



COMPAGNIE FRANCAISE D'ASSURANCE POUR LE COMMERCE EXTERIEUR

Baltics filialas

GLOBALLIANCE GENERAL PROVISIONS No. 2

Please note that in this contract :

- 1) terms in **heavy type** are defined in the General Provisions,
- 2) values corresponding to the terms in *italics* are specified in the Schedule.

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1. THE CREDIT INSURANCE COVER

1.1 Subject matter and commencement of insurance cover

1.1.1 We provide you with credit insurance cover for all undisputed **debts** resulting from **sales** to which this contract applies, provided that the **delivery** or the **shipment** of the goods, or the performance of the services, is carried out within the duration of this contract and that the corresponding invoices are sent to the buyer within the *maximum invoicing period*.

1.1.2 The credit insurance cover will start as follows:

1) for **sales** of goods

- in your country : on **delivery**,
- for export : on **shipment** of the goods,
- if the goods are on consignment, in bonded warehouse or exhibited at a trade fair: on **delivery**.

2) for **sales** of services

on performance of the services for which payment is due.

1.2 Exclusions

1.2.1 This contract does not cover any **sales contract** you make with a **private individual** or with an **associated company**.

1.2.2 This contract does not apply to any **sales contract** under which payment is to be received:

- i) before **delivery** in your country and before **shipment** for export **sales**,
- ii) by means of an irrevocable letter of credit confirmed by a bank registered in Lithuania.

1.2.3 This contract does not cover any loss:

- i) which is in excess of the credit limit,
- ii) where you have not complied with any terms which may be attached to the credit limit,
- iii) relating to **deliveries**, **shipments** or performance of services made after we have refused or cancelled a credit limit,
- iv) relating to **deliveries**, **shipments** or performance of services made with:
 - a buyer for whom a **notification of adverse information** or **overdue account** has, or should have, been given,



- at your knowledge, a buyer already declared **insolvent**,
- v) arising from a failure, by you or any one acting on your behalf, to fulfil your obligations under any clause or condition of the **sales contract**,
- vi) in the case of **cash against documents sales**, arising from the loss of control over the goods as a result of your failure to comply with any applicable rule or custom,
- vii) relating to **deliveries, shipments** or performance of services made without the necessary license or, more generally, in violation of any applicable law or regulation.
- viii) arising directly or indirectly from:
 - nuclear explosion or contamination, whatever its origin,
 - a war, whether declared or not, between two or more of the following countries : France – People’s Republic of China – Federation of Russia – The United Kingdom – The United States of America.
- ix) sustained on interest for late payment or any penalties or damages.

1.2.4 Moreover, concerning the **sales contract** made with buyers domiciled in your country, this contract does not cover any loss arising from :

- **sales contract** made with government departments and local authorities,
- consequences of a decision taken by the government of your country or any other law regulations that hinder the execution of the **sales contract** or prevent the payment of the **debt**.

2. RISK MANAGEMENT

2.1 General Principles

2.1.1 You must exercise due care in granting credit to your buyers, with regard to both the amount and the period of credit, and must manage all business which is covered under this contract with at least the same diligence and prudence as you would reasonably be expected to exercise were it not insured. You must also use all reasonable endeavors to preserve your rights against both your buyers and any third parties.



2.1.2 You must keep for your own account any portion of the risk not covered by us, unless we agree in writing.

2.2 Credit Period

2.2.1 The initial credit period you grant your buyers must not exceed the *maximum credit period*.

2.2.2 You may grant one or more extension periods, provided that the total duration of the credit period does not exceed the *maximum credit period*.

2.2.3 You must obtain agreement from us before you extend a **due date** :

- i) if the extended **due date** falls outside the *maximum credit period*,
- ii) for a buyer on whom we have cancelled a credit limit,
- iii) for a buyer for whom a **notification of overdue account** has, or should have, been made.

