



GENERAL TERMS AND CONDITIONS
OF THE TREASURY-BACKED INSURANCE
OF SHORT-TERM EXPORT RECEIVABLES

KUKE GAP EX
and **KUKE GAP EX+**

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§1 Definitions

Limit Decision – the decision of KUKE S.A. concerning setting, increasing, decreasing, closing or refusing to set the KUKE GAP Ex+ Limit or changes to its supplementary conditions.

Delivery of Goods/Services – the release of goods or performance of a service by the Policyholder (or person acting on their behalf) in order to fulfil the obligations arising out of the Agreement for Sale concluded with the Counterparty. The Delivery of Goods/Services occurs on the day of the release of the goods or performance of the service in accordance with the conditions laid down in the Agreement for Sale.

Extranet – a closed computer network based on Internet protocols, designed for the exchange of information and statements between KUKE S.A. and the Policyholder. The rules of operation of the Extranet are set out in separate regulations.

Information on the KUKE GAP Ex Limit – information concerning the approval, refusal or change of the KUKE GAP EX Limit by KUKE S.A.

Counterparty – entrepreneur (client of the Policyholder) established in or resident in a temporarily non-marketable risk country.

Public Counterparty – Counterparty which, in whatever form, is a public authority and which cannot, either judicially or administratively, be declared insolvent, or private counterparty which can be considered a public body due to:

- » Its legal status;
- » The real effectiveness of any legal action against it;
- » Its sources of finance and revenue;
- » The capacity to discharge its debts by using sources which are not related to central government funds, in particular revenues raised by local taxation, or by providing public services;
- » The degree of influence or control over them that can be exercised by the host country government.

Country temporarily recognised as non-marketable – a country temporarily removed by the European Commission from the list of marketable risk countries constituting an Annex to the Communication of the Commission to the Member States on the application of Articles 107 and 108

of the Treaty on the Functioning of the European Union to short-term export credit insurance, excluding the Republic of Poland. The List of Temporarily Non-Marketable Countries constitutes an Annexe to the Specific Terms and Conditions.

Trade Credit – deferred payment for goods or services supplied to the Counterparty in accordance with the terms of the Agreement for Sale.

KUKE S.A. – the Insurer.

Credit Limit – KUKE GAP Ex Limit or KUKE GAP Ex+ Limit.

KUKE GAP Ex Limit – the requested by the Policyholder maximum amount of Receivables due to the Policyholder from the Counterparty, the inclusion with insurance cover in addition to the Basic Limit is confirmed by the Insurer.

KUKE GAP Ex+ Limit – the maximum amount of Receivables due to the Policyholder from the Counterparty that the Insurer can include under the insurance cover following a refusal to grant or closure of the Basic Limit.

Basic Limit – the maximum amount of Receivables due to the Policyholder from the Counterparty for which the Primary Insurer provides insurance cover. It concerns the limits issued for a fixed or indefinite duration and does not include excess limits.

Receivable – a monetary amount resulting from an issued invoice (inclusive of tax on goods and services, if provided for under the law) that is due to the Policyholder from the Counterparty on the Delivery of goods/Services. The date of the Receivables arising shall be the date of the Delivery of Goods/Services.

Trade Credit Period – period calculated in days from the date of issue of the invoice entitling to receive payment to the date set as the Payment Term.

GTC – General Terms and Conditions of the Treasury-backed insurance of short-term export receivables KUKE GAP Ex & KUKE GAP Ex+.

Primary Insurer – insurance undertaking whose name and address are mentioned in the Specific Terms and Conditions that issues the Basic Limits for the Counterparty.

Basic Insurance Agreement – receivables Insurance Agreement concluded between the Primary Insurer and the Policyholder.

Recourse Proceedings – proceedings conducted after the payment of compensation, aimed at the payment of the Receivables by the Counterparty, guarantor or security provider, if there are any.

Claim for Compensation – an application of the Policyholder requesting for the payment of compensation.

Dispute – charges (court and out of court) filed by the Counterparty in relation to the Receivables of the Policyholder where the Counterparty fails to acknowledge the claims of the Policyholder for the payment of Receivables, particularly questioning the chargeability of the Receivables, the performance or proper performance of the duties and obligations of the Policyholder resulting from the Agreement for sale in principle or the amount, or the Policyholder filing mutual claims that have not been accepted by the Policyholder or off setting its Receivables against the Receivables of the Policyholder.

Loss – property loss of the Policyholder caused by the non-payment to the Policyholder of all or part of the Receivables covered by the insurance protection as a result of an event specified in § 5 of the GTC.

Payment Term – term agreed between the Policyholder and the Counterparty within which the Counterparty is required to effect payment of the Receivables.

Policyholder – entrepreneur who has concluded an Insurance Agreement with KUKE S.A.

Agreement for Sale (export contract) – agreement for sale of goods or services concluded between the Policyholder and the Counterparty.

Insurance Agreement - contract under which the Policyholder has been issued insurance cover under the terms and conditions laid down in these GTC, the Specific Terms and Conditions, and the Limit Decision or KUKE GAP Ex Limit Information.

Deductible – portion of the Loss, expressed as a percentage, by which the indemnity is reduced.

Specific Terms and Conditions – document confirming the conclusion of an Insurance Agreement between the Policyholder and the Insurer. The Specific Terms and Conditions may contain additional or different terms to these GTC.

§2 Objective of the Insurance Agreement

KUKE GAP Ex and KUKE GAP Ex+ insurance addresses the problems of exporters relating to the lack of financial liquidity in times of an economic crisis. The insurance is aimed at enabling domestic entrepreneurs to maintain or increase sales to Counterparties from Member States of the European Union and the United Kingdom, United States of America, Canada, Australia, Iceland, Japan, New Zealand, Norway, and Switzerland.

KUKE GAP Ex insurance enables a supplementary credit limit to be obtained when the Basic Limit fails to provide optimum insurance cover for export sales carried out with the Counterparty.

KUKE GAP Ex+ insurance enables a credit limit to be obtained for a Counterparty in the situation when the Basic Limit was closed or the insurance undertaking refused to grant a Basic Limit.

§3 The relation between the KUKE GAP Ex Limit with the Basic Insurance Agreement

1. The Policyholder is required to observe the Insurance Agreement contractual terms and conditions.
2. The insurance cover under the Insurance Agreement does not arise if the insurance cover in relation to the Receivables from a given Counterparty would be excluded in accordance with the terms of the Basic Insurance Agreement, subject to § 7.5.
3. The Receivables are covered by insurance protection under the KUKE GAP Ex Limit as at the date when they arise, subject to § 4.4 and § 7.4, after the exhaustion of the protection under the Basic Insurance Agreement and the excess limits applicable to the Counterparty at the Primary Insurer within other insurance products.

