

## GENERAL TERMS AND CONDITIONS

### Manufacturing risk guarantees – GC (FG)

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Only the German text is legally binding.

EXPORT CREDIT GUARANTEES OF THE  
FEDERAL REPUBLIC OF GERMANY

► **Hermes Cover**

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## Manufacturing risk guarantees – GC (FG)

The Government of the Federal Republic of Germany assumes export credit guarantees termed **manufacturing risk guarantees** (“Fabrikationsrisikodeckungen”) to cover manufacturing risks of German exporters arising from export contracts in respect of the delivery of goods or the provision of services to foreign buyers (foreign debtors). Where hereinafter a distinction between public and private debtors is material, public debtor means any contractual partner of the German exporter who is a state, a regional or local authority or a similar entity. All other debtors are deemed to be private debtors.

The General Terms and Conditions of Cover for manufacturing risk guarantees shall constitute an integral part of the guarantee agreement which the Federal Government concludes in accordance with the Guidelines for the Assumption of Export Credit Guarantees and shall apply unless they are expressly waived, supplemented or replaced in such guarantee agreement.

The Federal Government, as contractual partner of the policyholder, is represented by the Federal Ministry for Economic Affairs and Energy (BMWE). The BMWE is in turn represented by Euler Hermes Aktiengesellschaft (Euler Hermes), Hamburg, which acts as agent under a mandate from the Federal Government. Euler Hermes is commissioned and authorised by the Federal Government to issue and receive, on its behalf and subject to its instructions, all declarations relating to the conclusion and execution of the guarantee agreement.

### ART. 1 REQUIREMENTS REGARDING FORM

The guarantee agreement comes into effect if and when the Federal Government accepts the policyholder’s application for a manufacturing risk cover in writing with reference to these General Terms and Conditions. The same shall apply to any amendments to such manufacturing risk cover. Any verbal side agreements shall be invalid.

### ART. 2 SUBJECT MATTER OF THE MANUFACTURING RISK COVER

- (1) Notwithstanding Art. 7 para. 1, the subject matter of the manufacturing risk cover shall be the prime costs of the supplies and services agreed in the export contract with the foreign debtor up to the amount of the order value.
- (2) Prime costs pursuant to this guarantee shall be the direct and overhead costs as defined in the “Basic principles of pricing public contracts on a total production cost basis” (LSP)<sup>1</sup> which, given cost-effective management, are necessary for the execution of the export contract. Contrary to LSP, expenditure which is incurred for outside capital and export financing shall be regarded as prime costs if and as far as they are directly attributable to the export contract. In the case of imputed writedowns the procurement values shall be taken as basis.
- (3) The scope of the guarantee shall not cover:
  1. the policyholder’s imputed profit,
  2. the premium paid by the policyholder for the cover given by the Federal Government,
  3. expenditure which is illegal pursuant to the applicable law.
- (4) At the request of the policyholder the Federal Government may restrict cover to the prime costs accruing for clearly definable, self-contained parts of the supplies and services agreed upon in the export contract which can be otherwise independently sold.

<sup>1</sup> Annex to the Ordinance PR no. 30/53 of 21 November 1953 concerning to the pricing of public contracts (German Federal Gazette no. 244 of 18 December 1953) as last amended by Ordinance PR no.1/89 of 13th June 1989 (Federal Law Gazette I., p. 1094)

**ART. 3 GUARANTEE PERIOD**

- (1) Liability under the manufacturing risk cover commences upon the entry into force of the export contract.
- (2) Liability under the manufacturing risk cover shall end upon the acceptance of the goods, at the latest upon dispatch. In the case of partial acceptances or partial deliveries it shall end for the prime costs attributable to such partial acceptances or partial deliveries.
- (3) Contrary to para. 2 hereof, the Federal Government's liability shall end in respect of events of loss pursuant to Art. 4 item 7 if and when the policyholder has fulfilled all his contractual supply and service obligations.