2.3 Notifications of adverse information or overdue account

You must notify us in writing or within an electronic form agreed if available:

- i) as soon as you become aware of any **adverse information** concerning a buyer,
- ii) as soon as you have information indicating that a buyer has or will become **insolvent**,
- iii) of any **overdue account** which remains unpaid at *the time limit for notification of overdue account*. In the case of **cash against document sales**, you will send us a **notification of overdue account** within 30 days of the arrival of the documents and the goods at the place of **delivery**,
- iv) immediately of any sums you receive after you have notified us of an **overdue account**.

2.4 Behavior in case of overdue account

In case of **overdue account** you must take all measures as may be considered necessary, whether by you or by us, to prevent or minimize the consequences of the claim. You must pursue diligently and in good time any rights you may have over, including rights to recover goods or to protect your or our rights or to secure the payment of the **debt**.



3. CLAIM PAYMENT

3.1 Payment level

We will pay the *insured percentage* of the **net debt** or of the credit limit if the **net debt** exceeds the credit limit.

3.2 Conditions of payment

The claim payment can only be made if you have duly complied with all the terms of this contract and have sent us all written evidence of the **debt** and the **security** possibly obtained and, if applicable, of the **insolvency** of the buyer.

3.3 Subrogation

We shall have full rights of subrogation to all your rights and actions in relation to the principal and the interests of the insured **debt** owed by your buyer or any third party to you and the **security** attached to it. You will give us any documents or titles we may require to exercise this subrogation effectively and will make any assignments or transfers required in our favor.

The subrogation will not relieve you of your obligation to take any such measures as may be deemed necessary to recover the **debt** and to comply with our instructions.

3.4 Disputed debts

In the event of a **dispute** arising in connection with the **debt**, cover is suspended in respect of a claim until the **dispute** is resolved in your favor by arbitration or by a final court decision, binding on both parties and enforceable in the buyer's country.

3.5 Return of payment

We may require a claim payment to be returned to us if it subsequently appears that such a claim should not have been paid under the provisions of this contract and if, in the case of **insolvency** of the buyer, the **debt** is not subsequently admitted to rank.

3.6 Maximum liability

The total amount paid in respect of the claims relating to **debts** arising from risks in a single *insurance period* will not exceed the *maximum liability*.



3.7 Embargoes

Our cover may not apply and we will incur no liability to pay any claim insofar that the provision of such cover and/or payment of such claim would cause us or any member of our group to be exposed to any sanction or penalty (including extra territorial sanctions) originating out of or related to United Nation's resolutions or trade or economic sanctions, laws or regulations of the European union or of any State, whether these sanctions existed at the inception of the contract or were implemented during the duration of the contract.

4. **ASSIGNMENT OF THE RIGHTS UNDER THIS CONTRACT - ASSIGNMENT OF DEBT**

4.1. You may only assign your rights to payment of claims to a third party with our prior written consent. Your obligations under this contract will remain unaffected. The loss payee will have no more rights to payment than you, and our rights under this contract shall continue to be exercisable notwithstanding the assignment.

You may assign the **debts** to the financial institution acting as the loss payee, provided that you have assigned the right to payment of claims as described above.

4.2. We may assign our rights and obligations under this insurance contract to other insurer(s) under the procedure prescribed by the Insurance Law of the Republic of Lithuania. If you terminate the insurance contract in the time limits provided by law because you object to this assignment to other insurer(s), the insurance premium for the remaining period of the insurance contract shall be returned to you.

5. **PAYMENTS**

You will pay all amounts due from you under this contract as they fall due and will not be able to offset any payment you may consider we owe you, even if we recognize that a claim is payable.

The payment of the premium will not alone give us the obligation to pay for a loss, as the loss will in any case be subject to the terms of this contract.



