

AGREEMENT

**GOVERNING RECIPROCAL
REINSURANCE OBLIGATIONS**

between



SACE S.p.A.

and



K-sure

Korea Trade Insurance Corporation

Index of articles

| Article number | Heading | Page number |
|----------------|--|-------------|
| I | Purpose of the Agreement | 3 |
| II | Definitions | 4 |
| III | Facilities to which this Agreement Applies | 5 |
| IV | Approval Procedure | 5 |
| V | Determination of Insurer | 5 |
| VI | Obligations of the Reinsurer | 5 |
| VII | Obligations of the Insurer | 6 |
| VIII | Premium | 6 |
| IX | Changes in Sourcing | 7 |
| X | Third Country Parts | 7 |
| XI | Recovery and Dispute Expenses | 7 |
| XII | Debt Rescheduling | 7 |
| XIII | Currency | 8 |
| XIV | Law and Arbitration | 8 |
| XV | Withdrawal and Review | 8 |
| XVI | Confidentiality | 8 |
| XVII | Official language and Entry into Force | 8 |

ANNEXES

| | | |
|---|-------------------------------|----|
| 1 | Detail of K-sure's Facilities | 9 |
| 2 | Detail of SACE's Facilities | 10 |
| 3 | Agreed Protocol on Procedure | 14 |

APPENDIXES

| | | |
|---|---|----|
| A | Examples of Calculation of Reinsurance Percentage | 17 |
| B | Preliminary Proposal Form | 20 |
| C | Preliminary Response Form | 22 |
| D | Final Proposal Form | 23 |
| E | Final Response Form | 25 |
| F | Guarantee Issued Form | 26 |

AGREEMENT

GOVERNING RECIPROCAL REINSURANCE OBLIGATIONS

This Agreement is made between:

SACE S.p.A.
(hereinafter referred to as "SACE")
Piazza Poli, 37/42
00187 Roma
Italia

and

K-sure, KOREA TRADE INSURANCE CORPORATION
(hereinafter referred to as "K-sure")
14 Jongno, Jongno-Gu
Seoul 110-729, Republic of Korea

ARTICLE I - PURPOSE OF THE AGREEMENT

- 1) This Agreement has, as its purpose, the governing of the reciprocal arrangements between SACE and K-sure in a case where:
 - a companies carrying on business severally in the two countries have entered into export contracts (Supply Contracts) for the supply of Goods and/or Services to a buyer established in a country other than Korea or Italy involved in the export (the Buyer)
 - b a supplier and/or a bank has requested that credit insurance facilities covering manufacturing loss and/or loss on claim be provided by one Credit Insurer for all of the said Goods and/or Services; and
 - c a Credit Insurer is prepared to cover the Supply Contracts and/or the related loan agreements provided that the other Credit Insurer reinsures the Supply Contract and/or the related loan agreements relating to Goods and/or Services supplied from the country of that other Credit Insurer;
 - d support for such export contract is being provided on terms which conform with the OECD Arrangements on Guidelines for Officially Supported Export Credits.
- 2) It is agreed that the final decision on the provision of reinsurance in respect of any particular contract will be taken on a case by case basis.
- 3) For the sake of clarification, it is not intended that this Agreement should be utilised where the Insurer is providing insurance in respect of a supply contract where the main contractor has an "if and when" relationship with its sub-contractor(s) in the country of the Reinsurer.

ARTICLE II - DEFINITIONS

For the purpose of this Agreement the following expressions shall have the following meanings:

| | |
|----------------------------------|--|
| Business Day | means a day when each of the Credit Insurers involved are open for business. |
| Credit Insurers | means, as the case may be, SACE and K-sure collectively and "Credit Insurer" means either of the same. |
| Final Proposal Form | means a form as set out in Appendix D or such other form as may be agreed between the parties. |
| Final Response Form | means a form as set out in Appendix E or such other form as may be agreed between the parties. |
| Goods and/or Services | means the goods and/or services sourced from either of the two countries and also the foreign and local goods and/or services which are covered under the Policy. |
| Guarantee Issued Form | means a form as set out in Appendix F or such other form as may be agreed between the parties. |
| Insured | means the beneficiary of the Policy |
| Insurer | means that Credit Insurer which will provide the Policy. |
| Policy | means an insurance policy or guarantee issued by the Insurer a portion of which is reinsured with the Reinsurer. |
| Preliminary Proposal Form | means a form as set out in Appendix B or such other form as may be agreed between the parties. |
| Preliminary Response Form | means a form as set out in Appendix C or such other form as may be agreed between the parties. |
| Premium | means in the case of an insurance policy/guarantee the insurance payment charged by the Insurer less any broker's commission |
| Reinsurance Percentage | means the value of the Goods and/or Services reinsured by the Reinsurer and calculated as a percentage of the Supply Contract Price in the manner illustrated in Appendix A. |
| Reinsurer | means the Credit Insurer providing reinsurance to the Insurer in respect of a particular transaction. |

Where the Context of this Agreement so allows words importing the singular include the plural and vice versa.