4. In the event of having or intending to conclude an additional Insurance Agreement for the Receivables from the Counterparty with an insurance undertaking other than the Primary Insurer, KUKE S.A. must be notified of this fact and the rules concerning the exercise of rights and responsibilities under the Insurance Agreements constituting the grounds for the applicable insurance protection must be agreed.

§4 Subject of Insurance

1. The insurance protection covers Receivables fulfilling the conditions of the Insurance Agreement.
2. Under these GTC, KUKE S.A. provides insurance cover to Receivables under Agreements of Sale that cumulatively fulfil the following conditions:
 - 1) Concern the Delivery of Goods/Services;
 - 2) Arose during the period of validity of the Credit Limit;
 - 3) Have been confirmed by a correctly issued invoice the payment of which was expressed in the currencies specified in Table A Average Exchange Rates Table of the National Bank of Poland or in Polish zloty;
 - 4) Are not Disputed, unless the claims have been acknowledged by the Counterparty or the Policyholder has submitted a final judgement of a court or arbitrator's final decision ordering the payment of the Receivable;
 - 5) Are payable under a Trade Credit whose term does not exceed the maximum Trade Credit Term;
 - 6) For which the Credit Limit was not exceeded, subject to paragraph 4.
3. The insurance protection also covers the Receivables due to the Policyholder from the Counterparty and transferred to the account of a third party if:
 - 1) In relation to the KUKE Gap Ex Limit – a reassignment of the claims to the Insurer was performed before the notification of the Claim mentioned in § 18.1 of the GTC;
 - 2) For the KUKE Gap Ex+ Limit – a reassignment of the receivables to the Policyholder was performed before the notification of the Claim mentioned in § 18.1 of the GTC or before the initiation of pro-

ceedings before the court, according to the instructions of the Insurer, however, in the absence of the reassignment of the receivables as at the day of submission of the request for recovery, the Policyholder is required to be empowered to act on behalf of the current creditor of the Receivables;

or

- 3) KUKE S.A. has given consent to the insurance of Receivables to the account of a third party before their transfer.

4. The insurance protection covers Receivables meeting the conditions of the Insurance Agreement in the order that they arise, up to the amount of the Credit Limit for the given Counterparty. Receivables exceeding the Credit Limit are covered by insurance protection in place of the paid Receivables, provided that the Receivable exceeding the Credit Limit meets the conditions of the Insurance Agreement and only up to the amount of the Credit Limit applicable on the day that they arose.
5. The insurance protection under the Credit Limit expires at the latest at the end of the 180th day from the date of removal of the country where the Counterparty is established or is resident from the List of Countries temporarily recognised as non-marketable.

§5 Events covered under the insurance

1. The insurance protection under the KUKE GAP Ex Limit covers the risk of non-payment of all or a part of the Receivables as a result of the events specified in the Basic Insurance Agreement provided that such events fall within the catalogue of political and commercial risk events specified in paragraph 2, except for the provisions relating to the underwriter or guarantor.
2. The insurance protection under the KUKE GAP Ex+ Limit covers the risk of not receiving all or a part of the Receivables resulting from the following events:
 - 1) Legal or de facto declaration of insolvency of the Counterparty, excluding a Public Counterparty and their underwriter or guarantor, if there are any;
 - 2) Delay in performance by the Counterparty or their underwriter or guarantor, if there are any;
 - 3) Measures or decisions of a third country other than the Republic of Poland, undertaken by the govern-



ment or other state body of the third country regarded as a government intervention, rendering impossible the completion of the Agreement for Sale;

- 4) Announcement of a general payment moratorium by the government of the Counterparty's country or a country that participates in making payments concerning the Agreement for Sale;
- 5) Inability or delay in transferring payments due from an Agreement for Sale as a result of political events, economic difficulties, legal regulations or administrative decisions which occurred or were undertaken outside the borders of the Republic of Poland;
- 6) Adoption of legal regulations in the Counterparty's country pursuant to which payments completed by the Counterparty in local currency release the Counterparty from debt regardless of the fact that as a result of exchange rate fluctuations such payments completed by the Counterparty—after calculation to the currency of the Agreement for Sale—are insufficient for the Counterparty to fully meet the payment obligations as at the day of payment;
- 7) Measures or decisions taken by the government of the Republic of Poland or the European Union concerning trade between Member States and third countries, such as a ban on transports, given that the consequences of such measures and decisions render it impossible for the Agreement for Sale to be completed and were not compensated in any other form by the given government;
- 8) Force majeure occurring outside the borders of the Republic of Poland particularly including the following events and their consequences: war, civil war, uprising, revolution, riots, protracted mass strikes, earthquakes, volcano eruptions, cyclones, typhoons, floods, sudden tidal waves, fires of catastrophic dimensions, nuclear accidents, piracy at sea, and pandemic.

§6 Extension of the Payment Term of the Receivables

1. The Policyholder with a KUKE GAP Ex Limit may, without the consent of KUKE S.A., extend the Payment Term set originally for the Counterparty in relation to every Receivable, provided that it is consistent with the Basic Insurance Agreement.

2. The Policyholder with a KUKE GAP Ex+ Limit may, without the consent of KUKE S.A., extend the Payment Term set originally for the Counterparty in relation to every Receivable, provided that the following conditions have cumulatively been met:

- 1) The originally set Payment Term for the Receivable in question has not yet occurred;
- 2) The extension of the Payment Term has been performed in writing, electronic or document form;
- 3) The total Trade Credit Period granted to the Counterparty after the extension does not exceed the maximum Trade Credit Period specified in the Specific Terms and Conditions or the Limit Decision;
- 4) The Counterparty is not in arrears with payments of any other Receivables in relation to the Policyholder (covered or not covered by the insurance protection) for longer than 30 days;
- 5) The Counterparty has not been declared legally insolvent, referred to in §5.2.1 of the GTC.

§7 Exclusions and limitations of insurance coverage and the liability of KUKE S.A.

