

**THE ISLAMIC CORPORATION FOR THE INSURANCE OF  
INVESTMENT AND EXPORT CREDIT**

**EQUITY INVESTMENTS INSURANCE POLICY**

**POLICYHOLDER:**

**POLICY REFERENCE:**

# EQUITY INVESTMENTS INSURANCE POLICY

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# Equity Investments Insurance Policy

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## Part I—Special Conditions

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An Insurance Policy (“Policy”) between the Islamic Corporation for the Insurance of Investment and Export Credit (“ICIEC”) and hereinafter referred to as (“Policyholder”), a company organized and existing under the laws of the Republic of

**CLAUSE 1. PROJECT ENTERPRISE:**

**CLAUSE 2. (A) INVESTMENT PROJECT:**

**(B) HOST COUNTRY:**

**CLAUSE 3. POLICY CURRENCY:**

**CLAUSE 4. INSURED INVESTMENT:**

**CLAUSE 5. POLICY PERIOD:**

**CLAUSE 6. PERIOD OF COVERAGE:**

**CLAUSE 7. COVERED RISKS:**

- (a) Transfer Restriction, as described in Article 3;
- (b) Expropriation, as described in Article 4 (paragraphs 4.1, 4.2 and 4.3) of the General Conditions.
- (c) War and Civil Disturbance, as described in Article 5 (paragraphs 5.1 (a) and (b)) of the General Conditions; and
- (d) Breach of Contract, as described in Article 6.

**CLAUSE 8. WAITING PERIOD:**

Transfer Restriction: [60] continuous days.

Expropriation:

(Subsection 4.1(a)): [180] continuous days.

(Subsection 4.1(b)): [60] continuous days.

War and Civil Disturbance:

(Subsection 5.1(a)): None

(Subsection 5.1(b)): [180] continuous days.

Breach of Contract: [180] continuous days.

**CLAUSE 9. (A) PERCENTAGE OF COVER: 90%**

**(B) PERCENTAGE OF SELF-INSURANCE: 10%**

**(C) TOTAL: 100%**

**CLAUSE 10. INSURED AMOUNT:**

**CLAUSE 11. STANDBY OPTION AMOUNT (From Part IV):**

**CLAUSE 12. ANNUAL PREMIUM RATES:**



**CLAUSE 13. TOTAL PREMIUM FOR THE FIRST POLICY PERIOD:**



**CLAUSE 14. STANDBY OPTION FEES (From Part IV):**

- (a) Standby Option Fee for first Policy Period: No Standby Option Fees
- (b) Standby Option Fee Rate: Not Applicable

**CLAUSE 15. DEDUCTIBLE:**

Expropriation (subsection 4.1(a)): No deductible

War and Civil Disturbance: (Subsection 5.1(a)):

**CLAUSE 16. EFFECTIVE DATE:**

**CLAUSE 17 NOTICE ADRESSES:**

**ICIEC**

**THE POLICYHOLDER:**

P.O.Box:15772 Jeddah  
21454, Saudi Arabia  
Attn: Director, Medium Term and Investment  
Insurance Department

Facsimile: (+966 2) 6443447  
Telephone: (+966-2) 6445666

This Insurance Policy is based on the Policyholder's representation to ICIEC contained in the Application for Insurance Cover, and on any written information provided by the Policyholder from time to time, including in connection with any claim. This Insurance Policy is the entire agreement between the Policyholder and ICIEC and, when executed, shall include the Special Conditions (Part I) and the General Conditions (Part II), and, if applicable, may include Amendments and Annexes (Part III), and the Standby Option (Part IV).

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives have caused this insurance policy to be signed in their respective names. This Insurance Policy is deemed made in Jeddah, Kingdom of Saudi Arabia, and will come into force

on the Effective Date upon its execution by the parties, subject to receipt by ICIEC before the date specified in Clause 13, of a counterpart of this insurance policy executed by the Policyholder, and payment in full of the Premium and the Standby Option Fee for the first policy period.

The Islamic Corporation for the Insurance  
of Investment and Export Credit

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Authorized Representative  
(Name and title)

\_\_\_\_\_  
(Place and date)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Authorized Representative  
(Name and title)

\_\_\_\_\_  
(Place and date)

# Equity Investments Insurance Policy

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## Part II - General Conditions

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### ARTICLE 1. APPLICATION AND INTERPRETATION

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- 1.1 These General Conditions of Equity Investments Insurance Policy (the “General Conditions”), and the Amendments and Annexes (Part III), if any, shall form part of the Insurance Policy.
- 1.2 All provisions of the Insurance Policy shall be presumed and construed to be consistent with the Articles of Agreement and the Operational Regulations of ICIEC. Such presumption may not be challenged by either ICIEC or the Policyholder.
- 1.3 The capitalized terms herein are used only as they are defined under Article 2. Such defined terms in the singular shall include the plural and vice versa.
- 1.4 Unless otherwise stated, all references herein to Articles, Sections, Subsections and Annexes are to those of these General Conditions.

### ARTICLE 2. DEFINITIONS

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**“Application for Insurance Cover”** means the Definitive Application for insurance cover, including all attachments and any updates thereto, delivered to and filed with ICIEC by the Policyholder before the Effective Date.

**“Articles of Agreement”** means the Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit.

**“Award”** means a final and binding decision rendered on the merits of dispute by a competent arbitral tribunal, a court of law or similar judicial forum.

**“Book Value”** means the value of any assets of the Project Enterprise calculated in accordance with International Accounting Standards and determined by ICIEC in accordance with the audited accounts of the Project Enterprise.

**“Breach of Contract”** means the covered Risk specified in Section 6.1.

**“Claim”** means an application submitted in writing by the Policyholder to ICIEC for payment of compensation for a Loss under the Insurance Policy.

**“Contractual Obligation”** means an obligation or obligations to be performed by the Host government under a Project Agreement for the benefit of the Project Enterprise or the Policyholder specified in Annex 3 to the Insurance Policy.

**“Corrupt Practices”** means the offering, promising or giving of any undue pecuniary or other advantage, whether directly or through intermediaries, to an official of the Host Government, for that official or for a third party, to influence the official to act or refrain from acting in relation to the performance of official duties, with the purpose of obtaining or retaining business or any other improper advantage.

**“Covered Risk”** means any event described in the relevant sections of the General Conditions for any risk specified in Clause 7 of the Special Conditions.