Article headings are for ease of reference only and do not form part of this Agreement.

ARTICLE III - FACILITIES TO WHICH THIS AGREEMENT APPLIES

The facilities provided by SACE and K-sure to which this Agreement applies are set out in Annexes 1 and 2. Each Credit Insurer will notify the other when amending any of its schemes in any significant way, and the relevant Annex shall be amended accordingly.

ARTICLE IV - APPROVAL PROCEDURE

The procedures for operating this Agreement are regulated in Annex 3. The procedures can be changed at any time by written consent of each party.

ARTICLE V - DETERMINATION OF INSURER

As a general rule it is the intention of the parties that whichever country has the larger share of the proposed contract, that country's export credit agency will normally be the Insurer. However, where the main contractor has the minor share it may be appropriate for the Insurer to be that of the country of the main contractor. The parties also agree that there may be other possibilities for determining the Insurer and either party may propose who should be the Insurer in any particular case, giving the appropriate reasons.

All parties agree that they will seek to determine the Insurer in an amicable manner.

ARTICLE VI - OBLIGATIONS OF THE REINSURER

1. The Reinsurer agrees to reinsure to the extent of the relevant Reinsurance Percentage the Policy issued by the Insurer in the terms described in an accepted Final Proposal Form.
2. The Reinsurer, relying on the information provided by the Insurer in the relevant Annex(es) of this Agreement as the case may be and the Preliminary Proposal Form and Final Proposal Form, agrees without reservation to the text of the Insurer's documents relating to the Policy.
3. The Reinsurer agrees to pay to the Insurer a sum equal to that proportion of any claim paid or to be paid by the Insurer on the relevant Policy which the Reinsurance Percentage bears to the value of that Policy. The Reinsurer undertakes to meet his payment obligations as soon as possible, in any case not later than 30 Business Days following the date on which the Insurer gives notice that he has paid a claim. The Reinsurer shall however not be obliged to pay to the Insurer under this Article VI no 3, until the Reinsurer has received its portion of the Premium due under Article VIII.
4. The Reinsurer is not obliged to offer a higher percentage of cover than mentioned in the relevant Annex(es).
5. The Reinsurer undertakes to consult with the Insurer about any problem of which he becomes aware and which may affect performance of the Supply Contract and/or related loan agreements.

ARTICLE VII - OBLIGATIONS OF THE INSURER

1. The Insurer agrees to consult with, and involve, the Reinsurer in the due diligence process of transaction where the Reinsurance Percentage proposed is at least 40%. The consultation shall include the assessment of the transaction and the terms and conditions of the related cover, including the premium due under the Policy.
2. The Insurer agrees to notify the Reinsurer of, and immediately to consult with the Reinsurer about any amendment to the clauses, terms, scope or nature of the export credit transaction or of the contractual arrangements relating thereto which could affect the nature of the risks covered by the Policy.
3. Material changes to the facility or underlying transaction as described in the Final Proposal Form requires the Reinsurer's prior written consent.
4. The Insurer agrees to consult with the Reinsurer about any problem of which he becomes aware and which may affect performance of the Supply Contract and/or related loan agreements.
5. The Insurer agrees to consult with the Reinsurer before deciding, at its sole discretion, what preventive measures to take or what instructions to give to its insured party if an event has occurred which may affect the nature and/or size of the risks covered or lead to a loss.
6. The Insurer agrees to pay to the Reinsurer a sum equal to the amount in proportion to the Reinsurance Percentage of any recovery (including, but not limited to, any recoveries in respect of default interest) made and retained by the Insurer after payment of a claim within 30 Business Days of the date on which the Insurer makes such recovery.
7. The Insurer agrees to supply to the Reinsurer on demand copies of all the documents in its possession relating to the transaction at any time. This obligation shall not apply to any documents prepared by the Insurer for its own internal purposes, provided that these documents do not contain any new material information not already submitted to the Reinsurer.
8. Pursuant to the "Revised Council Recommendation on Common Approaches on the Environment and Officially Supported Export Credits" approved on June 12th 2007 (the "Recommendation"), the Insurer and the Reinsurer agree to share environmental information and the Reinsurer may rely upon the Insurer's environmental categorization and analysis. In conformity with the Recommendation, for Category A projects the Insurer will disclose publicly project information, including project name, location, description of project and details of where additional information may be obtained and require that environmental impact information be made publicly available (e.g. EIA report, summary thereof) as appropriate.

ARTICLE VIII – PREMIUM

1. The Insurer agrees to pay to the Reinsurer, within 30 Business Days following the date on which it will have received the premium due under the Policy, either

- i a sum equal to the Reinsurance Percentage of the premium less 10% of the same which the Insurer will retain in remuneration of its management expenses or
 - ii any other sum that has been agreed between the Credit Insurers.
- 2. Subject to any specific terms concerning the refund of the Premium following a prepayment event, that may be inserted by the Parties in the Final Response Form, if any refund of Premium is made to the Insured by the Insurer in accordance with the terms of the Policy, the Reinsurer agrees to pay to the Insurer on demand an amount equal to the portion of the refunded premium that corresponds to the percentage of the insured amount that has been reinsured by the Reinsurer. Such percentage must take into account the amount (if any) retained by the Insurer as administrative cost.