**ART. 4 EVENTS OF LOSS**

An event of loss is deemed to have occurred if

**1. DISCONTINUATION INSTRUCTION**

in the light of risk-increasing circumstances, the Federal Government gives an instruction and the policyholder, by following this instruction, finally discontinues production or finally refrains from manufacturing or dispatching the goods or interrupts or postpones such production or dispatch for more than six months;

**2. ABSENCE OF A RESUMPTION INSTRUCTION**

without an instruction pursuant to item 1 hereof, the policyholder discontinues or postpones the production or dispatch of the goods in view of risk-increasing circumstances and the Federal Government fails to order the continuation of production or dispatch of the goods within six months from the date on which the policyholder informed the Federal Government of such discontinuation of production or postponement of dispatch;

**3. POLITICAL CIRCUMSTANCES ABROAD**

the dispatch of the finished goods in the contractually stipulated manner or in any other manner that can be reasonably expected of the policyholder is finally prevented or prevented for more than six months by

legislative or administrative measures abroad

or

war or comparable hostilities, civil commotion or revolution abroad;

**4. DEBTOR'S INSOLVENCY**

the execution of the contract becomes impossible or unacceptable because

a) the foreign debtor's commercial situation has been demonstrated to be so unfavourable that he has suspended his payments either completely or to a considerable extent and therefore the execution of the contract has become unlikely;

or – in the case that the foreign contractual partner is a private buyer – in respect of his assets or his estate

b) insolvency proceedings have been opened or declined for insufficiency of assets;

c) a court order has been passed opening a court-supervised composition or other comparable procedure according the debtor protection from action by individual creditors to recover their debts;

d) all the debtor's creditors generally or one group of creditors with comparable ranking including the policyholder have agreed to a composition (prolongation-type, quota-type or liquidation-type composition) or other out-of-court settlement;

**5. CONTRACT RENUNCIATION**

the policyholder cannot reasonably be expected to continue the production or to dispatch the goods owing to the fact that the foreign debtor has finally renounced the contract or has otherwise seriously breached his contractual obligations and therefore the execution of the contract has become unlikely;

**6. NON-PAYMENT OF CANCELLATION COSTS**

the foreign debtor terminates the contract and the policyholder's statutory or contractual claims arising out of such termination are not fulfilled within six months of becoming due;

**7. EMBARGO PURSUANT TO FOREIGN TRADE AND PAYMENTS ACT**

the execution of the contract becomes impossible in consequence of the fact that due to a decree pursuant to Section 12 in conjunction with Sections 4 and 5 of the Foreign Trade and Payments Act (AWG) of 06.06.2013 which is issued after the commencement of liability or a statutory provision issued by an international institution after the commencement of liability which is directly applicable in the Federal Republic of Germany,

- a) an export licence issued without proviso of cancellation is revoked or rescinded without the policyholder being at fault, or
- b) a fixed-term export licence issued without proviso of cancellation is not renewed without the policyholder being at fault, or
- c) a ban or restriction on the export of the goods or the provision of the services is introduced and, for this reason, an export licence is refused without the policyholder being at fault;

**8. EMBARGO MEASURES BY THIRD COUNTRIES INVOLVED**

the execution of the export contract is rendered impossible or unacceptable in consequence of the fact that after the commencement of liability legislative or administrative restrictions abroad which are equivalent to the measures cited under item 7 above are imposed with regard to supplies and services from third countries which are required according to the manufacturing risk guarantee declaration and cannot otherwise be replaced.