**“Date of Loss”** means, with respect to a Covered Risk of:

- (a) Transfer Restrictions, the date immediately preceding the first day of the Waiting Period specified in Clause 8 of the Special Conditions;
- (b) Expropriation, the date immediately preceding the first day of the Waiting Period specified in Clause 8 of the Special Conditions under Sub-section 4.1(a) or 4.1(b), as applicable;
- (c) War and Civil Disturbance, (i) with respect to the event described in Subsection 5.1(a), the date that the destruction, disappearance, or damage occurs, and (ii) with respect to the event described in Subsection 5.1(b), the date immediately preceding the first day of the Waiting Period specified in Clause 8 of the Special Conditions; and
- (d) Breach of Contract, the date of the Award.

**“Deductible”** means the amount or amounts specified in Clause 15 of the Special Conditions for which the Policyholder may not file a Claim for a given Loss.

**“Effective Date”** means 12.01 AM, Jeddah time on the date specified in Clause 16 of the Special Conditions as the date on which the Insurance Policy becomes effective.

**“Expropriation”** means the covered Risk described in Section 4.1.

**“Forced Labor”** means all work or service, not voluntarily performed, that is exacted from an individual under threat of force or penalty.

**“Harmful Child Labor”** means the employment of children that is economically exploitative or is likely to be hazardous to, or to interfere with, the child’s education, or to be harmful to the child’s health, or physical, mental, spiritual, moral or social development.

**“Host Country”** means the country specified in Clause 2(B) of the Special Conditions, into which country the Insured Investment is made.

**“Host Government”** means

- (a) the present or any succeeding governing authority (without regard to the method of its succession or whether it is internationally recognized) in effective control of all or any part

- of the territory of the Host Country or any political or territorial subdivision thereof (including any dependent territory); or
- (b) any other public authority in or of the Host Country on which regulatory powers are conferred by the laws of the Host Country on the Date of Loss, and for which actions the governing authority described in (a) above may be held liable.

**“Insurance Policy”** means the Insurance Policy, which includes the Special Conditions (Part I) and these General Conditions (Part II), and which may include Amendments and Annexes (Part III) and the Standby Options (Part IV).

**“Insured Amount”** means the amount specified in Clause 10 of the Special Conditions, which amount is the maximum aggregate amount of compensation payable by ICIEC under the Insurance Policy for the duration of the Period of Coverage, irrespective of the number of Losses.

**“Insured Investment”** means the amount and type of investment made in the Project Enterprise and covered under the Insurance Policy specified in Clause 4 of the Special Conditions.

**“Insured Ownership Interest”** means the Policyholder’s Share of the Insured Investment on the Effective Date, including all causes of action and other rights of the Policyholder with respect thereto.

**“International Accounting Standards”** means that set of accounting standards established and issued by the International Accounting Standards Board, as amended from time to time.

**“Investment Project”** means the project or set of projects to be undertaken by the Project Enterprise and to which the proceeds of the Insured Investment will be applied specified in Clause 2(A) of the Special Conditions.

**“Local Currency”** means the national currency of the Host Country.

**“Loss”** means any loss incurred by the Policyholder that would not have been incurred but for the occurrence of a Covered Risk.

**“ ICIEC’s Environmental Policies and Guidelines”** means the Environmental Policies and Guidelines which ICIEC may adopt from time to time with respect to the Investment Project and Project Enterprise, pollution prevention and abatement measures, including workers’ health and safety and safeguard policies. The relevant measures are attached as Annex 1 to the Insurance Policy.

**“Money Laundering”** means the acquisition, possession, use, conversion, transfer or concealment of the true nature of property of any description, and legal documents or instruments evidencing title to, or interest in, such property, knowing that such property is an economic advantage from criminal offences, for the purpose of: (i) concealing or disguising the illicit origin of the property; or (ii) assisting any person who is involved in the commission of the

criminal offence as a result of which such property is generated, to evade the legal consequences of such actions.

**“Net Book Value”** means an amount equal to the difference between the value of total tangible assets (excluding in all cases any goodwill and any deferred foreign exchange gains or losses and other deferred charges) and the value of total liabilities of the Project Enterprise or the Investment Project, as the case may be, calculated in accordance with International Accounting Standards and determined by ICIEC from the actual audited accounts of the Project Enterprise or the Investment Project, as the case may be.

**“Notice of Termination”** means a notice sent by ICIEC or the Policyholder to terminate the Insurance Policy following the procedures specified in Section 16.1, such notice to be effective at 11:59 PM, Jeddah time on the relevant date of termination.

**“Operational Regulations”** means the Operational Regulations adopted by ICIEC’s Board of Directors as in force on the Effective Date.

**“Percentage of Cover”** means such percentage of each Loss for which the Policyholder is entitled to compensation under the Insurance Policy specified in Clause 9(A) of the Special Conditions.

**“Percentage of Self-Insurance”** means such percentage of each Loss that the Policyholder is required to bear for its own account specified in Clause 9(B) of the Special Conditions.

**“Policyholder”** means the natural or juridical person so designated in the Special Conditions and who is party to the Insurance Policy, which term shall include such person’s permitted successors and assigns.

**“Policyholder’s Share”** means, as applicable, the ratio of:

- (a) (i) the shares owned by the Policyholder in the Project Enterprise, to (ii) the total number of shares in the Project Enterprise, adjusted to reflect any stock splits, stock dividends or other events having similar effect; or
- (b) (i) the equity ownership interest (other than shares) of the Policyholder in the Project Enterprise, to (ii) the total equity ownership interest (other than shares) in the Project enterprise, adjusted to reflect any event analogous to stock splits, stock dividends or other events having similar effect; or
- (c) (i) the ownership of tangible assets held by the Policyholder in the Project Enterprise, to (ii) the ownership of all tangible assets of the Project Enterprise.

**“ Policy Period”** means: (a) the period commencing on the Effective Date and ending on the first date specified in Clause 5 of the Special Conditions; and (b) each successive period ending on the dates specified in Clause 5 of the Special Conditions or, if earlier, the end of the Period of Coverage.

**“Period of Coverage”** means the period specified in Clause 6 of the Special Conditions.

**“Premium”** means the amount payable by the Policyholder for the coverage provided by the Insurance Policy, calculated based on: (a) the Insured Amount as of the first day of each Insurance Policy Period; (b) the annual Premium rate specified in Clause 12 of the Special Conditions; and (c) the total number of days in the applicable Policy Period, calculated using a 365-day year.