ARTICLE IX— CHANGES IN SOURCING

If after the Reinsurer has accepted the Final Proposal Form, the sourcing of the Goods and Services to be supplied under the Supply Contract is changed by more than 10% (in aggregate with other previous changes) the Insurer shall inform the Reinsurer and either party may seek to adjust the Reinsurance Percentage in order to allow the appropriate adjustment of the sums owed reciprocally by the Insurer and the Reinsurer by way of premiums, claims and shares in the costs involved in obtaining recoveries or in reducing or avoiding loss.

Changing in sourcing shall include changes in Italy, Korea, third country and/or local content or cost of the Goods and/or Services supported under the Policy.

ARTICLE X— THIRD COUNTRY PARTS

As a general rule it is the intention of the parties that where foreign and/or local goods and/or services are covered under the Policy, the Reinsurance Percentage will normally be calculated in the manner set out in Appendix A.

However, where such goods and/or services solely relate either to Italian or Korean portion then either party may propose to calculate the Reinsurance Percentage on a different basis.

ARTICLE XI— RECOVERY AND DISPUTE EXPENSES

The Insurer shall consult with the Reinsurer before engaging recovery or dispute expenses of a total exceeding 10% of the contract value or EUR 50.000, whichever is the lowest. The Reinsurer agrees to pay to the Insurer a Reinsurance Percentage of any recovery or dispute expenses incurred by the Insurer according to his policies within 30 Business Days following the date on which it is advised that the Insurer has incurred such expenses. The advise shall break down such expenses both by type and by recipient.

ARTICLE XII— DEBT RESCHEDULING

- 1. In the event of a request for debt rescheduling from the Buyer's/borrower's country, the Insurer and Reinsurer shall consult as how to resolve any problems that may arise by such a request. Should the Insurer and the Reinsurer fail to agree on how to resolve any such problems, the final decision will be taken by the Insurer. In such case the Insurer shall, at the Reinsurer's request, consider the assignment of the reinsured portion of the debt to which the Policy relates and all rights appertaining thereto to the Reinsurer. In the event that an assignment is agreed, the Credit Insurers undertake to perform any activity which shall be deemed appropriate to finalize and valid such assignment.

2. If the Policy forms part of a rescheduling agreement with the Buyer's/borrower's country the Insurer shall consult the Reinsurer if it wishes to sell, swap or write off any of the debt relating to the Policy and shall, at the Reinsurer's request, consider the assignment of the reinsured portion of the debt to which the Policy relates and all rights appertaining thereto to the Reinsurer. In the event that an assignment is agreed, the Credit Insurers undertake to perform any activity which shall be deemed appropriate to finalize and valid such assignment.

ARTICLE XIII - CURRENCY

Unless otherwise agreed all the payments to be made by virtue of this Agreement will be made in the currency used by the Insurer for the transaction.

ARTICLE XIV - LAW AND ARBITRATION

1. In relation to the transactions to which it applies this Agreement shall in each case be governed by the law of the country of the Insurer.
2. The parties will use their best endeavours to resolve by consultation between them any dispute arising from this Agreement.
3. Any dispute not so resolved will be settled in accordance with the rules of consultation and arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with those rules.
4. The place of the arbitration will be the country of the Insurer.

ARTICLE XV - WITHDRAWAL AND REVIEW

Each party has the right to withdraw from this Agreement by giving the other party 30 Business Days prior written notice of its withdrawal. Such withdrawal will not affect any commitments assumed prior to such notification. At any time each party may seek a review of Annex 3 procedures under this Agreement.

ARTICLE XVI - CONFIDENTIALITY

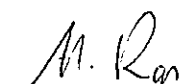
Business confidential information received by SACE or K-sure from the other shall not be disclosed to third parties (except where required by applicable law).

ARTICLE XVII - OFFICIAL LANGUAGE AND ENTRY INTO FORCE

This Agreement is drawn up in two originals in English. Any documents regarding this Agreement shall be issued in English.

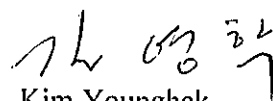
This Agreement shall enter into force on the day following its signing.