**ART. 5 CONDITIONS FOR INDEMNIFICATION**

- (1) **Guaranteed prime costs are only eligible for indemnification if the export contract is legally effective.**
- (2) **The policyholder shall, at his own expense, provide evidence of the legal effectiveness of the export contract and the legal validity of the security detailed in the guarantee declaration, as well as the cause and amount of loss. In this regard he shall, at the request of the Federal Government, commission an auditor or expert chosen by the Federal Government to ascertain the amount of the loss.**

If the effectiveness of the export contract or legal validity of the security detailed in the guarantee declaration is disputed or if legal defences or other objections are raised against them, the Federal Government is entitled to reject the application for indemnification pending evidence from the policyholder – if necessary by means of a decision by the court or arbitral tribunal having jurisdiction over the business relationship between him and his foreign debtor or security guarantor – which substantiates the effectiveness of the export contract and the legal validity of the security detailed in the guarantee declaration; **the risks of the applicable law or place of jurisdiction shall be borne by the policyholder.**

- (3) In his relation to the Federal Government, it is the sole responsibility of the policyholder to ensure the legal effectiveness of the export contract and the legal validity of any security taken in respect thereof. Contracts and other documents will only be checked by the Federal Government in the event that a claim for indemnification is made. The policyholder must not rely on the argument that the Federal Government was or should have been aware of the content of such contracts or documents or of individual parts thereof at the time when the Federal Government assumed the manufacturing risk cover.

#### ART. 6 UNINSURED PERCENTAGE

- (1) The policyholder shall retain for his own account a percentage of each insured loss. The uninsured percentage is 5% unless a different percentage has been specified in the guarantee declaration.
- (2) **The uninsured percentage to be retained for his own account by the policyholder may not be insured elsewhere.** This shall not apply to the transfer of risk arising from the uninsured percentage to subcontractors of the policyholder.

#### ART. 7 CALCULATION AND PAYMENT OF INDEMNIFICATION

- (1) The basis for the calculation of the indemnification amount shall be the guaranteed prime costs incurred until the occurrence of the event of loss.
- (2) Subject to para. 3 below, the following financial advantages which have accrued to the policyholder shall be deducted from the prime costs qualifying for indemnification pursuant to para. 1 above:

1. any payments made and discharge of the debt in any other form by the foreign debtor as well as a guarantor, surety or any other third party in connection with the export contract to which the guarantee relates and which are not to be regarded as payment for supplies and services which have already been rendered or as payment for expenses incurred in the buyer's country;
2. any other financial advantages accruing to the policyholder in connection with the export contract to which the guarantee relates as far as such financial advantages have not arisen as the result of the sale of such goods and services the prime costs of which are not included in the cover under the guarantee;
3. any proceeds from the sale elsewhere of the goods and services in any other way the prime costs of which are included in the cover under the guarantee.

- (3) The financial advantages which are to be deducted from the prime costs qualifying for indemnification pursuant to para. 2 above shall be reduced by the amount of the reasonable expenses incurred by the policyholder in the process of obtaining such financial advantages. In this regard, the usual costs normally involved in taking realization measures and procuring the payment of a receivable, including costs for the protesting of bills, or costs arising in the normal course of the policyholder's business activities shall be disregarded.
- (4) The uninsured percentage to be borne by the policyholder will be deducted from the amount calculated pursuant to paras. 1 to 3 above (indemnified prime costs).

- (5) The Federal Government will calculate the amount to be indemnified within two months of receiving all the documentation required for ascertainment of the claim for indemnification. The amount resulting from this calculation will be normally paid to the policyholder within five banking days but no later than one month following notice of such calculation to the policyholder, provided that the policyholder has acknowledged the calculation to be correct.
- (6) If it proves impossible to ascertain the loss within two months due to circumstances for which the policyholder is not responsible, the policyholder may receive, at his request, a provisional payment towards the anticipated indemnification, provided that the minimum amount of the indemnification is known before the completion of the ascertainment process.