**“Premium Due Date”** means:

- (a) for the first Policy Period, the date specified in Clause 13 of the Special Conditions; and
- (b) for each subsequent Policy Period, the day before the first day of such Insurance Policy period.

**“Project Agreement ”** means one or more of the agreements, contracts or binding commitments in each case either: (a) between the Policyholder and the Host Government; or (b) between the Project Enterprise (as a successor in interest to the Policyholder) and the Host Government, and directly related to the Investment Project and specified in Annex 3 to the Insurance Policy.

**“Project Enterprise”** means the enterprise specified in Clause 1 of the Special Conditions that is responsible for conducting the Investment Project.

**“Provisional Payment”** means the amount in Policy Currency that ICIEC may elect to pay the Policyholder in accordance with Section 6.2, pending the issuance of an Award.

**“Reference Rate of Exchange”** means with respect to any date the effective rate of exchange on such date for conversion of the Local Currency into Policy Currency determined as follows:

- (a) First, the exchange rate category generally applied on such date for purposes of remittance of earnings with respect to foreign equity investments by the central bank or any other Similar regulatory authority charged with the function of establishing the official foreign exchange rate, then the Reference Rate of Exchange shall be the effective rate obtained through any other lawful channel through which Policy Currency was available;
- (b) Second, if a rate cannot be determined in accordance with Clause (a) above, the average clearing rate on such date legally used by the largest three commercial banks (measured by volume of foreign exchange transactions cleared in the most recent 60-day period in the Host Country; and
- (c) Third, if a rate cannot be determined in accordance with Clauses (a) or (b) above, the rate of exchange determined by the International Monetary Fund (IMF) for the Host Country. Any costs of obtaining such rate of exchange through the IMF shall be equally shared by the parties.

The Reference Rate of Exchange shall be calculated taking into account the application of all charges and expenses due in case of conversions and transfers by or on behalf of the Policyholder under the prevailing laws, regulations and business practices of the Host Country.

**“Rules of Arbitration”** means the Rules of Arbitration of ICIEC.

**“Standby Option Fee”** means:

- (a) for the first Policy Period, the amount payable by the Policyholder specified in Clause 14(a) of the Special Conditions; and
- (b) for each subsequent Policy Period, the amount payable by the Policyholder at the rate specified in Clause 14(b) of the Special Conditions calculated based on the remaining amount, if any, under Article 2 of the Standby Option (Part IV of the Insurance Policy).

**“Transfer Restriction”** means the Covered Risk described in Section 3.1.

**“Waiting Period”** means the period of time, specified in Clause 8 of the Special Conditions for each Covered Risk, which must elapse before ICIEC may deem a Claim to be complete.

**“War and Civil Disturbance”** means the Covered Risk described in Section 5.1.

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### **ARTICLE 3. TRANSFER RESTRICTION**

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#### **Covered Risk**

3.1 The insurance cover against transfer restriction shall be limited to a Loss due to any action or inaction by the Host Government, or pursuant to such action or inaction by the Host Government by entities authorized under the laws of the Host Country to engage in foreign exchange transactions, which prevents, directly or indirectly, both the Policyholder and the Project Enterprise from legally:

- (a) converting into the Policy Currency the Local Currency constituting:
  - (i) dividends, profits or other monetary benefits derived from the Insured Investment; (ii) proceeds from the disposal of, or other return of the Insured Investment; or (iii) a return on the Insured investment, including the denial of such conversion in an exchange rate category at least as favorable as that used to determine the Reference Rate of Exchange; or
- (b) transferring outside of the Host Country the Policy Currency consisting a return of or a return on, the Insured Investment;

provided that the Policyholder or the Project Enterprise or both, as required:

- (x) has during the applicable Waiting Period continuously applied for and failed to convert the Local Currency or to transfer the Policy Currency through all mechanisms permitted in accordance with the relevant laws, regulations and procedures of the Host Country: and
- (y) had on the Effective Date the legal right within the Host Country to convert the Local Currency and transfer the Policy Currency.

- 3.2 A Loss due to the deprivation by the Host Government of the use and control of funds constituting dividends, profits or other monetary benefits derived from the Insured Investment shall only be covered under Subsection 4.1(b).

### **Compensation**

- 3.3 Subject to Article 8, 9 and 10, compensation payable under Transfer Restriction shall be the Percentage of Cover of:
- (a) the Policy Currency equivalent of the Local Currency which could not be converted under Subsection 3.1(a), calculated on the basis of the Reference Rate of Exchange on the Date of Loss; or
  - (b) the amount of Policy Currency that could not be transferred under Sub section 3.1 (b) as of the Date of Loss.

### **Filing of Claims**

- 3.4 The Policyholder may file a Claim for Transfer Restriction at any time from the Date of Loss to the date 180 days after the applicable Waiting Period has elapsed. The Policyholder shall submit to ICIEC promptly all material evidence available to it from time to time as may be necessary to support such Claim for Transfer Restriction, including copies of certifications by the Host Government, or other entities authorized to conduct foreign exchange transactions, demonstrating the inability of both the Policyholder and the Project Enterprise to convert the Local Currency or transfer the Policy Currency, as the case may be, during the applicable Waiting Period.
- 3.5 A Claim shall be deemed by ICIEC to be complete when ICIEC is reasonably satisfied that it has received all of the material evidence required to determine the Policyholder's right to compensation under the Insurance Policy. ICIEC shall make a determination with respect to such Claim in accordance with Section 10.1.

### **Transfer and Assignment**

- 3.6 Prior to or simultaneously with payment of compensation for a Loss, the Policyholder shall or shall cause the Project Enterprise to:
- (a) deliver to ICIEC in the Host Country in cash (or, at ICIEC's option, by draft subject to collection), the Percentage of Cover of the Local Currency or Policy Currency which could not be converted or transferred under Section 3.1; or
  - (b) at ICIEC's option, assign and transfer to and for the benefit of ICIEC the Percentage of Cover of all the Project Enterprise's right in such Local Currency or Policy Currency;

Provided that any such delivery or assignment to ICIEC shall be made free and clear of any claim, defense, counterclaim, right of set off, liens, security interests, or other encumbrance.