SACE



Michal Ron
Head of International Relations and Network
Date: 22/Oct/2014

K-sure



Kim Younghak
Chairman & President
Date: 22/Oct/2014

DETAIL OF K-SURE'S FACILITIES

ANNEX 1

K-SURE'S FACILITIES

| FACILITY | MAXIMUM % OF COVER | RISKS COVERED / CAUSES OF LOSS | COMMENTS |
|--|---|--|---|
| Medium/Long Term Export Credit Insurance (Pre-shipment risk cover) | <p>Maximum 95% for small sized company.</p> <p>Maximum 90% for large and medium sized company.</p> <p>(to be decided on a case by case basis)</p> | <p>If completion or shipment is discontinued, suspended or impossible due to following reasons</p> <p><u>Political risks :</u> The "general political risk"; transfer and conversion risk; force majeure; loss of entitlement to payment due to the inability to fulfil contractual obligations for political reasons.</p> <p><u>If buyer is a foreign government or a public institution:</u> Unilateral breach of contract; loss from change of contract; delay in shipment or extension of payment from due date for over one year; failure of payment of advance payment before shipment for over one year</p> <p><u>Commercial risks covered :</u> Insolvency of the foreign buyer, e.g. in the case of bankruptcy; settlement in or out of court</p> | <p>This product covers exporters' losses when export becomes impossible or when settlement cannot be made as a result of a covered event which makes the completion or delivery of goods impossible or unacceptable for political or commercial reasons.</p> <p>Default interest is always automatically covered without any surcharge.</p> <p>Claims waiting period : 3 months</p> |
| Medium/Long Term Export Credit Insurance (Supplier) | Maximum 100 % (to be decided on a case by case) | <p>Both, political and commercial risks</p> <p><u>Political risks covered :</u></p> | Cover is provided for the receivables for a single medium/long term export contract. |

| | | | |
|---|--|--|---|
| Credit Insurance) | basis) | <p>The "general political risk"; transfer and conversion risk; force majeure; loss of entitlement to payment due to the inability to fulfil contractual obligations for political reasons.</p> <p><u>Commercial risks covered :</u> Insolvency of the foreign buyer, e.g. in the case of bankruptcy; settlement in or out of court; failure to obtain full satisfaction in an execution; suspension of payment and failure to pay within two months of the due date ("protracted default").</p> | <p>The cover applies to receivables, including interest, stipulated in the export contract with foreign debtor, due up to the due date of payment.</p> <p>There is no differentiation between General conditions and / or covered risk for public and private buyers.</p> <p>Claims Waiting Period : Maximum 6 months</p> |
| Medium/Long Term Export Credit Insurance (Buyer Credit Insurance) | Maximum 100 % (to be decided on a case by case basis) | <p>Both, political and commercial risks</p> <p><u>Political risks covered :</u> The "general political risk"; transfer and conversion risk; force majeure; loss of entitlement to payment due to the inability to fulfil contractual obligations for political reasons.</p> <p><u>Commercial risks covered :</u> Insolvency of the foreign buyer, e.g. in the case of bankruptcy; settlement in or out of court; failure to obtain full satisfaction in an execution; suspension of payment and failure to pay within two months of the due date ("protracted default").</p> | <p>Cover granted to banks or financial institutions.</p> <p>The cover applies to the contractual credit amount, including interest stipulated in the credit contract with the foreign debtor, due up to the due date of payment.</p> <p>There is no differentiation between General conditions and / or covered risk for public and private buyers.</p> <p>Claims Waiting Period : Maximum 6 months</p> |
| <u>Export Bonds Insurance</u> | Maximum 100 % (to be decided on a case by case | <p><u>Risks covered :</u></p> <p><u>Fair calling</u> of the bond by the buyer because</p> | <p>If the policy holder is the grantee issuing financial institution, the policy certificate shall be issued as "Export Bonds Insurance(for Financial Institutions)"</p> |

| | | | |
|-------------------------------|--|--|--|
| | basis) | <p>- The exporter has failed to fulfil his obligations</p> <p><u>Unfair calling of the bond due to</u></p> <p>- Circumstances making it impossible for political or commercial reasons to claim reimbursement of the sum guaranteed by the bond. Usually 1 Month but case by case for Export Bonds Insurance(for Exporters)</p> | <p>If the policy holder is the exporter, the policy certificate shall be issued as "Export Bonds Insurance(for Exporters)"</p> <p>Export Bond Insurance comprises bid bonds, advance payment bonds, performance bonds, maintenance bonds and retention bonds.</p> <p>With regard to reinsurance, the Counter-Guarantee is not part of Export Bonds Insurance.</p> <p>Claims Waiting Period : 3 months for Export Bonds Insurance(for financial institutions)</p> |
| Overseas Investment Insurance | Maximum 95% (to be decided on a case by case basis) | <p>Political Risks</p> <p>-Expropriation risks : Foreign governments' seizure of stocks, deprivation of claim rights to dividends (interest), freezing of accounts, deprivation of mineral rights or ownership rights owned by Korean investors</p> <p>-War risks : War, revolt, insurgent, riot, upheaval, etc.</p> <p>- Risks of failure to execute the agreement : In case that transfer of proceeds from selling stocks, loan settlement or dividends to Korea is not possible for more than two months due to foreign governments limiting or preventing transfer</p> | <p>This product covers Korean companies making overseas investment in stocks, properties, and other rights, or as loans and surety obligations to promote Korea's overseas investments.</p> <p>It covers investment principal, dividends, and interests that cannot be recovered.</p> <p>Claims Waiting Period : 5 months</p> |

| | | | |
|--|--|---|--|
| | | <ul style="list-style-type: none">- Money transfer risks- Irresistible risks : Force majeure such as typhoons, floods, earthquakes, tidal waves, strikes, nuclear accidents etc. Economic sanctions imposed by international organizations such as the UN or countries other than the counterparty nation to investment. | |
|--|--|---|--|