#### ART. 8 RECOVERIES

- (1) Financial advantages within the meaning of Art. 7 para. 2 which the policyholder does not gain until after the payment of the indemnification and which were therefore not taken into account when the loss was ascertained (recoveries) shall be utilized in the following order:
  1. to settle any reasonably incurred expenses within the meaning of Art. 7 para. 3 at the ratio of the expenditure reimbursed by the Federal Government to the expenditure not reimbursed;
  2. to settle the **indemnified** prime costs at the ratio of the indemnification payment to the uninsured percentage;
  3. to settle the interest load to be calculated on the indemnified prime costs from the occurrence of the event of loss until the receipt of the recover-

ies to the amount of the respective refinancing costs incurred by the Federal Government in proportion to the shares attributable to the Federal Government and the policyholder.

- (2) **The policyholder shall notify the Federal Government immediately upon receipt of any recoveries. The policyholder shall transfer any amounts due to the Federal Government without delay.**

#### ART. 9 REPAYMENT OF INDEMNIFICATION

- (1) **If the legal effectiveness of the export contract or the legal validity of the security set forth in the guarantee declaration is disputed or if defences or objections are raised against them, then the policyholder is obliged to notify this immediately during the indemnification procedure.** If the policyholder fails to comply with this obligation, the Federal Government is entitled to reclaim any indemnification paid if and to the extent that knowledge of these circumstances would have led to rejection of the claim for indemnification.
- (2) If it emerges, following the payment of indemnification, that the export contract is not effective or the indemnified loss does not, either in whole or in part, exist, or if it emerges that the Federal Government was not obliged to indemnify for other reasons, the Federal Government is entitled to demand the return of the indemnification paid, including any costs reimbursed to the policyholder.
- (3) If the Federal Government is released from its obligation to indemnify due to circumstances which occur only after the indemnification has been paid, or if the policyholder fails to comply with his obligations under Art. 12 para. 1, the Federal Government is entitled to demand the return of the indemnification paid, including any costs reimbursed to the policyholder.

- (4) **To the extent that the Federal Republic has a valid claim to repayment, the policyholder is obliged to pay interest on the repayable amount calculated**, in the cases described under paragraphs 1 and 2, from the point at which indemnification was paid, and in cases described under paragraph 3 from the point at which the Federal Government was released from the obligation to indemnify, whereas the interest rate applicable shall be equal to the Federal Government's funding costs. Upon discharge of the claim to repayment of the Federal Government, any claims or other rights which passed to the Federal Republic pursuant to Art. 11 para. 1 hereof, shall insofar revert to the policyholder.
- (5) This shall be without prejudice to any other legal rights accruing to the Federal Government out of statutory provisions or general principles of law.

#### ART. 10 SALE ELSEWHERE AFTER THE OCCURRENCE OF AN EVENT OF LOSS

- (1) The Federal Government may request the sale elsewhere of goods and services the prime costs of which are covered under the guarantee. **The policyholder may only sell the goods and services elsewhere with the consent of the Federal Government. He shall hereby comply with the instructions given by the Federal Government.**
- (2) The joint sale elsewhere of goods and services the prime costs of which are covered under the guarantee together with goods and services the prime costs of which are not covered under the guarantee requires a prior agreement between the Federal Government and the policyholder about the distribution of any realization proceeds.

- (3) **Any measures taken to maintain or enhance the realization possibilities** in respect of goods and services the prime costs of which are covered under the guarantee, in particular the completion of goods in production or the storage of already finished goods, **require a prior agreement between the Federal Government and the policyholder** on the amount and the distribution of the costs incurred through such measures. For the purpose of the application of Art. 8 para. 1 item 1 hereof such costs shall be placed on a par with reasonably incurred expenses.

#### ART. 11 SUBROGATION OF RIGHTS AND CLAIMS

- (1) Upon payment of indemnification, the policyholder's claim to financial advantages as defined in Art. 7 para. 2 above including any rights arising out of security in respect of such claims shall pass to the Federal Government to the extent that the Federal Government is entitled to such financial advantages in the event of any recoveries pursuant to Art. 8 hereof. The policyholder is obliged to undertake all necessary acts for the transfer of such claims and other rights at the request of the Federal Government.
- (2) If the transfer of such claims and any other rights proves to be impossible or if the Federal Government waives its right to the transfer, the policyholder shall hold these rights and claims in trust for the Federal Government.