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## **ARTICLE 4. EXPROPRIATION**

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### **Covered Risk**

- 4.1 The insurance cover against Expropriation shall be limited to a Loss due to any direct or indirect action or inaction, in one or a series of events, attributable to the Host Government which directly:
- (a) deprives or prevents the Policyholder from exercising its ownership rights in, or effective control of , all or a portion of the Insured Investment; or
  - (b) deprives the Policyholder or the Project Enterprise, as applicable, of the use and control of any funds constituting dividends, profits or other monetary benefits derived from the Insured Investment;

provided that such Loss continues for the duration of the applicable Waiting Period.

- 4.2 No measures shall constitute an Expropriation under Section 4.1 above, if it constitutes a bona fide, non-discriminatory measure of general application that governments normally take for the purpose of regulating economic activity, ensuring public safety, raising revenues or protecting the environment, unless the measure is designed by the Host Government to have a confiscatory effect.
- 4.3 A Loss due to a breach by the Host government of its obligations under any agreement between or among the Host Government and the Policyholder, the Project Enterprise, or both, where the Host Government is acting in a commercial capacity shall not constitute an Expropriation under Section 4.1 above.

### **Compensation**

- 4.4 Subject to Articles 8, 9 and 10, compensation payable under Expropriation shall be the Percentage of Cover of:
- (a) in cases of Subsection 4.1(a): (i) the Insured Ownership Interest in the Net Book Value of the Insured Investment (or portion thereof that has been expropriated); or (ii) if the Insured Investment constitutes only tangible assets, the Book Value of the Policyholder's Share of such tangible assets (or portion thereof that has been expropriated), in both cases calculated as of the Date of Loss; and
  - (b) in cases of Subsection 4.1(b); (i) the Policy Currency equivalent of the Local Currency, calculated on the basis of the Reference Rate of Exchange prevailing on the Date of Loss; or (ii) the Policy Currency of which the Policyholder or the Project Enterprise was deprived as of the Date of Loss.

### **Filing of Claims**

- 4.5 The Policyholder may file a Claim for Expropriation at any time from the date of Loss to the date 180 days after the applicable Waiting Period has elapsed. The Policyholder shall submit to ICIEC promptly all material evidence available to it from time to time as may be necessary to support such Claim for Expropriation, including the audited accounts and

financial statements of the Project Enterprise in respect of the Investment Project and other evidence concerning the actions or inactions of the Host Government constituting the Expropriation.

- 4.6 A Claim shall be deemed by ICIEC to be completed when ICIEC is reasonably satisfied that it has received all of the material evidence required to determine the Policyholder's right to compensation under the Insurance Policy. ICIEC shall make a determination with respect to such Claim in accordance with Section 10.1.

### **Transfer and Assignment**

- 4.7 Prior to or simultaneously with payment of compensation for a Loss, the Policyholder shall in accordance with ICIEC's instructions assign and transfer to and for the benefit of ICIEC, free and clear of any claim defense, counterclaim, right of set off, liens or other encumbrances, the Percentage of Cover of the Insured Ownership Interest (or portion thereof corresponding to the portion of the Insured Investment that has been expropriated), including all title and right thereto, in the event of an Expropriation under Subsection 4.1 (a), or assign to ICIEC the Percentage of Cover of the Local Currency or the Policy Currency, as the case may be, in the event of an expropriation under Subsection 4.1(b).

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## **ARTICLE 5. WAR AND CIVIL DISTURBANCE**

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### **Covered Risk**

- 5.1 The insurance cover against War and Civil Disturbance shall be limited to a Loss due to:
- (a) the destruction or disappearance of, or physical damage to, tangible assets (other than precious metal, gems, works of art, money or documents) in the Host Country which constitute the Insured Investment; or
  - (b) the total inability of the Project Enterprise to conduct operations essential to its overall financial viability as a going concern during the applicable Waiting Period;

Provided that the Loss is a direct and immediate result of acts of war, revolution, insurrection, civil war, civil commotion, or acts of terrorism or sabotage carried out, in each case, with the primary intent of achieving a political objective in the Host Country.

### **Compensation**

- 5.2 Subject to Articles 8, 9 and 10, compensation payable under War and Civil Disturbance shall be the Percentage of Cover of:
- in the case of Subsection 5.1(a), the least of: (i) the Policyholder's Share of the Book Value of the tangible assets, determined as of the day before the Date of Loss; (ii) the replacement value of such tangible assets as of the Date of Loss; and (iii) the reasonable cost of repair of such tangible assets as of the Date of Loss; and in the case of Subsection 5.1(b), the Insured Ownership Interest in the Net Book Value of the Insured Investment calculated as of the Date of Loss.

## **Filing of Claims**

- 5.3 The Policyholder may file a Claim for War and Civil Disturbance at any time from the Date of Loss to the date 180 days after the applicable Waiting Period has elapsed. The Policyholder shall submit to ICIEC promptly all material evidence available to it from time to time as may be necessary to support such Claim for War and Civil Disturbance, including: (a) copies of inventories and audited book entries concerning the assets destroyed, damaged or that have disappeared, in the case of Subsection 5.1(a); and (b) all material evidence related to events preventing the Project Enterprise from carrying out viable business operations, in the case of Subsection 5.1(b).
- 5.4 A Claim shall be deemed by ICIEC to be complete when ICIEC is reasonably satisfied that it has received all of the material evidence required to determine the Policyholder's right to compensation under the Insurance Policy. ICIEC shall make a determination with respect to such Claim in accordance with Section 10.1.

## **Transfer and Assignment**

- 5.5 Prior to or simultaneously with payment of compensation for a Loss, the Policyholder shall, or shall cause the Project Enterprise to, assign and transfer to and for the benefit of ICIEC, free and clear of any claim, defense, counterclaim, right of set off, liens or other encumbrances, the Percentage of Cover of the Policyholder's Share, including all right, title and interest in and to:
- (a) the tangible assets under Subsection 5.2(a); or
  - (b) the Insured Ownership Interest under Subsection 5.2(b).

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## **ARTICLE 6. BREACH OF CONTRACT**

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### **Covered Risk**

- 6.1 The insurance cover against Breach of Contract shall be limited to a Loss due to the inability of the Policyholder or the Project Enterprise (on behalf of the Policyholder) to enforce an Award rendered in its favor against the Host Government, provided that:
- (a) the Award is for a specified monetary amount and has been rendered pursuant to a breach of a Contractual Obligation in a Project Agreement, or repudiation of such Project Agreement by the Host Government;
  - (b) the Policyholder and the Project Enterprise, as applicable, have made all reasonable efforts to exhaust available remedies to enforce the Award against the Host Government during the applicable Waiting Period from the date of the Award; and

- (c) the refusal by the Host Government to honor the Award is arbitrary and discriminatory.