DETAIL OF SACE'S FACILITIES**ANNEX 2****SACE'S FACILITIES**

| FACILITY | MAXIMUM % OF COVER | RISKS COVERED / CAUSES OF LOSS | COMMENTS |
|---------------------------------------|---|--|--|
| Supplier's credit for Private Debtors | Up to 100% (to be decided on a case by case basis) | <p>Credit risks</p> <ul style="list-style-type: none">- Insolvency of the private debtor and its guarantor, de iure or de facto,- Default of a debtor and its guarantor;- Arbitrary repudiation or refusal;- Decision of a third country;- General moratorium decreed by the government of the country of the debtor;- Failure to transfer foreign exchange caused by political events or economic difficulties outside Italy;- Legal provisions adopted in the country of the debtor or in the country in which the investment abroad has been made;- Any decision taken by Italy or international organisations (EU, UN) relating to trade such as ban of export etc.- Cases of force majeure such as war, civil war, revolution, riot, civil disturbance, terrorism, sabotage, cyclone, flood, earthquake, volcanic eruption, tidal wave, nuclear accident. | <p>Provides cover for the receivables for a single medium/long term export contract with a private buyer/debtor. The cover applies to receivables, including interest, stipulated in the export contract with the foreign debtor, due up to the due date of payment.</p> <p>Claim waiting period: 3 months for political risks; 6 months for protracted default and contract frustration; no waiting period for insolvency or restructuring agreements</p> |

| FACILITY | MAXIMUM % OF COVER | RISKS COVERED / CAUSES OF LOSS | COMMENTS |
|---|---|---|--|
| Supplier's credit for Public Debtors | Up to 100% (to be decided on a case by case basis) | <p>Credit risks:</p> <ul style="list-style-type: none"> - Default of a debtor and its guarantor; - Arbitrary repudiation or refusal; - Decision of a third country; - General moratorium decreed by the government of the country of the debtor; - Failure to transfer foreign exchange caused by political events or economic difficulties outside Italy; - Legal provisions adopted in the country of the debtor or in the country in which the investment abroad has been made; - Any decision taken by Italy or international organisations (EU, UN) relating to trade such as ban of export etc. <p>Cases of force majeure such as war, civil war, revolution, riot, civil disturbance, terrorism, sabotage, cyclone, flood, earthquake, volcanic eruption, tidal wave, nuclear accident.</p> | <p>Provides cover for the receivables for a single export contract with a public buyer/debtor. The cover applies to receivables, including interest, stipulated in the export contract with the foreign debtor, due up to the due date of payment.</p> <p>Export Guarantees for Public Debtors are issued where the foreign contractual partner of the exporter or the guarantor is a government, a public authority or a similar body, which may not be subject to an insolvency procedure.</p> <p>Claim waiting period: 3 months for political risks; 6 months for protracted default and contract frustration; no waiting period for restructuring agreements</p> |

| FACILITY | MAXIMUM % OF COVER | RISKS COVERED / CAUSES OF LOSS | COMMENTS |
|--|---|--|---|
| Bond Risk Cover | 95% | Risk of unfair calling of Bonds, due to contract frustration, political events, <i>force majeure</i> | Bid Bonds, Advance Payment Bonds, Performance Bonds and counter-indemnities are eligible for coverage. Waiting period: 3 months for political risks; 6 months for protracted default and contract frustration; none for insolvency or restructuring agreements. |
| Surety Bonds | 70% (to be decided on a case by case basis) (to be decided on a case by case basis) | <ul style="list-style-type: none"> • Policies of counter-indemnity on behalf of the exporters and in favour of the issuing Banks, on a risk sharing basis. • Reinsurance agreements with Sureties issuing the Bonds (locally). • Direct issuance of Surety Bonds. | <p>Acting as a Surety / Guarantor supports the exporters' growth with no impact on their credit lines.</p> <p>Waiting period for the counter-indemnity: 30 days.</p> |
| Pre-shipment Guarantee for Private Buyers or Public Buyers | 95% | Risk of non recovery of manufacturing costs when the performance of the policyholder's contractual obligations is interrupted | <p>Pre-shipment cover relates to prime costs up to the premature ending of manufacture as a result of a covered event which makes the completion or delivery of goods impossible or unacceptable for the exporter for political or economic reasons.</p> <p>Claim waiting period: 3 months for political risks; 6 months for protracted default and contract frustration;</p> |