6. CURRENCY

If the invoices are issued in a currency other than the currency provided for in the Schedule, the receipts will be converted into the *currency of this contract*, as follows:

- for calculating the **net debt** :

at the *exchange rate* in force on the last working day of the month that the relevant invoice was issued with any payments received in respect of that invoice being converted at the same rate.

- for the amounts recovered after payment of claim_:

at the actual rate when you or we collected such amounts or failing such rate, the *exchange rate* on the value date mentioned on the bank credit note.

7. ADVISING US OF CHANGES

You must inform us within 10 days of any substantial change in the information given in the application form, particularly in the nature or the scope of your activities or in your legal status.

We reserve the right, if your company is in state of insolvency or in case you cease your business activity, to terminate this contract immediately.

8. RIGHT OF DISCOVERY

You undertake to allow us to exercise the right of discovery, and particularly you will provide us with any documents and/or certified copies relating to your **sales contracts** and will allow us to make any check, including verifying whether you have fulfilled your obligations and made your declarations in a complete, exact and truthful manner.

9. OBSERVANCE OF THE TERMS OF THIS CONTRACT

9.1. If you do not pay the premium, in whole or in part, within fifteen days of receiving a registered reminder from us, cover will be suspended for all of the **debts**. We will have the right to terminate this contract during this suspension. If we do not cancel the contract, cover will be resumed on the day which the full amount of the premium and the applicable interests and costs have been paid.



- 9.2.** Apart from the legal remedies for non-disclosure set forth in the Civil Code, we have the right to terminate this contract, refuse to pay any claim and require any claim payment to be returned to us if any statement you made to us was false or incomplete especially when you applied for this contract, when you made a request for a credit limit or when a cause of loss occurs, and provided that this statement had affected the conclusion of this contract or the granting of the credit limit or our decision relating the claim payment.
- 9.3.** Any other failure to fulfill your obligations under this contract, will be deemed as a material breach of this contract and will forfeit your right to cover for the **debts** concerned and if a claim payment has already been made for this debt, you undertake to reimburse us for such payment.
- 9.4.** In the event of the cover is, due to the non-observance of the terms specified in this contract, forfeited, suspended or in case of termination of this contract, no return of premium will be made by us and all premium payable will be immediately due.

10. DATA PROTECTION

- 10.1.** Data (including personal data) provided by you under this contract will be used for the management of your credit insurance contract and for the needs of our insurance activities and, as the case may be, our credit assessment, credit management and financing activities. They may be transferred for these purposes to our reinsures, to Coface, its affiliates or Coface partners (even located outside the European Union).
- 10.2.** Regarding personal data, data subjects will be entitled to access their personal data and to ask for their modification, erasure or blocking by contacting our service in charge of personal data protection at the following email address: office-lithuania@coface.com or on the following phone number: +370-5-279 17 27.
- 10.3.** We may use personal data provided by you for marketing reasons, for example to inform you about our new products or those of our affiliates and about any changes to the existing products. Data subjects will have at any moment the right to object to the use of their personal data for marketing reasons by contacting the service referred to in paragraph 10.2.



10.4. You undertake to provide the data subjects with the information referred to in paragraphs 10.1., 10.2. and 10.3 here above.

11. DEFINITIONS

11.1. ADVERSE INFORMATION

Any event you may become aware of which has led or may lead to a deterioration of your buyer's financial situation, in particular:

- dishonoring of cheques or bills of exchange;
- default on direct debit mandates;
- extensions of bills of exchange agreed after **delivery, shipment** or performance of service;
- the increased deterioration of payment behavior;
- termination of business relationship for reasons of the credit standing of the buyer;
- commencement of legal collection procedures or a legal action against the buyer;
- the instruction of a collection agency or a lawyer for the purpose of debt collection.

11.2. ASSOCIATED COMPANY

A company managed directly or indirectly by the Insured; a company that manages the Insured directly or indirectly; a company managed directly or indirectly by a company, which also manages the Insured, or has a common director, owner with the Insured; has a common majority of shareholders or the majority within management bodies; or the aforementioned relatives of the Insured and the buyer; or the Insured and the company belong to one company group, share common interest, common risks, and can have an impact on each other, due to which the conditions of mutual transactions would be different, if each of those persons pursued individual rational economic benefit.