### **Provisional Payment**

- 6.2 Prior to payment of compensation for a Loss under Section 6.3 below, ICIEC may in its sole discretion agree to make one or more Provisional Payments (normally in an aggregate amount not to exceed 50 percent of the Insured Amount) provided that:
- (a) the Policyholder and the Project Enterprise, as applicable, have not been able to obtain an Award within a period of 180 consecutive days from initiating arbitral or judicial proceedings against the Host Government for such breach of a Contractual Obligation in a Project Agreement, or repudiation of such Project Agreement, and the Policyholder has made a written request for Provisional Payments after such time period has elapsed;
  - (b) the merits of the Policyholder's claim have been determined through binding recourse to an independent expert in accordance with the procedures specified in Annex 2 to the Insurance Policy; and
  - (c) the Policyholder has provided ICIEC with an irrevocable financial guarantee, in a form and from a guarantor acceptable to ICIEC, to repay ICIEC on demand the Provisional Payments as follows:
    - (i) if the Award is rendered against the Policyholder or the Project Enterprise or both, the Provisional Payments shall be repaid in full;
    - (ii) if the Award is rendered in favor of the Policyholder or the Project Enterprise or both, but the awarded amount is less than the Provisional Payments, the Provisional Payments shall be repaid in part in the amount of such shortfall; or
    - (iii) if the Policyholder receives compensation from the Host Government based on the Award, the Provisional Payments shall be repaid in the amount of such compensation received.

### **Compensation**

- 6.3 Subject to Articles 8, 9 and 10, compensation for Breach of Contract shall be the Percentage of Cover in Policy Currency, calculated as of the Date of Loss, of the Policyholder's Share of the amount of the Award less the amount of any Provisional Payment that has been made.

### **Filing of Claims**

- 6.4 The Policyholder may file a Claim for Breach of Contract at any time from the Date of Loss to the date 180 days after the applicable Waiting Period has elapsed. The Policyholder shall submit to ICIEC promptly all material evidence available to it from time to time as may be necessary to support such Claim for Breach of Contract, including a certified copy of the Award.

- 6.5 A Claim shall be deemed by ICIEC to be complete when ICIEC is reasonably satisfied that it has received all of the material evidence required to determine the Policyholder's right to compensation under the Insurance Policy. ICIEC shall make a determination with respect to such Claim in accordance with Section 10.1.

### **Transfer and Assignment**

- 6.6 Prior to or simultaneously with payment of compensation for a Loss, the Policyholder shall or shall cause the Project Enterprise to assign and transfer to and for the benefit of ICIEC, free and clear of any claim, defense, counterclaim, right of set off, liens or other encumbrances, the Percentage of Cover of the rights and causes of action under the Award.

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## **ARTICLE 7. PERCENTAGE OF SELF-INSURANCE**

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- 7.1 Throughout the Period of Coverage, the Policyholder shall bear for its own account at least the Percentage of Self-Insurance of each potential Loss.

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## **ARTICLE 8. DEDUCTIONS AND ADJUSTMENTS**

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- 8.1 ICIEC shall deduct from any compensation due under the Insurance Policy, the Policyholder's share of any other compensation or benefit received or due to be received by or for the benefit of the Policyholder, or the Project Enterprise, from any source, including the ratable portion of the Loss payable by any other insurer or guarantor, as a result of the Covered Risks which caused the Loss for which ICIEC is liable to pay compensation.
- 8.2 Amounts of compensation determined to be payable by ICIEC for any Loss shall:
- (a) in no event exceed the Insured Amount during the relevant Policy Period;
  - (b) be reduced, before application of any other reduction or adjustment, by any Deductible amount that may be specified under Clause 15 of the Special Conditions; and
  - (c) be in the Policy Currency, calculated by converting the Local Currency value of all assets and liabilities into the Policy Currency at the Reference Rate of Exchange prevailing on the Date of Loss in cases where the audited financial statements used to calculate the Net Book Value of the Project Enterprise, or the Book Value of the tangible assets, have been prepared in Local Currency.
- 8.3 Subject to Section 8.2 above, in application of the condition of average, if the Net Book Value of the Insured Investment shall at the time of the Loss be of greater value than the Insured Amount for the applicable Policy Period, the Policyholder shall only be entitled to recover such compensation hereunder for such proportion of any Loss as the Insured Amount bears to such value of the Insured Investment.

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**ARTICLE 9. EXCLUSIONS**

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- 9.1 ICIEC shall in no case be liable for any Loss which is due to:
- (a) the application of any law, decree or regulation in force in the Host Country as of the Effective Date or any action or inaction of the Host Government, or any other event occurring prior to the Effective Date;
  - (b) Corrupt Practices, Money Laundering, or violations of any bona fide non-discriminatory laws or regulations of general application not designed by the Host Government to have a confiscatory effect, in each case attributable to the Policyholder or the Project Enterprise;
  - (c) the non-compliance by the Policyholder, or the Project Enterprise, with Environmental Policies and Guidelines that ICIEC may prescribe for the policyholder;
  - (d) the use of Harmful Child Labor and Forced Labor in each case attributable to the Project Enterprise, or the Investment Project;
  - (e) the breach by the Project Enterprise or the Policyholder in any material respect of its obligations toward or assurances given to the Host Country; or
  - (f) any action or inaction of the Host Government that was agreed to by the Policyholder or the Project Enterprise.