| FACILITY | MAXIMUM % OF COVER | RISKS COVERED / CAUSES OF LOSS | COMMENTS |
|---|---|--|--|
| | | | no waiting period for insolvency or restructuring agreements |
| Buyer Credit Guarantees for Private Debtors | Up to 100% (to be decided on a case by case basis) | Credit risks See Export credit guarantee for private buyers | Buyer Credit Guarantees may be granted in favour of credit institutions as financial credit guarantees for private debtors. The cover applies to the contractual credit amount, including interest stipulated in the credit contract with the foreign debtor, due up to the due date of payment. Claims waiting period: no waiting period for insolvency; 3 months for political risks and protracted default |
| Buyer Credit Guarantees for Public Buyers | Up to 100% (to be decided on a case by case basis) | Credit risks. See export credit guarantee for public buyers | Buyer Credit Guarantees may be granted in favour of credit institutions as financial credit guarantees for public debtors. The cover applies to the contractual credit amount, including interest stipulated in the credit contract with the foreign debtor, due up to the due date of payment. Claims waiting period: 3 months for political risks and protracted default |

| FACILITY | MAXIMUM % OF COVER | RISKS COVERED / CAUSES OF LOSS | COMMENTS |
|--------------------------------|---|--|--|
| Political Risk Insurance (PRI) | Up to 100% (to be decided on a case by case basis) | <p>Nature of risk: political, i.e.:</p> <ul style="list-style-type: none"> - Acts of expropriation; - War and civil disorders - Currency restrictions - breach of contract (i.e.: breach of contractual obligations assumed by the government of the foreign country or other public bodies whose actions/decisions are assimilated to governmental interventions, or non-sovereign public bodies on the basis of contracts/agreements entered into between such entity and the foreign company and/or the foreign holding company and/or the Insured Party) | <p>Loss of the invested capital and/or sums owing to the Insured Party in relation to the Foreign Investment:</p> <p>(a) total or partial loss of the ownership rights in the foreign company; (b) loss of the ownership, availability, use or possession of all or part of the tangible assets of the foreign company; (c) total or partial loss of the title on or availability of sums relating to the Foreign Investment and owing to the Insured Party as profits, dividends and proceeds from the sale, also partial, of the Foreign Investment; (d) the total inability of the foreign company to carry on all or part of the activities relating to the Foreign Investment.</p> <p>In case of Loans, loss of the sums owing to the Insured Party or the foreign holding company in relation to the insured transaction, hereby more particularly described as: (a) loss of the principal owed by the foreign company in relation to the Loan; (b) loss of the sums owed by the foreign company to the Insured Party or the foreign holding company as result of the valid and effective enforcement of the guarantee issued in the interests of the foreign company.</p> |

| FACILITY | MAXIMUM % OF COVER | RISKS COVERED / CAUSES OF LOSS | COMMENTS |
|----------|--------------------------|--------------------------------|---|
| | | | <p>Claims waiting period: generally 90 days from the occurrence of the event generating loss;</p> <ul style="list-style-type: none"> - in case of inability to carry on its activity, 270 days from the adoption of the decision of the foreign country, or the occurrence of the civil disorder; - in case of breach of contract, 180 days from the date of notification to the Insured Party, the foreign holding company or the foreign country of the court order or the arbitration award, requiring the payment of the sum due as a consequence of the failure to fulfil the contractual obligations. |

AGREED PROTOCOL ON PROCEDURE**Section 1****Background**

SACE and K-sure have concluded an Agreement governing Reciprocal Reinsurance Obligations. This protocol handles procedural matters relating to the said Agreement and forms an integral part of the Agreement.

Section 2**Definitions**

Any expression defined in Article II of the Agreement shall have the same meaning when used in this Annex. When reference is made to Reinsurer it also includes two or more Reinsurers whenever applicable.

Section 3**Application**

- a As soon as one of the Credit Insurers has received an application to which the Agreement may apply he shall make a request to the other Credit Insurer by completing a Preliminary Proposal Form and sending the same to that other Credit Insurer.
- b Upon receiving a Preliminary Proposal Form the recipient Credit Insurer shall respond thereto by completing and returning to the other Credit Insurer a Preliminary Response Form, within 30 Business Days following receipt of the Preliminary Proposal Form. When the Reinsurer has reason to differ from the Insurers proposals, discussions will be held in a positive atmosphere as regards the right of the Reinsurer to charge a higher premium or impose other conditions.
- c If the Reinsurer indicates on its Preliminary Response Forms that it agrees to proceed with the proposed transaction, both Credit Insurers shall consult with each other and exchange additional information about the transaction upon request. The issuance of a Preliminary Response Form does not constitute a financial commitment by the Reinsurer to provide reinsurance

Section 4**Completion of the Arrangements**

- a When a Credit Insurer wishes to complete such export credit arrangements subject to the terms of this Agreement he shall complete and deliver to the other Credit Insurer a Final Proposal Form.
- b Upon receiving a Final Proposal Form the recipient Credit Insurer shall accept or reject the same by completing and returning to the other Insurer the appropriate Final Response Form, within 45 Business Days following receipt of the Final Proposal Form. The Final Response Form will be completed and returned to the Credit Insurer duly executed by an authorized signatory of the Reinsurer. If the Reinsurer fails to respond to the Final Proposal Form within such 45 Business Day period, the Reinsurer shall be deemed to have rejected the proposal (unless otherwise agreed).
- c As soon as possible after the Policy has been issued the Insurer shall complete a Guarantee Issued Form and send the same to the Reinsurer.