## ART. 12 LEGAL ACTION FOLLOWING INDEMNIFICATION

- (1) **Without prejudice to the transfer of claims and any other rights pursuant to Art. 11, the policyholder is obliged to take all measures appropriate for the collection of the receivables or the realization of any security the policyholder may hold. The policyholder shall hereby comply with any instructions which may be given by the Federal Government.** Legal action through the courts is also deemed to be such an appropriate measure. The Federal Government is entitled to refrain from giving instructions to bring a legal action if and when the place of jurisdiction or the applicable law do not allow to assess the chances of a successful legal action with sufficient accuracy, and the policyholder has no means of contracting out of the choice of such place of jurisdiction or the applicable law, or if and when the anticipated costs of the legal action are not in proportion to the amount of the claim or the anticipated prospects of success of the enforcement measures.
- (2) If legal proceedings are pursued with the consent of the Federal Government, the reasonably incurred costs of such proceedings shall be divided between the Federal Government and the policyholder in proportion to their respective shares in the asserted claims. **Costs normally involved in collecting a repayment claim, including costs for the protesting of bills, or costs arising in the normal course of the policyholder's business activities shall be borne by the policyholder.**
- (3) If the policyholder is, at his own request, released from his obligation under paragraph 1 by the Federal Government, then the policyholder thereby forfeits his right to participate in any recoveries after indemnification in accordance with the uninsured percentage to be borne for his own account.

## ART. 13 DUTIES OF THE POLICYHOLDER

In addition to the other obligations under these General Terms and Conditions and the provisions of the guarantee declaration, the policyholder is obliged to observe the following duties:

1. **DUTY TO STATE THE TRUTH  
IN THE APPLICATION FOR COVER**  
When submitting his application for a manufacturing risk cover, the policyholder is obliged to notify completely and truthfully in writing all and any information of material significance for the assumption of a manufacturing risk cover and he must promptly give notice of any changes in the information given in the application, or new information which differs from that given in the application and becomes known prior to his receiving the guarantee declaration. All details asked for in the application form or otherwise are deemed to be of material significance.
2. **PROHIBITION TO DEVIATE  
FROM THE DOCUMENTED FACTS**  
Following the assumption of a manufacturing risk cover, the policyholder must not, without the written approval of the Federal Government, make any changes or supplements affecting the set of facts (Sachverhalt) set out in the guarantee declaration or the agreements made with the debtor or other obligors, unless these changes or supplements are immaterial; Item 1, 2<sup>nd</sup> sentence hereof applies mutatis mutandis.
3. **COMPLIANCE WITH LAWS  
AND REGULATIONS**  
The policyholder may only carry out the production if all required approvals have been obtained, he complies with the export regulations of the Federal Republic of Germany, the export regulations issued by supranational institutions

which are directly applicable in the Federal Republic of Germany, and the import regulations of the country of destination permit the shipment and importation of the goods.

#### 4. DUTY TO NOTIFY AN INCREASE OF RISK

The policyholder shall give immediate written notice of any circumstances which come to his attention constituting an increase of risk and indicate what measures he has taken or proposes to take to protect his legal right to payment or to mitigate the loss. In particular, the following circumstances are deemed to constitute an increase of risk:

- a) delay in payment or a request for extension of the payment period by the debtor;
- b) a worsening of the financial situation, the payment record or general market reputation of the debtor or a security guarantor, or an offer from the debtor to return goods already delivered or to discharge the debt in a manner that differs from his contractual obligation;
- c) legislative or administrative measures or other political events abroad which have the effect of the acceptance or shipment of the goods appear to be in jeopardy.

