapid response fee raised in respect of each Credit Limit application according to the rapid response charges applicable from time to time.

15. POSTPONEMENT OF PAYMENT

The Insured shall not agree to a postponement of the due date for payment of any Insured Debt without the prior written consent of Credit Guarantee, except that, in the event of a request being received before the due date, the Insured may grant a written extension not exceeding 30 days without reference to Credit Guarantee. If required by Credit Guarantee, the Insured shall provide written proof of extensions granted.

16. NOTIFICATION - MITIGATION OF LOSSES

In the event of an Insured Buyer being at any time to the knowledge of the Insured in financial difficulties or should the delivery of any Goods Shipped under the cover of the Policy be made impossible due to a Cause of Loss referred to in Definition 7, the Insured shall, after consultation with Credit Guarantee, take all reasonable steps to mitigate the amount of any actual or threatening loss including the institution of legal proceedings and the signing of any necessary documentation.

17. SHIPMENTS PAYABLE "CASH AGAINST DOCUMENTS"

The due date of Shipments payable "Cash Against Documents" shall be deemed to be 1 month after the date of Shipment from South Africa.

18. LEGAL PROCEEDINGS

Unless otherwise directed by Credit Guarantee, all legal proceedings to be taken against an Insured Buyer or any third party, for the purpose of recovering an unpaid Insured Debt, shall be instituted in the name of the Insured and conducted by Credit Guarantee's nominated Attorney and Counsel, who shall take instructions from Credit Guarantee concerning the direction of the legal proceedings.

The Insured shall not institute any legal proceedings for the recovery of an Insured Debt without Credit Guarantee's written approval.

19. PROTRACTED DEFAULT IN CASES OF DISPUTE

In the event of an Insured Buyer disputing the payment of an Insured Debt, the 6 months Protracted Default period shall only commence once the dispute has been settled and the amount has been established by agreement or finally determined by a competent court or other competent tribunal or body having jurisdiction.

Credit Guarantee may, at its discretion, agree that the 6 month period can commence from an earlier date, where Credit Guarantee is of the opinion that the grounds for such dispute are frivolous and without substance.

20. COSTS INCURRED TO PREVENT OR MITIGATE A LOSS

Any costs, incurred by Credit Guarantee or by the Insured with the written approval of Credit Guarantee, for the purpose of recovering an Insured Debt pursuant to a threatening or actual Cause of Loss, shall be shared by Credit Guarantee and the Insured to the extent of their proportionate interest in such Insured Debt. Such costs shall be taken into account at the time of the payment of any indemnity or should no indemnity become payable, then Credit Guarantee and the Insured shall reimburse each other, upon request, for their pro rata share of the costs incurred.

21. LODGING OF CLAIMS

Once Credit Guarantee has received confirmation of a Cause of Loss in terms of Definition 7, the Insured shall be entitled to lodge a claim under the Policy, in respect of any Amount of Loss, by completing a claim form provided by Credit Guarantee for this purpose. Such claim shall be considered for settlement:

- A. in the case of a Transfer Cause of Loss in terms of Definition 7(ii), 6 months after Payment in Local Currency;
- B. for any other Cause of Loss in terms of Definition 7(i) or (iii), 6 months after the original due date of payment or once the final nett loss has been established (i.e. salvage prospects would be nil) whichever may be the earlier, provided that no claim shall be lodged against Credit Guarantee prior to the original due date of payment;
- C. immediately when the Cause of Loss is either the Insolvency or the Protracted Default of the Insured Buyer;
- D. where the Cause of Loss is due to the Insured Buyer's Repudiation, 6 months after the occurrence of such Repudiation or as soon as the Goods have been resold or any cost saving in respect of services yet to be rendered has been determined and the final loss established.
- E. Credit Guarantee will not be liable for any Claim which is not lodged within a period of one year from the date of a Cause of Loss occurring. Any claim lodged after this period may be accepted by Credit Guarantee, in its sole discretion, either in whole or in part.

22. PAYMENT OF INDEMNITY

Credit Guarantee shall indemnify the Insured in respect of any claim arising under the Policy, once the Insured has agreed to the proposed basis of settlement. In accepting payment of the indemnity, the Insured agrees:

- (i) to prove a claim in the insolvent estate where the claim is based upon the Insured Buyer's Insolvency, except where there is a danger of a contribution and/or Credit Guarantee has advised the Insured that a claim should not be lodged;
- (ii) to refund the indemnity, if requested by Credit Guarantee, should a claim not be proved as in (i) above;
- (iii) upon request, to cede and transfer to Credit Guarantee all rights relating to the Insured Debt which formed the subject of the claim.

23. DETERIORATION OF GOODS

In the event of Goods Shipped under the cover of the Policy having deteriorated due to a Cause of Loss, the Insured shall substantiate the degree of deterioration by obtaining an inspection or surveyor's report from a source approved by Credit Guarantee.

24. COLLECTION OF SALVAGE

- A. After the occurrence of a Cause of Loss the Insured shall, at the request of Credit Guarantee take all reasonable steps, including legal proceedings, in order to obtain recoveries from whatever source.
- B. The Insured shall not accept or reject any offer of compromise made in respect of any Insured Debt, before obtaining Credit Guarantee's written approval.
- C. Any salvage (nett of costs), collected by the Insured or Credit Guarantee in respect of the Insured Debt, shall be shared in proportion to their respective interests in the Amount of Loss forming the subject of the claim.

25. TERMINATION OF POLICY

Both the Insured and Credit Guarantee shall have the right to terminate this Policy by giving 1 calendar month's written notice, provided that the terms and provisos of this Policy shall remain binding upon Credit Guarantee and the Insured in respect of any Insured Debt arising from any Insurable Transaction concluded before the expiry of the notice period (the termination date).

26. DOUBLE INSURANCE

The Insured shall inform Credit Guarantee of any Amount of Loss, forming the subject of a claim under the Policy,

which is also insured under any other Policy of insurance. In such event, Credit Guarantee's indemnity shall be reduced to the proportion that its liability to pay an indemnity bears to the total liability of all insurers.

27. VALUE ADDED TAX EXCLUSIVE

Value Added Tax will be applied and calculated in accordance with that specified in the Value Added Tax Act No. 89 of 1991 as amended.

However any reference in the Policy, schedules to the Policy or endorsements to the Policy, premium charges, credit limit fees and rapid response fees, legal fees or fees in respect of the mitigation of a loss, for the purpose of administration and interpretation of the Policy will always be quoted exclusive of Value Added Tax.