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**ARTICLE 10. CLAIMS DETERMINATION AND PAYMENT**

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- 10.1 A Claim shall demonstrate to ICIEC's reasonable satisfaction the Policyholder's right to compensation under the Insurance Policy. ICIEC shall determine its liability to pay compensation for a Loss, and shall notify the Policyholder of such determination, no later than 30 days from the later of:
- (a) the end of the applicable Waiting Period for each Covered Risk; and
  - (b) the date that ICIEC deems the Policyholder's Claim to be complete.
- 10.2 ICIEC shall pay compensation for a Loss within 30 days from the date it determines that it is liable to pay a Claim.
- 10.3 ICIEC shall have no liability for any Claim filed by the Policyholder after 180 days from the end of the applicable Waiting Period for each Covered Risk.
- 10.4 If ICIEC makes a determination with respect to a Claim and concludes therefore that it is not liable to pay such Claim under Articles 3, 4, a 5, and the Policyholder subsequently obtains a favorable Award against the Host Government with respect to such Claim, ICIEC may treat such Award as new evidence with respect to such issue and, subject to terms and conditions of the Insurance Policy, including all other requirements with respect to issues raised in connection with such Claim, may review its determination as to whether the Policyholder is entitled to payment of compensation for a Loss under the Insurance Policy

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**ARTICLE 11. SUBROGATION**

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11.1 Upon payment of compensation by ICIEC, the policyholder warrants and agrees that ICIEC shall have the right to be fully subrogated, up to the amount of compensation paid by ICIEC, to all claims, causes of action, recoveries and other rights the Policyholder has against the Host Government, the Project Enterprise or any obligor in respect of the Covered Risk causing the Loss, and shall take no action whatsoever to prejudice ICIEC's rights of subrogation. Nothing in the Insurance Policy shall in any way be deemed to be a waiver of, or otherwise affect, any independent right of ICIEC to effect salvage or other recoveries under the Insurance Policy (without any obligation to share the proceeds thereof), through agreements between ICIEC and the Host Government or any obligor.

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**ARTICLE 12. DUTIES OF POLICYHOLDER**

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12.1 During the Period of Coverage, and during any period after the Period of Coverage in which the Policyholder has a pending Claim, the Policyholder shall and shall cause the Project Enterprise to:

- (a) maintain and preserve: (i) audited accounts of the Project Enterprise in accordance with International Accounting Standards; and (ii) any other material information relating to the Insured Investment and the Investment Project;
- (b) promptly furnish ICIEC with such accounts and information as ICIEC may reasonably request from time to time and permit ICIEC's duly authorized representatives to examine and make copies of audits, accounts, books, financial statements and any other material information relating to the Investment Project whenever required or wherever located; and
- (c) within 30 days of such request, submit all material evidence reasonably available to it as ICIEC may reasonably request from time to time to evaluate and process a Claim.

12.2 The Policyholder shall cause the Project Enterprise to:

- (a) comply with and abide by all laws and regulations of the Host Country in implementing the Investment Project, including environmental laws and regulations and those that protect core labor standards;
- (b) comply with the Environmental Policies and Guidelines which ICIEC may prescribe;
- (c) refrain from, in connection with the Investment Project, employing Harmful Child Labor, using Forced Labor, engaging in Corrupt Practices or Money Laundering;
- (d) immediately notify ICIEC in writing upon learning of any event or circumstances that could cause, or materially increase the likelihood of, a Loss;
- (e) use all reasonable efforts to preserve and protect the Investment Project and take all measures, including such administrative, judicial, arbitral or other available remedies, to avert or, if a Covered Risk giving rise to a Loss occurs, minimize a potential Loss;
- (f) permit ICIEC, or authorized representative of ICIEC, to examine the Investment Project;

- (g) waive no right, claim, cause of action or other remedy or accept any offer of compensation in respect of any Loss;
  - (h) at ICIEC's reasonable expense, cooperate fully with ICIEC, to the extent possible, in the administration, preservation and protection of assets acquired by ICIEC, and in the prosecution of any rights, claims, causes of action and other interests obtained by ICIEC, pursuant to Article 11; and
  - (i) allow ICIEC to conduct environmental and developmental monitoring of the Investment Project and the Project Enterprise, at ICIEC's request.
- 12.3 The Policyholder shall, throughout the Period of Coverage, remain eligible to receive coverage from ICIEC in accordance with the Articles of Agreement.
- 12.4 The Policyholder shall not, without the prior written consent of ICIEC, which consent shall not be unreasonably withheld:
- (a) assign, transfer, or encumber any right under the Insurance Policy; or
  - (b) amend, modify, supplement or waive any material rights or obligations with respect to the Project Agreements; or transfer or assign any rights under the Project Agreements or the Award.

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## **ARTICLE 13. CONDITIONS FOR TERMINATION**

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- 13.1 Except as provided for under Sections 13.2, 13.3, 13.4, 13.5, 13.6 and 13.7, the Insurance Policy shall terminate at 11:59 PM, Jeddah local time on the last day of the Period of Coverage. The rights and obligations under the Insurance Policy shall, however, extend to cover events of Loss commencing before the end of the Period of Coverage, if the Date of Loss occurred during the Period of Coverage, even if a Claim is made after the Period of Coverage.

### **Termination by the Policyholder**

- 13.2 The Policyholder may terminate the Insurance Policy on any anniversary of the Effective Date by submitting to ICIEC a Notice of Termination at least 30 days prior to such anniversary of the Effective Date.
- 13.3 ICIEC shall not be liable to return to the Policyholder any amount of the Premium and Standby Option Fee previously paid to ICIEC, if the Policyholder terminates the Insurance Policy at any time during the Policy Period.

### **Termination by ICIEC**

- 13.4 ICIEC may terminate the Insurance Policy, without any further obligation under the Insurance Policy, effective as of the date specified in the Notice of Termination if:
- (a) the Policyholder's warranty with respect to all information material to a Covered Risk, including information contained in the Application for Cover, proves to be untrue in any material respect or the Policyholder intentionally omits to provide such material information;

- (b) the Policyholder violates the confidentiality provisions of Subsection 16.2(a) without ICIEC's prior written consent; or
  - (c) in non compliance with any other responsibility or obligation specified under the Insurance Policy, other than for a default for non-payment of Premiums and Standby Option Fees under Section 13.6.
- 13.5 If the Policyholder fails to pay the full amount of the total Premium and Standby Option Fees on the applicable Premium Due Date, and such failure continues for a period of 30 days after written notice to the Policyholder of such nonpayment, ICIEC may by Notice of Termination terminate the Insurance Policy as of 12:01 AM retroactively to the first day of the Policy Period for which Premium or Standby Option Fee have not been paid, it being agreed that ICIEC shall have no liability to pay compensation for a Loss arising during any period in which any Premium or Standby Option Fee then due and payable remains unpaid.
- 13.6 ICIEC shall terminate the Insurance Policy, without any further obligation, effective on the date of ICIEC's Notice of Termination, if at any time as reasonably determined by ICIEC, the Policyholder or the Project Enterprise, as applicable, is:
- (a) in material violation of the laws and regulations of the Host Country with respect to the Insured Investment or the Investment Project;
  - (b) in material violation of the Environmental Policies and Guidelines which ICIEC may prescribe; or
  - (c) employing Harmful Child Labor, using Forced Labor, engaging in Corrupt Practices, or Money Laundering; provided, however, that ICIEC may grant, at its sole discretion, a reasonable period of time to cure the foregoing situations.