1. The insurance cover does not include the following Receivables:
 - 1) Incidental receivables, including interest for default, compensation for delay and contractual penalties;
 - 2) Receivables resulting from foreign exchange differences;
 - 3) Receivables resulting from bank transfer charges;
 - 4) Receivables payable under irrevocable letters of credit and confirmed by a bank with its seat in the Republic of Poland;
 - 5) Receivables payable before the Delivery of the Goods/Services (advance payment) or on the day of issue of an invoice;
 - 6) Whose Payment Term has been extended in breach of § 6.1 or 2 of the GTC;
 and additionally:
 - 7) In the case of a KUKE GAP Ex+ Limit – Receivables in relation to which the Policyholder has not submitted a request for recovery within the term stipulated in § 14.1.1(a) of the GTC;

- 8) In the case of a KUKE GAP Ex Limit – Receivables in relation to which the Policyholder has failed to fulfil the obligations incumbent on it resulting from the Basic Insurance Agreement.
2. The liability of KUKE S.A. is excluded in respect of:
 - 1) A breach or non-performance by the Policyholder or Counterparty of the provisions of the law, decisions and regulations of government or administrative bodies concerning foreign trade or foreign exchange transactions binding in the Policyholder's country;
 - 2) A waiver of claims by the Policyholder, without the consent of KUKE S.A., in relation to the Counterparty, their underwriter or guarantor, if there are any, or any formal defects in the contractual documentation as a fault of the Policyholder, rendering it impossible to pursue these claims or transfer them to KUKE S.A.;
 - 3) In the event that the payment collateral required by KUKE S.A. losing its validity within 120 days of the Term of Payment or turning out to be ineffective for reasons resting with the Policyholder;
 - 4) In the event of the Policyholder failing to provide all the information known to them about which KUKE S.A. enquired before the conclusion of the Insurance Agreement or misrepresented them.
 3. The liability of KUKE S.A. within the KUKE GAP Ex Limit does not arise also when the Primary Insurer refused to indemnify or indemnified on a discretionary basis or in accordance with the principles of equity, despite the lack of grounds for the payment in compliance with the Basic Insurance Agreement.
 4. The liability of KUKE S.A. is excluded in relation to Receivables that on the date that they arose met the conditions to obtain insurance cover under the KUKE GAP Ex Limit, and then, as a result of the repayment of other Receivables, are within the Basic Limit and other excess limits.
 5. The liability of KUKE S.A. under the KUKE GAP Ex Limit does not cover the deductible of the Policyholder under the Basic Insurance Agreement and any amount failing to meet the terms and conditions of cover resulting from the Basic Insurance Agreement other than exceeding the Basic Limit.

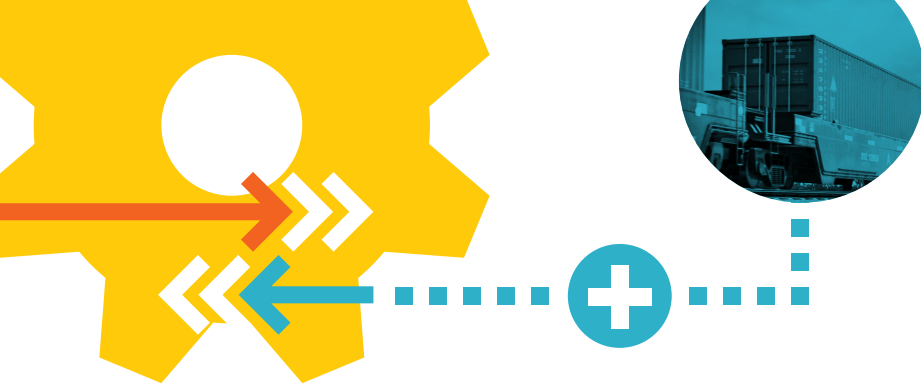
6. Establishing an additional limit to the Credit Limit by a different insurance undertaking requires the consent of KUKE S.A.

§8 Conclusion of Insurance Agreement

1. The Insurance Agreement is concluded in writing, electronic or document form based on an insurance application submitted by the Policyholder on an official KUKE S.A. form.
2. The Policyholder is required to present all the information required in the insurance application in accordance with the factual circumstances.
3. The Policyholder is required to maintain the confidentiality of all the information contained in the Limit Decision or in the Information on the KUKE GAP Ex Limit.

§9 KUKE GAP EX

1. The KUKE GAP Ex Limit application for a given Counterparty may be submitted by a Policyholder who has a Basic Limit.
2. The KUKE GAP Ex Limit for a given Counterparty throughout the duration of the Insurance Agreement cannot exceed the lower of the following amounts:
 - 1) Basic Limit or
 - 2) PLN 5,000,000 (five million zloty)
 or an amount constituting its equivalent in a foreign currency after conversion in accordance with Table A Average Exchange Rates Table of the National Bank of Poland on the day preceding the Information on the KUKE GAP Ex Limit.
3. Once the KUKE GAP Ex Limit application has been received from the Policyholder, KUKE S.A. shall transmit the KUKE GAP Ex Limit Information to the Policyholder. KUKE S.A. reserves the right to refuse confirmation of a KUKE GAP Ex Limit.
4. The KUKE GAP Ex limit is expressed in the currency of the Basic Limit.
5. The maximum Trade Credit Period and the duration of the KUKE GAP Ex Limit correspond to the terms and conditions laid down for the Basic Limit and any amend-



ments thereto throughout the duration of the Insurance Agreement, subject to § 4.5 of the GTC.

6. At any time throughout the duration of the KUKE GAP Ex Limit, the Policyholder is entitled to request its increase, reduction or closure. Upon receipt from the Policyholder of a request for an increase, reduction or closure of the KUKE GAP Ex Limit, KUKE S.A. shall transmit the Information on the KUKE GAP Ex Limit to the Policyholder.
7. Within risk oversight, KUKE S.A. is entitled at any time to close or reduce the KUKE GAP Ex Limit, about which it shall inform the Policyholder in the Information on the KUKE GAP Ex Limit. The Information on the KUKE GAP Ex Limit shall apply from the day following the date of its transmission to the Policyholder in the manner specified in the Detailed Terms and Conditions.
8. Subject to § 4.5 of the GTC, the insurance cover under the KUKE GAP Ex Limit expires on the date of closure of the KUKE GAP Ex Limit or the termination or expiry of the Insurance Agreement, as well as on the date on which the Basic Limit ceased to apply or on the date of termination or expiry of the Basic Insurance Agreement, regardless of whether KUKE S.A. shall be notified of this.