#### 5. DUTY TO PREVENT OR MITIGATE LOSSES

The policyholder is obliged to exercise all the due and reasonable care dictated by sound business practice, to take all necessary and appropriate measures to prevent an event of loss or minimize losses and will hereby comply with instructions, if any, given by the Federal Government. Any costs hereby incurred shall be borne by the policyholder unless otherwise specified in these General Terms and Conditions. If any subcontracted supplies are required for the execution of the export contract which are

included in the cover under the manufacturing risk cover, it must be ensured in this respect that the policyholder can enforce any instructions to discontinue or suspend production given by the Federal Government against his subcontractors.

#### 6. DUTY OF INFORMATION

The policyholder is obliged to keep the Federal Government or its designated representative informed at all times of the details and the current state of the production and of any other circumstances with a potential material bearing on the manufacturing risk cover.

#### 7. FEDERAL GOVERNMENT'S RIGHT OF EXAMINATION

The Federal Government, the Federal Audit Office or their designated representatives are entitled to examine at any time the records, books of account and other documents which are potentially material to the manufacturing risk cover and to make or require to be made copies thereof. The policyholder must, at the request of the Federal Government, arrange at his own expense to have documents which are in a foreign language translated into German.

### ART. 14 LEGAL CONSEQUENCES OF NON-COMPLIANCE WITH DUTIES

#### (1) RELEASE OF THE FEDERAL GOVERNMENT FROM LIABILITY IN THE CASE OF FALSE INFORMATION

If the policyholder fails to comply with the duty laid upon him under Art. 13 item 1 hereof, then the Federal Government is released from its obligation to indemnify a loss, unless the Federal Government determines that the incomplete or incorrect information constituting non-compliance would have had no influence on its decision to assume a manufacturing risk cover. There will be no release from liability of the Federal Government if

the policyholder neither knew nor could be expected to know that the information given by him was inaccurate or incomplete.

**(2) RELEASE OF THE FEDERAL GOVERNMENT FROM LIABILITY IN THE CASE OF DEFECTIVE SECURITY**

**If the security set forth in the guarantee declaration has not been created, or is not legally effective, the Federal Government is released from its obligation to indemnify a loss,** unless the Federal Government determines that the missing or defective security would have had no influence on its decision to assume a manufacturing risk cover.

**(3) RELEASE OF THE FEDERAL GOVERNMENT FROM LIABILITY IN THE CASE OF OTHER FAILURE TO COMPLY WITH THE POLICYHOLDER'S DUTIES**

**If the policyholder fails to comply with one of the duties laid upon him under Art. 13 items 2–7 and infringes his duty to exercise due and reasonable care in accordance with sound business practice, then the Federal Government shall be released from its obligation to indemnify a loss,** unless the infringement of the relevant duty neither caused a loss nor is of such a nature as to expect that it may result in a loss.

Irrespective of whether a loss occurred or is expected to occur, the Federal Government is released from its obligation to indemnify a loss in the case of non-compliance with a duty pursuant to Art. 13 item 2 hereof, if it determines that, under the normal practice it follows when deciding on assuming cover, it would not have approved the changes or supplements concerned.

In the event of non-compliance with a duty pursuant to Art. 13 item 4 hereof, the Federal Government is released from the obligation to indemnify a loss if the fact that information which should have been notified was unknown to the Federal Government has led to a situation whereby the risk for the Federal Government in connection with other export credit guarantees has been increased, or has prevented the Federal Government from taking steps to mitigate the risk.

- (4) The Federal Government may, at its sole discretion, partially waive its release from the obligation to indemnify a loss, depending on the circumstances of the individual case, particularly taking into account the risk which has materialised and the severity of the non-compliance.
- (5) As far as there are no legal consequences prescribed separately for infringements of other duties laid upon the policyholder by these General Terms and Conditions and the provisions of the guarantee declaration, paragraphs 1–4 shall apply *mutatis mutandis*.
- (6) Any claims and other rights of the Federal Government based on statutory law or the application of the general principles of law shall not be affected by the provisions of these General Terms and Conditions and the provisions of the guarantee declaration.