Section 5**Notification of Non-payment**

The Insurer shall notify the Reinsurer without delay when he has been informed that the debtor has failed to effect payment for a debt covered by the Policy.

Section 6**Indemnification**

For the purposes of this section, the Insurer shall supply the Reinsurer with the following information:

- appropriate reference numbers
- the due date and the total amount overdue (broken down by principal and interest)
- the total claim to be paid by the Insurer
- the Reinsurer's part of the claim paid by the Insurer (calculation shall be based on the Reinsurance Percentage)
- the reason for indemnification (political or commercial event)
- the date of payment of indemnification
- disbursement documents (if requested by the Reinsurer)

The Reinsurer agrees to pay to the Insurer a proportion of the claim to be paid or paid in accordance with Article VI (3) of the Agreement.

Section 7**Recovery**

30 Business Days after a recovery has been received, the Insurer shall pay to the Reinsurer his proportionate share of the recovery – net of the Reinsurer's part of the recovery expenses incurred according to Art XI in the Agreement.

In relation to a recovery the Insurer shall supply the Reinsurer with the following information:

- appropriate reference numbers
- the total amount recovered by the Insurer
- the recovery expenses paid by the Insurer
- the Reinsurer's share to the net recovery
- the date of recovery
- applied interest rates
- number of interest days
- exchange rates (if applicable)

Section 8**End of Obligation**

The Insurer shall inform the Reinsurer when its obligations under the Policy have ended.

Section 9**Notices**

- a. Except as otherwise specified, all notices given hereunder shall be in writing in the English language, shall include both the Credit Insurer's reference number and the Reinsurer's reference number, and shall be given by internet, email, telefax or personal

delivery and deemed to be given for the purposes of the Agreement on the day that such notice is received by the intended recipient thereof; the Final Proposal Form, amendments to the Final Proposal Form (including agreement to a revised Reinsurance Percentage), the Final Response Form and amendments to the Final Response Form must however be manually signed by an authorized signatory and delivered by post, telefax, PDF –file or personal delivery.

- b. The contact information of the parties for the purpose of giving demand or notice hereunder is as follows, or as may be notified in writing to the other party:

for SACE,

SACE S.p.A.
Piazza Poli, 37/42
00187 Roma
Italia

Attention: Ms. Michal Ron
Telefax: + 39 06 67 36 762
Telephone: + 39 06 67 36 251/254
Email: m.ron@sace.it

for K-sure,

Korea Trade Insurance Corporation
14 Jongno, Jongno-Gu
Seoul 110-729 Korea

Attention: Mr. Seungtaek Baek
Telefax: + 82-(0)2-399-6129
Telephone: + 82-(0)2-399-6919
Email: bst0321@ksure.or.kr

EXAMPLES OF CALCULATION OF REINSURANCE PERCENTAGE

Example 1

Where contract price is: 120 units
 Sourced country A: 70 units
 Sourced country B: 50 units

Lead Insurer (A) is providing: 100 % cover
 Reinsurer (B) is providing: 95 % cover

Calculation of Reinsurance Percentage

$$\frac{50 \times 95}{120 \times 100} = \frac{4,750 \times 100}{12,000} = 39.58 \%$$

Example 2

Where contract price is: 120 units
 Sourced country A: 50 units
 Sourced country B: 70 units

Lead Insurer (B) is providing: 95 % cover
 Reinsurer (A) is providing: 95 % cover

Calculation of Reinsurance Percentage

$$\frac{50 \times 95}{120 \times 95} = \frac{4,750 \times 100}{11,400} = 41.67 \%$$

Example 3

Where contract price is: 120 units
 Sourced country A: 60 units
 Sourced country B: 40 units
 Sourced country C: 20 units

Lead Insurer (A) is providing: 100 % cover

Reinsurer (B) is providing: 95 % cover

Calculation of Reinsurance Percentage

$$\frac{40 \times 95}{100 \times 100} = \frac{3,800 \times 100}{10,000} = 38.0 \%$$

This reinsurance percentage would apply to the full value of 120 units.

The reinsured amount would therefore be 45.6 units.

Example 4

Where contract price is: 120 units

Sourced country A: 40 units

Sourced country B: 60 units

Sourced country C: 20 units

Lead Insurer (B) is providing: 95 % cover

Reinsurer (A) is providing: 95 % cover

Calculation of Reinsurance Percentage

$$\frac{40 \times 95}{100 \times 95} = \frac{3,800 \times 100}{9,500} = 40.0 \%$$

This reinsurance percentage would apply to the full value of 120 units.

The reinsured amount would therefore be 48 units.