§10 KUKE GAP EX+

1. The KUKE GAP Ex+ Limit application may be submitted by a Policyholder who was refused a Basic Limit for a Counterparty or the current Basic Limit applicable has been closed. The applicant is required to document the refusal to set or the closure of the Basic Limit.
2. The KUKE GAP Ex+ credit limit may be set for a Counterparty cumulatively fulfilling the following criteria:
 - a) Has been running their business for more than 2 years (on the date of the KUKE GAP EX+ Limit application);
 - b) There are no pending insolvency proceedings in relation to them.
3. The amount of the KUKE GAP Ex+ Limit is set in the amount indicated in the KUKE GAP Ex+ Limit application or in an amount different from the amount requested, up to an amount no higher than PLN 500,000 (five thousand zloty) or its equivalent in a foreign currency after conversion in accordance with Table A Average Exchange Rates Table of the National Bank of Poland on the day preceding the Limit Decision. KUKE S.A. has the right to refuse setting a KUKE GAP Ex+ Limit.
4. The period of validity of the KUKE GAP EX+ Limit is 90 days.
5. The maximum Trade Credit Period is provided for in the Specific Terms and Conditions or the Limit Decision.
6. KUKE S.A. may make the granting of protection under the KUKE GAP Ex+ Limit conditional on the fulfilment of additional conditions or on establishing security for the repayment of Receivables from the Counterparty.
7. If additional conditions of security have been established for the KUKE GAP Ex+ Limit, the liability of KUKE S.A. is dependent on these conditions being met, provided that:
 - 1) All security has been established in accordance with the provisions of the law, remain valid and cannot be ineffective for reasons attributable to the Policyholder;
 - 2) If the condition of the KUKE GAP Ex+ Limit was security in the form of a surety or guarantee, it must remain valid for at least 120 days from the expiry of the Payment Term, and the Policyholder makes its claims known to the guarantor/underwriter.
8. Within risk oversight, KUKE S.A. is entitled at any time to change the parameters of the KUKE GAP Ex+ Limit, in particular to lift or establish additional conditions.
9. Each subsequent Limit Decision changing the parameters or conditions of the KUKE GAP Ex+ Limit established earlier for a given Counterparty shall be replaced by the most recent Limit Decision and shall apply to the Receivables that arose from the date specified in the subsequent Limit Decision, subject to paragraph 10.
10. The Limit Decision concerning a reduction or closure of the KUKE GAP Ex+ Limit for a given Counterparty shall

apply from the day following the date of its transmission to the Policyholder in the manner specified in the Specific Terms and Conditions.

11. The balance of Receivables covered by insurance protection that arose up to the day of application of the current KUKE GAP Ex+ Limit shall reduce the amount of the KUKE GAP Ex+ Limit set by the subsequent Limit Decision.

§11 Currency of the Insurance Agreement

1. The currency of the Insurance Agreement is the Polish zloty.
2. The currency of the Insurance Agreement shall be applicable to all settlements resulting and relating to the Insurance Agreement.

§12 Insurance Premium

1. The Policyholder is required to pay an insurance premium to KUKE S.A. for each calendar month of availability of the Credit Limit for at least one day for a given Counterparty.
2. The insurance premium in respect of the Credit Limit is charged following the end of each calendar month and calculated based on the highest value of the Credit Limit applicable in a given month, applying the percentage rate specified in the Specific Terms and Conditions.
3. The insurance premium shall be payable by the Policyholder subject to a bill/invoice within the time limit specified in the Specific Terms and Conditions.
4. Should the Policyholder fail to execute the Delivery of Goods/Services to the Counterparty, the premium charged is not subject to reimbursement.
5. Should the premium not be paid by the agreed date, KUKE S.A. shall be entitled to give notice of termination of the Insurance Agreement with immediate effect and request payment of the premium for the period during which was it was held liable.

6. Payment of the insurance premium by the Policyholder does not prejudice the liability of KUKE S.A. This liability and its scope is determined by the Insurance Agreement.
7. In the case of a Credit Limit in a foreign currency, the premium is calculated in Polish zloty, applying Table A Average Exchange Rates Table of the National Bank of Poland applicable on the last day of the month preceding the month of issue of a bill/invoice by KUKE S.A.
8. KUKE S.A. may deduct from the compensation amount any unpaid insurance premiums that have fallen due by the date of the compensation pay-out.

§13 Obligations of the Policyholder under the KUKE GAP Ex Limit

The Policyholder who has been granted a KUKE GAP Ex Limit is obliged to undertake the following:

- 1) Comply with the terms and conditions of the Basic Insurance Agreement,
- 2) Notify KUKE S.A. of any changes concerning the Basic Limit, including relating to its increase, reduction, and closure, as well as about establishing or changing the additional conditions, including also pertaining to the termination or expiry of the Basic Insurance Agreement;
- 3) Timely notify the Primary Insurer of a request for recovery also containing the Receivables covered under the KUKE GAP Ex Limit and claims for compensation;
- 4) Take all actions to ensure payment is obtained relative to the Receivables covered by the Insurance Agreement, including legal action preventing the expiry of limitation periods for claims against the Counterparty, also in the period between the completion of recovery actions performed under the Basic Insurance Agreement and the notification of the Claim for payment of compensation under the Insurance Agreement.

§14 Procedure in the event of default by the Counterparty under the KUKE GAP Ex+ Limit

1. The Policyholder who has been granted a KUKE GAP Ex+ Limit:

- 1) In the event of failing to receive the Receivables from the Counterparty, not later than on the 60th day from the Payment Term of the most overdue Receivable covered under the insurance, is required to submit the following to KUKE S.A.:
 - a) The request for recovery covering all the unpaid Receivables that are due from the given Counterparty, which are covered and/or not covered under the insurance, including those in relation to which the Payment Term has not yet occurred;
 - b) A scan of a signed power of attorney to conduct the recovery proceedings granted to KUKE S.A., unless a general power of attorney to conduct the debt recovery proceedings has been granted by the Policyholder. Upon the request of KUKE S.A., The Policyholder is required to transmit the original copy of the power of attorney to KUKE S.A.,
- 2) After the notification of the request for recovery mentioned in paragraph 1.1(a), the Policyholder is required to undertake the following:
 - a) Agree with KUKE S.A. the conditions for possible further sales to the Counterparty (regardless of the payment form foreseen or its security);
 - b) Obtain the consent of KUKE S.A. for the conclusion of an agreement, arrangement or settlement concerning the insured Receivables;
 - c) Comply with the guidelines and instructions of KUKE S.A.;
 - d) Obtain the acceptance of KUKE S.A. with regard to the costs of legal proceedings and enforcement costs, as well as comply with instructions of KUKE S.A. pertaining to court proceedings;
 - e) Promptly (not later than within 7 days) transmit any information and documents concerning or directly or indirectly related to the recovery proceedings in progress;
 - f) Promptly (not later than within 7 days) report through the Extranet every payment or other