## ART. 15 CONTRIBUTORY NEGLIGENCE

The Federal Government shall not be liable for any circumstances and risks for which the policyholder is responsible in accordance with the rules of conscientious management and commercial prudence.

**ART. 16 PREMIUM**

- (1) A premium commensurate with the type and size of the risk to be covered will be charged for assuming a manufacturing risk cover. Unless otherwise specified, premium is payable on receipt of the guarantee declaration.
- (2) **If the premium due is not paid within 14 days of a reminder being sent** which states this deadline and the legal consequences set out below, the Federal Government is, after the lapse of six weeks,
  - a) **released from the obligation to indemnify** in the case of events of loss, which occur after the due date of the premium, but before the same is being paid,
  - b) in addition thereto **entitled to terminate** the manufacturing risk cover without further notice as long as the premium remains unpaid.
- (3) If there are any changes to the content and scope of the export contract to which the manufacturing risk cover relates and the Federal Government gives its approval to a change of the manufacturing risk cover, the premium will be recalculated if such changes affect the amount of the guaranteed prime costs or the horizon of risk. Provided that no loss has occurred, any overpayments resulting from the recalculation will be refunded **after deduction of an administrative fee amounting to 5% of the excess premium, subject to a maximum of EUR 2,500.**
- (4) If the Federal Government, under the provisions of these General Terms and Conditions or the provisions of the guarantee declaration, **is released from its obligation to indemnify a loss, it nevertheless shall be entitled to receive the premium,** provided that this has fallen due before the Federal Government learned of its release from obligation to indemnify.

**ART. 17 ASSIGNMENT OF THE BENEFIT OF THE GUARANTEE**

Partial and subsequent assignments are only admissible with prior written consent of the Federal Government. Any assignment made without this consent is nevertheless valid pursuant to Section 354 a HGB (German Commercial Code); however the Federal Government shall remain entitled to discharge its obligation by making payment to the policyholder. In addition the Supplementary Provisions regarding the Assignment of Guaranteed Amounts (GC-FAB) in the version applicable at the time of the assignment which form part of these General Terms and Conditions shall apply.

**ART. 18 TERM OF PRECLUSION**

**Claims against the Federal Government arising out of or in connection with the manufacturing risk cover must be filed with a court within an exclusion period of six months** following notification in writing by the Federal Government to the policyholder that it rejects the claim with reference to its release from liability resulting from the expiry of such term of preclusion.

**ART. 19 JURISDICTION**

Any disputes arising between the Federal Government and the policyholder out of or in connection with the manufacturing risk cover shall be settled by the courts of general jurisdiction in Hamburg.

Export Credit Guarantees and Untied Loan Guarantees: instruments to promote foreign trade and investment provided by the



Federal Ministry  
for Economic Affairs  
and Energy

Commissioned to implement the federal funding instruments Export Credit Guarantees and Untied Loan Guarantees:



EULER HERMES

### Cover from the Federal Republic of Germany for foreign business

Export Credit Guarantees and Untied Loan Guarantees as well as effective foreign trade promotion instruments of the Federal Government have been established for decades. Export Credit Guarantees (so-called Hermes Cover) protect German exporters and banks financing exports against political and commercial risks. Untied Loan Guarantees are to support raw material projects abroad regarded as eligible for promotion by the Federal Government. Both promotion instruments play an important role in fostering economic growth as well as in protecting and creating jobs. The Federal Government commissioned Euler Hermes Aktiengesellschaft to manage the federal funding instruments Export Credit Guarantees and Untied Loan Guarantees.

Information on other foreign trade promotion instruments of the Federal Government can be found at [www.bundeswirtschaftsministerium.de/en](http://www.bundeswirtschaftsministerium.de/en) under the heading Promotion of Foreign Trade and Investment.

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