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**ARTICLE 14. DISPUTE RESOLUTION AND APPLICABLE LAW**

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- 14.1 Any dispute between the Policyholder and ICIEC arising out of or in connection with the Insurance Policy shall be settled by final and binding arbitration in accordance with the Rules of Arbitration.
- 14.2 The arbitral tribunal constituted under the Rules of Arbitration shall apply the Insurance Policy, the Articles of Agreement, and to the extent that issues in dispute are not covered by the Insurance Policy or the Articles of Agreement, the arbitral tribunal shall apply general principles of Islamic law.
- 14.3 The award of the arbitral tribunal shall be final and binding and shall be carried out without delay.

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**ARTICLE 15. COVERAGE ADJUSTMENTS AND PREMIUM PAYMENTS**

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- 15.1 The Insured Amount shall be reduced for the remainder of the Period of Coverage by the amount of compensation paid on any Claim. If the Net Book Value of the Insured Investment shall have decreased, the Insured Amount may also be reduced for the remainder of the Period of Coverage by the amount of any additional reduction irrevocably elected by the Policyholder by delivery to ICIEC not less than 30 days before the first day of any Policy Period of a notice in the form of Annex 4A to the Policy; provided, however, that such election may not reduce the Insured Amount to below the Percentage of Cover of the Net Book Value of the Insured Investment.
- 15.2 Where the Insured Investment is made over a period of time (including phased-in investment and the reinvestment of retained earnings), so long as no Covered Risk giving rise to a Loss has occurred, the Policyholder may, by delivery to ICIEC not less than 30 days before the first day of any Policy Period of a notice in the form of Annex 4B to the Policy, irrevocably elect to increase the Insured Amount for such Policy Period and the remainder of the Period of Coverage by moving amounts from the Standby Option (Part IV of the Insurance Policy).
- 15.2 The Policyholder shall pay to ICIEC: (a) the Premium and Standby Option Fee due on the Premium Due Date.

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**ARTICLE 16. MISCELLANEOUS**

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**Notices**

- 16.1 Every notice, request, application, consent approval, or waiver, including the Notice of Termination, concerning the Insurance Policy shall be in writing and shall be made when it is delivered by hand, courier, certified mail, or facsimile when transmission has been completed, to the address for such party specified in Clause 17 of the Special Conditions.

**Confidentiality**

- 16.2
- (a) The Policyholder shall not, without ICIEC's prior written consent, at any time disclose any terms or conditions of the Insurance Policy or any information made available by ICIEC to the Policyholder with respect thereto and designated as confidential, to any third party other than government regulators in the country of the Policyholder and the Policyholder's lawyers, auditors, accountants, financial advisors, syndicate and prospective lenders, and rating agencies.
  - (b) Disclosure of the Insurance Policy to government regulators of the Host Country, unless required by enforcement of a law or regulation, will require ICIEC's prior written consent, such consent not to be unreasonably withheld.
  - (c) ICIEC shall take all practicable measures to comply with any reasonable request of the Policyholder to safeguard the confidentiality of all documents, data and other

information received by ICIEC and which is clearly labeled on its face as Confidential”; provided, however, that notwithstanding the foregoing, in accordance with the policies specified in the Operational Regulations, ICIEC may disclose certain information, including: (i) summary information relating to the Investment Project, including name and country of Policyholder, the Host Country, the Insured Investment, the Insured Amount and the Covered Risks for purposes of ICIEC’s quarterly reports; and (ii) any environmental impact assessment reports provided to ICIEC with respect to the Insured Investment or the Investment Project.

### **Amendments and Waivers**

- 16.3 No provision of the Insurance Policy may be amended, modified, supplemented, or waived except in a written agreement executed by authorized representatives of the Policyholder and ICIEC.
- 16.4 Without prejudice to the Arbitration Rules, neither party shall be deemed to have waived any of its rights under the Insurance Policy, unless expressly so stated in a notice by the party waiving such a right to the other party.

# **Equity Investments Insurance Policy**

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## **PART III AMENDMENTS AND ANNEXES**

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# **Equity Investments Insurance Policy**

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**— ANNEX 1 —**  
**ICIEC ENVIRONMENTAL POLICIES AND**  
**GUIDELINES**

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# Equity Investments Insurance Policy

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## — ANNEX 2 — CALCULATION OF PROVISIONAL PAYMENT

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1. The Policyholder may submit a request for payment of a Provisional Payment to ICIEC pursuant to Section 6.2 of the General Conditions any time after initiating arbitral or judicial proceedings against the Host Government.
2. An expert shall be appointed by the International Center for Expertise of the International Chamber of Commerce (ICC), at the request of the Policyholder, and in accordance with the ICC Rules for Expertise in force at the time of submission to ICIEC of a request for a Provisional Payment.
3. The expert will promptly evaluate the merits of the Policyholder's claim. The findings of the expert shall be final and shall only be rendered for the purpose of assessing ICIEC's obligation to pay a Provisional Payment to the Policyholder. These findings shall not have the character of an Award.
4. If so established by the expert, within 60 days from the date of receipt of the findings made by the expert, ICIEC shall pay a Provisional Payment to the Policyholder in an amount specified in accordance with Section 6.2, provided that the Policyholder has complied with its obligations under Section 6.2.
5. Pursuant to Section 6.2, the amount of the Provisional Payment shall be a percentage of the amount which may be owed to the Policyholder or the Project Enterprise, subject to compliance by the Policyholder of the requirements specified in Subsection 6.2(c).
6. All fees and expenses incurred by the expert and all administrative costs incurred by the International Center for Expertise of the ICC in connection with the assessment of a Provisional Payment, will be borne and paid by the Policyholder in accordance with the ICC Rules for Expertise in force at the time of submission to ICIEC of a request for a Provisional Payment by the Policyholder.
7. Any documents prepared or produced, determinations made, or decisions taken in connection with the Provisional Payment shall not be used as evidence, or for any other purposes, in any proceedings, except with written authorization by ICIEC.