settlement of the Receivables included in the request for recovery.,

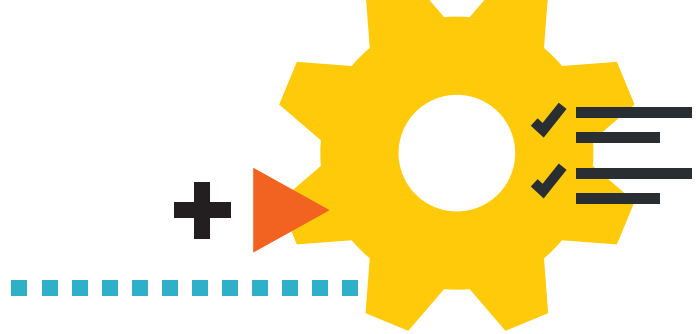
- 3) In the event of not receiving the payment of Receivables which are covered and/or not covered under the insurance, despite the passing of the Payment Term, before directing to KUKE S.A. a request for recovery, may express consent to the debt repayment schedule proposed by the Counterparty, provided that the Payment Term of the last instalment falls before the expiry of 60 days from the Payment Term of the most overdue outstanding Receivable.
2. Based on the request for recovery, KUKE S.A. conducts debt recovery proceedings which it may commission a third party to conduct or may consent to the Policyholder conducting the proceedings on their own or by an entity selected by the Policyholder. In the event of the recovery proceedings being conducted by the Policyholder or at its order, it shall be required to observe the instruction of KUKE S.A. and to inform KUKE S.A. of the progress of the proceedings on an ongoing basis.
3. In the event of the Policyholder breaching the obligations mentioned in paragraph 1.2(a)-(f), KUKE S.A. is entitled to refuse to pay the compensation or to limit its amount.
4. The debt recovery proceedings mentioned hereinabove are conducted solely and exclusively in relation to the Receivables that are not the subject of dispute.

§15 Upper limit of liability

The upper limit of liability of KUKE S.A. constitutes the Credit Limit for the Counterparty, less the Deductible specified under § 16.1 of the GTC, subject to § 9.2 of the GTC (in the case of KUKE GAP Ex).

§16 Deductible

1. The deductible amounts to:
 - 1) 5% for the KUKE GAP Ex Limit,
 - 2) 10% for the KUKE GAP Ex+ Limit.
2. The deductible cannot be insured with any other insurance undertaking.



§17 Loss

1. Under the KUKE GAP Ex Limit, the day of Loss occurrence will be considered the date of payment of compensation under the Basic Insurance Agreement not earlier than 90 days following the date of expiry of the Payment Term.
2. Under the KUKE GAP Ex+ Limit:
 - 1) in the event of a legally declared insolvency of the Counterparty not a Public Counterparty and their underwriter or guarantor, if there are any, and are private entities, it shall be deemed that the Loss arises on the day of the legal declaration of insolvency;
 - 2) In the event of a de facto insolvency of the Counterparty who is not a Public Counterparty and an underwriter or guarantor, if there are any, and are private entities, it is deemed that the Loss arises on the day of the de facto declaration of insolvency by KUKE S.A. on the basis of reliable information on the financial situation of the Counterparty;
 - 3) In the event of delay in payment of Receivables by a Counterparty who is not a Public Counterparty or an underwriter or guarantor, if there are any, and are not public entities, it is deemed that the Loss arises 60 days from the day on which KUKE S.A. received the request for recovery mentioned in § 14.1.1(a) of the GTC;
 - 4) In the event of a delay in payment of the Receivables by the Public Counterparty or underwriter or guarantor, if there are any, and are public entities, and in the occurrence of the events mentioned in § 5.2.3-8 of the GTC, the Loss shall be considered to have occurred within a term of 90 days from the day when KUKE S.A. received the request for recovery mentioned in § 14.1.1(a) of the GTC,,

but in any case not earlier than 90 days from the expiry of the Payment Term.

§18 Claim for Compensation

1. The Policyholder submits a Claim for Compensation on a KUKE S.A. form within a term of 30 days from the date of the Loss occurrence established in accordance with § 17 of the GTC. The submitted Claim for Compensation must be complete and documented.
2. KUKE S.A. acknowledges receipt of the Claim for Compensation to the Policyholder within a term of 7 days from its expiry and specifies the information and documents necessary to establish the liability of KUKE S.A. and the amount of compensation.
3. The Policyholder shall provide KUKE S.A. with all the information and present documents and any other evidence necessary to ascertain the circumstances of the occurrence of the event covered under the Claim for Compensation and the amount of the Loss.
4. Submitting the Claim for Compensation under the Credit Limit, the Policyholder is required to provide the following:
 - 1) Copies/scans of invoices in respect of Receivables covered by insurance protection and confirmation of Delivery of Goods/Services and other documents specified by KUKE S.A. in the form mentioned in paragraph 1;
 - 2) The account history of the Counterparty constituting an analytical history of accounting records in the computer system of the Policyholder, on all accounts of the Counterparty maintained by the Policyholder which, apart from the name of the Counterparty and the specification of the period that it concerns, should contain (in the currency in which the settlements with the Counterparty are conducted and in the currency of the Insurance Agreement):
 - a) The opening balance with the specification of the specific items (Receivables and liabilities), i.e., the dates when they arose, the Payment Term and the amounts, on the day preceding:
 - i. In the case of the KUKE GAP Ex Limit, the date of receipt of the compensation under the Basic Insurance Agreement;
 - ii. In the case of the KUKE GAP Ex+ Limit, the date of Delivery of Goods/Services concerning the oldest (issued earliest) unpaid invoice in respect of Receivables covered under the insurance or notified in the request for recovery mentioned in § 14.1.1(a) of the GTC,
 - b) All Receivables covered and/or not covered under the insurance that arose after the date of the opening balance, stating the dates when they arose, their Payment Term, and amounts;