11.3. CASH AGAINST DOCUMENTS SALES

Sales, where the applicable terms of payment provide that you will keep title to the goods until full payment has been made to the body responsible for handing the documents of title over to the buyer.

11.4. DEBT

Amount of one or more invoices owed by the buyer under a **sales contract** and falling within the scope of this contract.

11.5. DELIVERY

The goods are considered delivered when they have been made available to the buyer or any person acting on his behalf, at the place and on the terms specified in the **sales contract**.

In the case of **cash against documents sales**, delivery occurs when the goods and documents of title arrive at the place of **delivery**.

11.6. DISPUTE

Any disagreement regarding the amount of a **debt** or the validity of your rights or **debts**, including any disagreement about setting off sums you may owe your buyer.

11.7. DUE DATE

Date when the buyer must pay for his **debt** according to the **sales contract**.

11.8. INSOLVENCY

Insolvency shall be deemed to occur in any of the following instances:

- a) bankruptcy or restructuring process against the buyer have been instituted by the court,
- b) levy of execution on the property of the buyer instigated by the You has not resulted in full cover of the **debt**;
- c) state of a buyer when it fails to discharge its obligations (pay debts, carry out works paid for in advance, etc.) and the overdue liabilities of the buyer (debts, unperformed works, etc.) are in excess of half of the value of the assets entered in the buyer's balance.



The term “**insolvent**“ will be construed accordingly.

11.9. NET DEBT

Corresponds to the balance of a loss account including:

on the debit side :

- the amount of the invoices, covered under this contract, issued for the goods sold or services performed, including, as appropriate:
 - ◆ the VAT, if this tax is covered under this contract,
 - ◆ any interest payable up to the due date, but none that accrues thereafter,
 - ◆ the packing, transport, insurance costs and any taxes owed by the buyer, with the exclusion of any interest for late payment and any penalties or damages;

on the credit side :

- the amount of any **recoveries** received by you or by us up to the date of drawing up of the loss account and the total amount of the expenses that you did not have to pay as a result of the loss.

11.10. NON-PAYMENT

Non-payment of the **debt** by the buyer on the date, in the currency and in the place specified in the **sales contract**.

11.11. NOTICE / NOTIFICATION

Written notice received by you or us at your or our administrative address by mail, fax or by such electronic means as agreed upon by you and us in writing.

11.12. OVERDUE ACCOUNT

When a **debt** to which this contract relates has not been paid at the date, in the currency and in the place specified in the **sales contract**.

11.13. PRIVATE INDIVIDUAL

Refers to a person who buys goods or services for a purpose other than the purpose of his professional activity.



11.14. RECOVERIES

Any amounts received from the buyer or a third party, whether before or after the claim payment has been paid, including:

- any interest you or we receive on late payment,
- any **security** you or we realize,
- any credit note that you raise,
- any value arising from the exercise of any set-off,
- any proceeds of goods you have, or could have, recovered or kept. Where goods have or could have been recovered or kept the value of the proceeds is the actual value you have obtained or 50 % of the invoice value - unless other percentage specified - where that is greater.

11.15. SALES/ SALES CONTRACT

Any agreement in any form which is legally binding upon the buyer and the seller and which is for the sale of goods or services against payment of a price.

Sales made on approval and consignment sales are not considered as sales contracts.

11.16. SECURITY

Any mortgage, charge, pledge, lien, personal guarantee or any other real or personal **security** or other encumbrance securing any obligation of a buyer.

11.17. SHIPMENT

Goods are considered shipped when they are handed over to a third party - generally a carrier - to take them to the place of delivery specified in the **sales contract**.

CONFIRMED

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2018.10.02