# Equity Investments Insurance Policy

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## — ANNEX 3 — PROJECT AGREEMENTS AND CONTRACTUAL OBLIGATIONS

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1. The following are the project agreements reviewed as part of ICIEC's risk assessment exercise. The final signed versions of these agreements are to be submitted to ICIEC prior to the expiration date of the first policy period. The signed copies of these agreements must not be different to the draft versions upon which ICIEC based its assessment of the Application. Any changes to the draft versions must be communicated to ICIEC in writing, which may lead ICIEC to change the terms and conditions of the cover.

# Equity Investments Insurance Policy

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## — ANNEX 4A — FORM OF NOTICE OF REDUCTION IN INSURED AMOUNT

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[Date]

*[Must be dated and received by ICIEC not less than 30 days before the first day of applicable Policy Period]*

Attn: Director, Medium Term and Investment Insurance Department

The Islamic Corporation for the Insurance of Investment and Export Credit

P.O.Box:15772 Jeddah  
21454, Saudi Arabia

By Facsimile: (966 2) 644 3447

Gentlemen:

**Re:** Equity Investments Insurance Policy dated \_\_\_\_\_ 20 (the ‘**Insurance Policy**’) between the Islamic Corporation for the Insurance of Investment and Export Credit (‘**ICIEC**’) and \_\_\_\_\_ (the ‘**Policyholder**’).

All capitalized terms used herein and not otherwise defined shall have their respective meanings specified in the Insurance Policy.

The Policyholder hereby certifies as follows:

1. The Insured Amount as of the date hereof is [in Policy Currency] \_\_\_\_\_
2. The first day of the upcoming Insurance Policy Period is \_\_\_\_\_ 20 , on which date the Net Book Value of the Insured Investment will be [in Policy Currency]\_\_\_\_\_
3. In accordance with Section 15.1 of the General Conditions, the Policyholder irrevocably elects to reduce the Insured Amount as of the first day of the upcoming Policy Period, for such Policy Period and the remainder of the Period of Coverage, so that as of such first day of the upcoming Policy Period: (a) the Insured Amount shall be [in Policy Currency] \_\_\_\_\_; and (b) the remaining Standby Option (Part IV of the Insurance Policy) shall be [in Policy Currency]

Sincerely,

**[NAME OF POLICYHOLDER]**

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Authorized Representative  
(Name and title)

\_\_\_\_\_  
(Place and date)

By its countersignature below, and in reliance upon the accuracy of the certifications of the Policyholder specified above, ICIEC agrees that as of the first day of the upcoming Policy Period the Insured Amount and the remaining Standby Option (Part IV of the Insurance Policy) shall be as specified in Section 3 above.

**ACCEPTED AND AGREED BY THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT:**

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Authorized Representative  
(Name and title)

\_\_\_\_\_  
(Place and date)

# Equity Investments Insurance Policy

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## — ANNEX 4B — FORM OF NOTICE OF INCREASE IN INSURED AMOUNT

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[Date]

*[Must be dated and received by ICIEC not less than 30 days before the first day of applicable Policy Period]*

Attn: Director, Medium Term and Investment Insurance Department  
The Islamic Corporation for the Insurance of Investment and Export Credit  
P.O.Box:15772 Jeddah  
21454, Saudi Arabia  
By Facsimile: (966 2) 644 3447

Gentlemen:

**Re:** Equity Investment Insurance Policy dated \_\_\_\_\_, 20 (the "**Insurance Policy**") between the Islamic Corporation for the Insurance of Investment and Export Credit ("**ICIEC**") and \_\_\_\_\_ (the "**Policyholder**").

All capitalized terms used herein and not otherwise defined shall have their respective meanings specified in the Insurance Policy.

The Policyholder hereby certifies as follows:

1. The Insured Amount as of the date hereof is [in Policy Currency] \_\_\_\_\_
2. The first day of the upcoming Policy Period is \_\_\_\_\_ 20. Additional portions of the Insured Investment have been phased in or will be phased-in such that the amount of the Insured Investment as of such first day of such upcoming Policy Period will be [\_\_\_\_\_ Shares], [Tangible Assets], [Ownership Interest,] [\_\_\_\_\_ Amount] [in Policy Currency].
3. No Covered Risk giving rise to a Loss has occurred as of the date hereof; and in accordance with Subsection 12.2(d) of the General Conditions the Policyholder has notified ICIEC in writing upon learning of any event or circumstance prior to the date hereof that could cause, or materially increase, the likelihood of a Loss.
4. In accordance with Section 15.2 of the General Conditions, the Policyholder irrevocably elects to increase the Insured Amount as of the first day of the upcoming Policy Period, for such Policy Period and the remainder of the Period of Coverage, by moving [in Policy Currency] \_\_\_\_\_ from the Standby Option (Part IV of the

Insurance Policy), so that as of such first day of the upcoming Policy Period: (a) the Insured Amount shall be [in Policy Currency] \_\_\_\_\_; and (b) the remaining Standby Option (Part IV of the Insurance Policy) shall be [in Policy Currency] \_\_\_\_\_

Sincerely,

**[NAME OF POLICYHOLDER]**

By: \_\_\_\_\_  
(signature)

\_\_\_\_\_  
Authorized Representative  
(Name and title)

\_\_\_\_\_  
(Place and date)

By its countersignature below, and in reliance upon the accuracy of the certifications of the Policyholder specified above, ICIEC agrees that as of the first day of the upcoming Policy Period the Insured Amount and the remaining Standby Option (Part IV of the Insurance Policy) shall be as specified in Section 4 above.

**ACCEPTED AND AGREED BY THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT**

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Authorized Representative  
(Name and title)

\_\_\_\_\_  
(Place and date)

# Equity Investments Insurance Policy

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## **PART IV: STANDBY OPTION (COMMITMENT FOR ADDITIONAL COVERAGE)**

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### **ARTICLE 1**

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- 1.1 This Standby Option (Commitment for Additional Coverage) for phased - in portions of the Insured Investment and the reinvestment of retained earnings (“Standby Option”), is incorporated into the Insurance Policy as Part IV.
- 1.2 In accordance with Section 15.2 of the General Conditions, upon a written request by the Policyholder and in accordance with the conditions hereinafter specified, ICIEC hereby agrees that the Policyholder may increase the Insured Amount under the Insurance Policy, using the Standby Option amounts elected by the Policyholder hereunder.

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### **ARTICLE 2.**

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- 2.1 In accordance with Section 15.2 of the General Conditions, the Insured Amount under the Insurance Policy may be increased during the first \_\_\_\_\_ Insurance Policy Periods by a maximum amount of \_\_\_\_\_