- c) All liabilities, payments and settlements after the aforementioned day of opening balance, with allocation to particular Receivables mentioned in (a) and (b), specifying the amounts and payment terms, i.e., respectively: the maturity of the obligation, the completion of payment or settlement, and in the case of the KUKE GAP Ex Limit, also taking into account the settlement of compensation under the Basic Insurance Agreement;
 - d) The final balance valid as at the day of the print-out, and in the case of the KUKE GAP Ex Limit, also taking into account the compensation under the insurance agreement.
5. Submitting a Claim for Compensation under the KUKE GAP Ex Credit Limit, the Policyholder is required to additionally provide the following:
 - 1) The history of the Basic Limit;
 - 2) The compensation pay-out decision under the Basic Insurance Agreement and the statement confirming the Policyholder's bank account has been credited with the compensation;
 - 3) A copy of the request for recovery under the Basic Limit and information on its progress;
 - 4) A copy of the Basic Insurance Agreement in the scope necessary to ascertain the liability of KUKE S.A.;
 - 5) At the request of KUKE S.A.: - The history of the Counterparty's account for other periods than those specified in paragraph 4.2 as at the opening balance day required by KUKE S.A. (not longer than that presented to the Primary Insurer who paid out the compensation under the Basic Insurance Agreement).
 6. Submitting a Claim for Compensation under the KUKE GAP Ex+ Limit, in the event the Limit Decision providing for additional conditions for it to be valid, KUKE S.A. may require the history of the Counterparty's account for other periods than those specified in paragraph 4.2, specifying the required opening balance day.
 7. The history of the Counterparty's account mentioned in paragraph 4.2 is presented by the Policyholder in the form of an xls file. In duly justified cases, KUKE S.A. may require the presentation of the history of the Counterparty's account, certified to be a true copy of the accounting records of the Policyholder.

§19 Determination of the Loss amount

1. The amount of the Loss shall be the amount of Receivables covered by insurance protection and not paid by the Counterparty, determined on the following basis:
 - 1) Through the loss account on the basis of the history of the Counterparty's account mentioned in § 18.4-7 of the GTC;
 - 2) Irrespective of the manner in which the Policyholder includes the amounts paid by the Counterparty in the accounting ledgers;
 - 3) Irrespective of any arrangements between the Policyholder and the Counterparty:
 - a) In the case of the KUKE GAP Ex Limit, subject to the provisions of paragraph 4-6 hereinbelow;
 - b) In the case of the KUKE GAP Ex+ Limit, subject to the provisions of paragraph 7 and 8 hereinbelow
2. The Loss amount is determined in chronological order of payment terms, starting from the oldest Receivables.
3. The amount of compensation is the amount of Loss determined pursuant to paragraph 1 and 2, up to the maximum of the Credit Limit applicable and binding on the date that the Receivable arose, less the appropriate Deductible specified in § 16.1 of the GTC.

KUKE GAP Ex

4. The loss account mentioned in paragraph 1, on the debit side includes the amount of the balance remaining after receipt of the compensation under the Basic Insurance Agreement, also under the excess limit, if there is any, constituting the sum of the Receivables still due to the Policyholder from the Counterparty and the Receivables that the Policyholder renounced with the consent of KUKE S.A.
5. The loss account mentioned in paragraph 1, on the credit side, includes:
 - 1) Any payments completed by the Counterparty or third parties after the receipt of the compensation under the Basic Insurance Agreement, including the amounts redeemed by deduction;

- 2) Overpayments and the liabilities of the Policyholder due to the Counterparty that remain outstanding up to the day of payment of the compensation;
 - 3) Payments completed by the underwriter or guarantor, if there are any, or amounts obtained from the execution of other security or other property rights;
 - 4) Payments made in respect of the Delivery of Goods/ Services following a final decision of the court in the scope of the legal declaration of insolvency of the Counterparty;
 - 5) Unsettled or completed following the receipt of compensation under the Basic Insurance Agreement, corrections, discounts, rebates and reductions concerning outstanding invoices,
 - 6) Unsettled or completed following the receipt of compensation under the Basic Insurance Agreement, corrections, discounts, rebates and reductions concerning outstanding invoices.
6. The amounts specified in:
- 1) Paragraph 5.1-3 and 6 are recognised in chronological order, starting from the oldest Receivables constituting the balance mentioned in paragraph 4;
 - 2) Paragraph 5.4 are recognised pursuant to the entries in the history of the Counterparty's account;
 - 3) Paragraph 5.5 are appropriately deducted from the relevant invoiced amounts that they concern.

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7. The loss account mentioned in paragraph 1, on the debit side includes the sum of all the Receivables due to the Policyholder from the Counterparty and recognised in the history of the Counterparty's account and the Receivables that the Policyholder has renounced with the consent of KUKE S.A.
8. The loss account mentioned in paragraph 1, on the credit side, includes:
 - 1) Payments completed by the Counterparty or third parties and amounts received before the date of receiving the request for recovery that are recognised pursuant to the records in the history of the Counterparty's account;
 - 2) Any completed payments, including amounts redeemed by deduction, performed by the Coun-

terparty or third parties from the date of receipt by KUKE S.A. of the request for recovery until the day of payment of compensation, overpayment and the liabilities of the Policyholder due to the Counterparty that remain unsettled as at the day of submitting the request for recovery, corrections to settled invoices, discounts, rebates and reductions on the prices of the sold goods/services, granted to the Counterparty without the consent of KUKE S.A., counted towards the oldest outstanding Receivables covered or not covered by the insurance protection, included in the request for recovery, subject to (a)-(f) hereinbelow:

- a) Payments completed by the underwriter or guarantor or amounts obtained from the performance of other security that were the condition for the validity of the KUKE GAP Ex+ Limit are applied towards the oldest outstanding Receivables covered by insurance protection, included in the request for recovery;
- b) The amounts obtained under the exercise of acquired rights, guarantees, deposits, security or other property rights that were not the condition for the validity of the KUKE GAP Ex+ Limit are applied pursuant to the entries in the history of the Counterparty's account;
- c) Amounts obtained following the receipt of a final court decision and acceptance by KUKE S.A., pursuant to § 14.1.2(d) of the GTC, are counted towards the costs of enforcement proceedings, court proceedings, Receivable, and then towards interest, provided that the recovery costs were not settled separately with KUKE S.A.;
- d) Payments in respect of the Delivery of Goods/ Services following a final decision of the court in the scope of the legal declaration of insolvency of the Counterparty are recognised pursuant to the records in the history of the Counterparty's account;
- e) Payments completed in connection with the continuation of sales following the submission of a request for recovery and having obtained the consent of KUKE S.A. are recognised pursuant to the conditions of consent of KUKE S.A., provided the terms and conditions of such consent have been respected;



- f) Corrections, discounts, rebates and reductions concerning outstanding invoices decrease accordingly the amounts on the invoices that they concern.