Example 5

Where contract price is: 120 units

Sourced country A: 60 units

Sourced country B: 40 units

Sourced country C: 20 units

Lead Insurer (A) is providing: 100 % cover

Reinsurer (B) is providing: 95 % cover

Calculation of Reinsurance Percentage:

- If the Goods from country C relate solely to country A.

$$\frac{40 \times 95}{120 \times 100} = \frac{3,800 \times 100}{12,000} = 31.66 \%$$

- If the Goods from country C relate solely to country B.

$$\frac{60 \times 95}{120 \times 100} = \frac{5,700 \times 100}{12,000} = 47.5 \%$$

Example 6

Where contract price is: 120 units

Sourced country A: 40 units

Sourced country B: 60 units

Sourced country C: 20 units

Lead Insurer (B) is providing: 95 % cover

Reinsurer (A) is providing: 95 % cover

Calculation of Reinsurance Percentage:

- If the Goods from country C relate solely to country A.

$$\frac{60 \times 95}{120 \times 95} = \frac{5,700 \times 100}{11,400} = 50.0 \%$$

- If the Goods from country C relate solely to country B.

$$\frac{40 \times 95}{120 \times 95} = \frac{3,800 \times 100}{11,400} = 33.3 \%$$

PRELIMINARY PROPOSAL FORM

FROM:

TO:

We refer to the Agreement between us dated

We hereby propose that the following transaction is considered for reinsurance:

Ref. No:

Exporter from this country:

Exporter from your country:

Their contractual relationship:

Project:

Buyer/Country:

Borrower/Country:

Guarantor/Security Package:

Contract value:

Interest rate p.a. including financial costs:

Interest amount including financial costs:

Terms of Payment according to the supply contract:

Breakdown of supplies (show value of Goods/Services values in relation to each nation's share as well as third country parts)

Risk Period

- manufacturing
- credit

Repayment Terms according to the Loan Agreement

Any special Features of Case

Type(s) of Product to be given

Type(s) of Cover to be Given

Loan Amount

Interest

Lender(s)

Estimated Insured Amount

Risk insured/percentage

Estimated Reinsured Percentage (show calculation)

Premium Rate (state amount payable on)

Special Conditions

Comments

Signed

For (Credit Insurer)

Date:

PRELIMINARY RESPONSE FORM

TO:

FROM:

We refer to your Preliminary Proposal Form, ref. no. dated

- * a) We can agree to your proposal in its entirety and look forward to you providing a Final Proposal form in due course.
- * b) We can agree to your proposal if you are prepared to make the following amendments.

We look forward to receiving your comments and/or a revised Preliminary Proposal Form.

- * c) As Reinsurer we would wish to receive the following premium:
 - rate
 - payable on
- * d) We cannot agree to your proposal for this transaction.

Comments

Signed

For (Credit Insurer)

Date:

* Delete if inapplicable

FINAL PROPOSAL FORM

FROM:

TO:

We refer to the Agreement between us dated and the Preliminary Proposal Form dated ref. no. We hereby propose that the following transaction is reinsured by you on the following terms:

Ref. No:

Exporter from this country:

Exporter from your country:

Their contractual relationship:

Project:

Buyer/Country:

Borrower/Country:

Guarantor/Security Package:

Contract Value:

Interest rate p.a. including financial costs:

Interest amount including financial costs:

Terms of Payment according to the supply contract:

Breakdown of supplies (show value of Goods/Services values in relation to each nation's share as well as third country parts)

Risk Period

- manufacturing
- credit

Repayment Terms according to the Loan Agreement

Any special Features of Case

Type(s) of Product to be given

Type(s) of Cover to be Given

Loan Amount
Interest
Lender(s)

Risk insured/percentage:

Overall Insured Amount

- Value of Goods and/or Services in relation to country of the Reinsurer, in proportion to the value of all Goods and/or Services provided
- Percentage of cover given by the Insurer
- Reinsurance Percentage (show calculation)

Special Conditions

Amount of Premium payable/payable on

To be allocated to the Insurer

To be allocated to the Reinsurer

(show calculation)

Date on which the commitment of the Insurer towards the applicant will expire

Comments

Signed

For (Credit Insurer)

Date:

FINAL RESPONSE FORM

FROM:

TO:

We refer to the Agreement between us dated and the Final Proposal Form dated ref. no.

We hereby accept the proposal you have made and will provide the reinsurance you require on the terms set out in the Agreement dated and the Final Proposal Form dated ref. no.

We cannot accept your proposal to provide reinsurance. [Comments]

Signed

For (Credit Insurer)

Date:

GUARANTEE ISSUED FORM

FROM:

TO:

We refer to the Agreement between us dated and the Final Proposal Form dated ref. no.

This is to inform you that a guarantee was issued on The amount of the cover given is and is calculated in the following way.

The Reinsurance Percentage is

- A. The total premium payable is
- B. The amount payable to the Insurer is
- C. The amount payable to the Reinsurer is

The premium percentage is $\frac{C}{A}$

Premium will be paid to us as follows:

| Due Date | Amount | Premium Percentage | Amount Payable to Reinsurer |
|----------|--------|--------------------|-----------------------------|
|----------|--------|--------------------|-----------------------------|

We will ensure that you are paid within 30 Business Days of receipt.

Any other comments:

Signed

For (Credit Insurer)