§20 Conditions for the payment of compensation

1. KUKE S.A. shall pay compensation within 30 days from the date of receipt of the Claim for Compensation, provided that it is complete and adequately documented.
2. Should it prove impossible to determine the liability of KUKE S.A. within the time limit specified above, KUKE S.A. shall notify the Policyholder of the reasons for its inability to pay out the compensation in full or in part, however, it shall pay the indisputable part of the compensation within the time limit specified in paragraph 1.
3. KUKE S.A. shall pay out the amount of compensation due within 14 days from the day on which it was possible to clarify with due diligence the circumstances mentioned in paragraph 2.
4. If the compensation is not due or is due in a different amount than specified in the Claim for Compensation, KUKE S.A. shall notify the Policyholder thereof, indicating the circumstance and the relevant legal basis.
5. With respect to disputed Receivables, KUKE S.A. shall pay compensation within 30 days from receiving the documented Claim for Compensation, subject to paragraph 2, which should include the following attachments:
 - 1) A court or arbitration ruling awarding the Policyholder all or part of the insured Receivable which may be enforced in the Counterparty's country, or
 - 2) A declaration of the Counterparty on the acceptance of the claim for the payment of the Receivable ending the Dispute, made in writing, dated and affixed with legible signatures of the persons representing the Counterparty together with documents confirming the powers of the persons making the statement on its behalf.

§21 Subrogation and recourse proceedings

1. In the moment of payment of the compensation, the claims of the Policyholder in relation to the Counterparty, their underwriter or guarantor, if there are any, shall be transferred to KUKE S.A. up to the amount of the compensation paid.
2. The proceedings related to debt recovery following the payment of the compensation are carried out by:
 - 1) KUKE S.A. – with respect to the amount of compensation paid (Recourse Proceedings);
 - 2) The Policyholder – to the remaining extent.
3. In compliance with the instruction of KUKE S.A., the Policyholder is required to confirm the transfer of rights to the claims mentioned in paragraph 1 to KUKE S.A.
4. In justified cases, when the participation of the Policyholder is required as a party to the Agreement for Sale pursuant to the provisions of the law of the country of the Counterparty or others applicable to recourse proceedings, KUKE S.A., in agreement with the Policyholder, shall commission the conduct of the recourse proceedings intended to recover all the Receivables from the Counterparty.
5. In the event of the Policyholder being commissioned to conduct the proceedings mentioned in paragraph 4, the Policyholder:
 - 1) Shall follow the instruction of KUKE S.A. and inform KUKE S.A. about the course of the proceedings;
 - 2) Shall obtain the acceptance of KUKE S.A. in the scope concerning securing of claims to a bankruptcy estate or decisions aimed at recovering the goods or Receivables, or also to agree on the procedure to be followed in the event of a proposed settlement or referral of claims to court;
 - 3) Shall not, without the consent of KUKE S.A., waive the rights and collaterals related to the insured Receivable, release the Counterparty or underwriter or guarantor, if there are any, from the debt in whole or in part, or cede or pledge the rights and conclude any settlement in this regard.

6. The Policyholder shall provide KUKE with all the documents concerning the Receivables for which the compensation was paid, which are required to recover the said Receivables from the Counterparty, their underwriter or guarantor, if there are any, and to transfer, in the form of an assignment of rights, endorsement or other required legal form, all the rights arising from the possession of material or personal collateral of the Receivables.
7. The conduct of recourse proceedings by KUKE S.A. does not release the Policyholder from the obligation to cooperate in the pursuit of claims against the Counterparty, their underwriter or guarantor, if there are any, and to follow the instruction of KUKE S.A. in this scope.

§22 The costs of recovery and recourse proceedings

1. KUKE S.A. does not conduct debt recovery proceedings under the KUKE GAP Ex Limit and does not cover the costs relating to its conduct.
2. The costs of recovery proceedings conducted before the payment of compensation under the KUKE GAP Ex+ Limit are incurred by:
 - 1) KUKE S.A. - with respect to Receivables covered by insurance protection;
 - 2) The Policyholder - with respect to Receivables not covered by insurance protection and in relation to activities that were undertaken without or contrary to the instruction of KUKE S.A, subject to paragraph 3.
3. In the event of a Dispute with the Counterparty, the Policyholder shall bear the costs of settling the Dispute, regardless of the moment when the Dispute arose.
4. The costs of the recourse proceedings shall be borne by:
 - 1) KUKE S.A. - in relation to the amount of compensation paid out;
 - 2) The Policyholder – to the remaining extent.
5. The reimbursement of the costs of the proceedings to the Policyholder (in net amounts), mentioned in paragraph 2 and 4 shall be based on evidence that they have been incurred, up to the amount accepted by KUKE S.A.

6. The Policyholder shall be charged with the costs of the proceedings referred to in paragraph 2 and 4 on the basis of a bill/invoice issued by KUKE S.A.

§23 Amounts recovered after compensation has been paid

1. If, after the compensation has been paid, the recovery of Receivables is conducted separately by the Policyholder and KUKE S.A., each party shall first cover its own claims from the payments and amounts recovered. After they have been covered, subsequent payments and amounts obtained shall cover the other party's claims.
2. If, after the compensation has been paid, the Receivables are recovered jointly, then the Policyholder and KUKE S.A. share proportionally each payment made and amount recovered. The proportion is calculated as the share of the amount of the compensation paid in the balance of outstanding Receivables as at the date of payment of the compensation, subject to paragraph 3.
3. If, after the compensation has been paid out, the recovery of Receivables is conducted jointly, the amounts recovered following a final court order shall first cover the costs of the enforcement proceedings, the court proceedings and the Receivables in the proportion specified in paragraph 2, and then the interest, if such has been accounted for in the history of the Counterparty's account, provided the recovery costs have not been settled separately with KUKE S.A.
4. The transfer of the amounts specified in paragraph 1-3 shall be performed by the Policyholder or KUKE S.A. within 15 days counted from the date of their receipt, in the currency of the payments or after conversion in accordance with Table A Average Exchange Rates Table of the National Bank of Poland on the day the aforementioned amounts were received.

§24 Breach of obligations by the Policyholder

1. If the Policyholder, intentionally or through gross negligence, fails to fulfil its obligations under the Insurance

Agreement, KUKE S.A. shall be released from obligations related to claims for which the obligations of the Policyholder have not been fulfilled. If compensation was paid out earlier, KUKE S.A. shall have the right to demand its reimbursement.

2. If the Policyholder continuously fails to perform its obligations under the Insurance Agreement or refuses to perform them, KUKE S.A. shall have the right to call upon the Policyholder to perform this obligation. In the event of non-compliance within the time limit specified (not less than 14 days), KUKE S.A. shall be entitled to terminate the Insurance Agreement with immediate effect.
3. If the Sales Agreement was concluded as a result of bribery or other crimes of a similar nature, KUKE S.A. shall refuse to pay out the compensation, and if the compensation has already been paid out, it shall have the right to demand its reimbursement. Proof of committed acts of bribery or other crimes of a similar nature shall be a final conviction, a publicly accessible arbitral award or equivalent sanctions indicating that they have been committed at the time of concluding the Agreement for Sale.

§25 Inspection of Documents

1. The Policyholder shall, upon request of KUKE S.A. make available any information, ledgers, documents and any other materials to the persons authorized by KUKE S.A., and shall provide certified copies, extracts or translations of ledgers, opinions, information and any other documents and materials concerning or directly or indirectly relating to the Insurance Agreement, Agreement for Sale, the Counterparty or underwriter or guarantor, if there are any.
2. KUKE S.A. shall, upon the request of the Policyholder, provide the information and documents that have an impact on the determination of the liability of KUKE S.A. and the amount of compensation. Within the agreed time limit and in accordance with the agreed rules, the Policyholder shall have the right to inspect the claim files and make copies or photocopies of the documents at their own expense.

§26 Amendments to the Insurance Agreement

1. Any amendments to the Insurance Agreement shall be made in the form foreseen in the Detailed Terms and Conditions.
2. The following shall not constitute an amendment to the Insurance Agreement:
 - 1) Changes of details relating to the administrative and organisational support of the Insurance Agreement;
 - 2) Changes of the registry data (name or address) of the Policyholder;
 - 3) Changes resulting from the universal succession of the Policyholder.
3. KUKE S.A. shall update the data in the Insurance Agreement without the need to conclude annexes in the scope specified in paragraph 2.

§27 Withdrawal from and termination of the Insurance Agreement

1. The Policyholder is entitled to withdraw from the agreement within 7 days of the date of its conclusion.
2. Each party shall be entitled to renounce the Insurance Agreement with a 90-day period of notice of termination.
3. A withdrawal from the Insurance Agreement shall not release the Policyholder from the duty of completing payment of the premium for the term in which KUKE S.A. was liable.
4. Statements concerning the withdrawal from the Insurance Agreement or its termination shall be made in writing or in document form (electronic mail or letter scan) to the electronic mail address specified in the Detailed Terms and Conditions.

§28 Assignment of rights to compensation under the Insurance Agreement

1. The right to compensation under the Insurance Agreement may be transferred to a third party with the consent of KUKE S.A.



2. KUKE S.A. reserves the right to inform the assignee of any infringements of the Policyholder with regard to its obligations under the Insurance Agreement.
3. The assignment of rights to compensation shall not release the Policyholder from the obligations under the concluded Insurance Agreement.
4. The Policyholder shall inform the assignee of any amendments to the Insurance Agreement adopted after the execution of the assignment.

§29 Resolution of Disputes

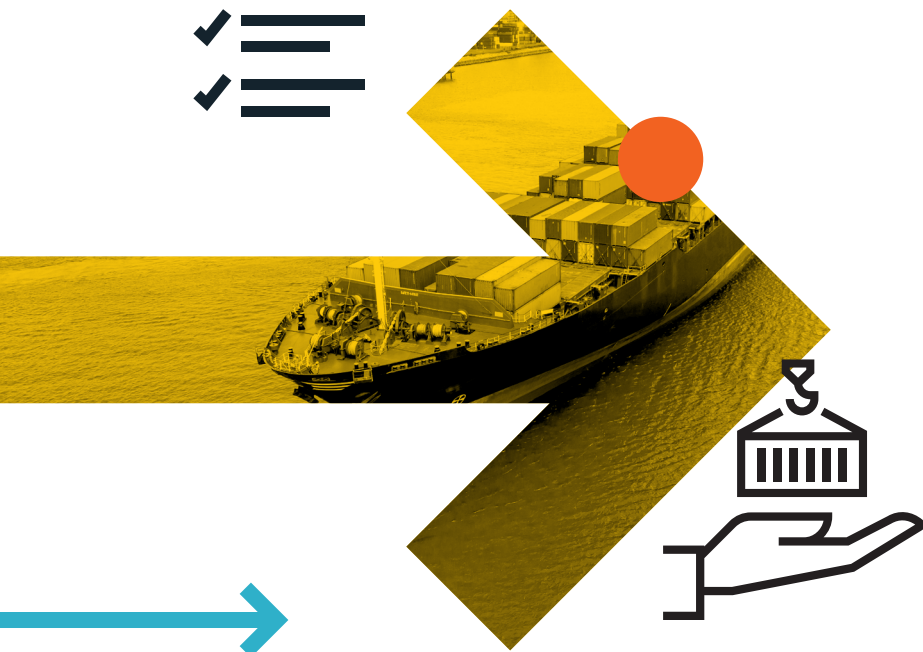
Any disputes related to the Insurance Agreement concluded on the basis of the GTC shall be settled by the competent court according to general rules.

§30 Legal basis

1. The legal basis of the Insurance Agreement are:
 - 1) The Civil Code Act of 23 April 1964 with the exception of Article 807 § 1 and 811;
 - 2) The Act on Export Insurance Backed by the State Treasury of 7 July 1994.
2. The provisions of the Acts mentioned in paragraph 1 shall be applicable in all matters not governed by the Insurance Agreement.
3. These General Terms and Conditions of the Treasury-Backed Insurance of Short-Term Receivables KUKE GAP Ex and KUKE GAP Ex+ have been adopted by Resolution of the Management Board of KUKE S.A. No. 4/2/IN/2020 of 11 May 2020 and are applicable to insurance agreements concluded as of 11 May 2020.

This is a translated version of the General Terms and Conditions. If, for any reason, there are discrepancies in the translation, the Polish language version shall prevail.

Finding solutions



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