

**General conditions of
insurance of short-term
export and domestic
receivables (OP)**

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Information on the provisions of the general conditions of insurance referred to in Article 17 of the Act of 11 September 2015 on insurance and reinsurance activities.	
Type of information	Division/subdivision no. in the General Conditions
Rationale for compensation payment	§ 1, § 2, § 3, § 6, § 11, § 12, § 15, § 16, § 17, § 18
Limitations and exclusions of liability of the insurance company providing entitlement to refuse to pay compensation or reduce it	§ 4, § 9. 3, § 12. 3, § 14. 1, § 14. 2, § 14. 3, § 14. 4, § 16. 6, § 16. 7, § 16. 8, § 16. 9, § 16. 10, § 18. 1, § 18. 3, § 23. 1, § 23. 3

Introduction:

In accordance with the provisions of these General Conditions, Korporacja Ubezpieczeń Kredytów Eksportowych Spółka Akcyjna hereinafter referred to as the Corporation undertakes to cover losses of the entrepreneur established on Polish territory, hereinafter referred to as the Policyholder, consisting in non-receipt of payment for export and / or domestic sales of goods or services if these losses are a direct consequence of the risks referred to in § 2, while the Policyholder undertakes to comply with the obligations set out in the insurance contract, meaning these General Conditions, specific conditions and decisions regarding the credit limit(s).

For the purposes of these General Conditions:

- export sales of goods and services means the sale related to the provision of services or export of goods outside the territory of the Polish Republic
- domestic sales of goods and services means the sale associated with the provision of services or supply of goods on the territory of the Polish Republic.

§1. Subject of insurance

The subject of insurance are undisputed amounts due enjoyed by the Policyholder from a foreign and / or domestic contractor, hereinafter referred to as the debtor in respect of contracts for the supply of goods or provision of services for which payment is realized in the short-term credit.

The term short-term credit is understood as a credit:

- less than two years in the case of export sales
- less than one year in the case of domestic sales.

§2. Insurance coverage

1. Insurance covers total or partial loss of receivables of the Policyholder specified in § 1, if the loss is the consequence of events defined as commercial risk. In the case of export sales insurance coverage also covers events defined as political risk.
2. The events that cause loss, defined as the commercial risk include:
 - 1) Legally ascertained insolvency of the debtor when:

- a) the debtor was declared bankrupt,
- b) the bankruptcy petition of the debtor was dismissed if the debtor's assets are not sufficient to cover the costs of bankruptcy proceedings or are only sufficient to cover these costs,
- c) the bankruptcy petition of the debtor was dismissed in the event that the debtor's assets are encumbered with a mortgage, pledge, registered pledge, treasury pledge or maritime mortgage to such an extent that the remaining assets of the debtor are not sufficient to cover the costs of the proceedings,
- d) the procedure was initiated for the approval of the composition, and then a decision was issued on its approval,
- e) accelerated composition proceedings were initiated,
- f) composition proceedings were initiated,
- g) remedial proceedings were initiated,
- h) enforcement proceedings initiated at the request of the Policyholder has not led to full satisfaction of its claim due to the absence of the debtor's assets,
- i) there are conditions that -according to the legal system of the debtor's country - are considered equivalent in terms of the consequences with the situation referred to in the preceding paragraphs.

2) Delay - delay in the fulfilment of payment obligations by the debtor, when the debtor failed to pay the whole or part of debt within 120 days from the date of receipt by the Corporation of the Policyholder's request for intervention, referred to in § 14.2, unless a dispute arises between the parties as referred to in § 14.9.

3. The events that cause loss, defined as the political risk include:

- 1) A decision of the debtor's country - issue or amendment to legal acts or decisions of the government or other state authority of the debtor's state or third country which participates in the execution of the contract, preventing the execution of the contract or provision of the services ordered.

- 2) Moratorium – announcement of a universal payment moratorium by the government of the debtor’s country.
- 3) Preventing the transfer of receivables – the inability or delay in the transfer of the debtor’s debt in the currency of the payment due to the political events or legal acts or decisions of the administrative authorities in the debtor’s state or third country which participates in the execution of the contract.
- 4) Legal provisions in the debtor’s country – the provisions recognizing the payments made by the debtor in local currency as sufficient to fulfil the obligations under the contract, regardless of the fact that as a result of changes in exchange rates, such payments when converted into the currency of the contract shall not compensate for the value of liabilities arising from the contract on the day of payment by the debtor.
- 5) Decisions in the country of the Policyholder – issuance of a law or a decision by the Government of the Republic of Poland regarding foreign trade, which prevent the execution of a contract or the provision of services ordered.
- 5) in the situation referred to in § 2.2 point 1f) – issuance of a final court decision on the opening of composition proceedings.
- 6) in the situation referred to in § 2.2 point 1g) – issuance of a final court decision on the opening of the remedial proceedings.
- 7) in the situation referred to in § 2.2 point 1h) – issuance of a final decision of the enforcement authority to discontinue enforcement, if enforcement proceedings failed to lead to a complete settlement of the Policyholder’s receivables due to lack of assets of the debtor allowing the satisfaction of these claims.
- 8) in the situation referred to in § 2.2 point 1i) – issuance of a final decision of the court, which – according to the legal system of the debtor’s country – is considered equivalent in terms of the consequences with the situation referred to in the preceding paragraphs.

2. In case of delay in the fulfilment of payment obligations by the debtor, it is believed that the damage arises within 120 days from the date of receipt by the Corporation of the Policyholder’s request for intervention, referred to in § 14.2, unless a dispute arises between the parties as referred to in § 14.9. In the event of such a dispute, the damage arises upon the presentation by the Policyholder to the Corporation of a court or arbitration judgement, adjudicating on its behalf all or part of the insured receivables and enforceable in the country of the debtor, and in the case of domestic sales – with a writ of execution issued thereon.

§3. Date of insurance event (occurrence of the damage)

1. In the case of legally ascertained insolvency of the debtor, it is assumed that the damage arises at the moment of:
 - 1) in the situation referred to in § 2.2 point 1a) – issuance of a final court decision declaring bankruptcy.
 - 2) in the situation referred to in § 2.2 point 1b) and § 2.2 point 1c) – issuance of a final court decision dismissing the debtor’s petition for bankruptcy for reasons specified § 2.2 point 1b) or in § 2.2 point 1c).
 - 3) in the situation referred to in § 2.2 point 1d) – issuance of a final court decision on the approval of the composition.
 - 4) in the situation referred to in § 2.2 point 1e) – issuance of a final court decision on the opening of accelerated composition proceedings.

3. Damage which is the consequence of the events listed in § 2.3 is covered by insurance only when these events took place within 30 days at the latest from the date of payment specified in the contract. Then, the damage occurs upon expiry of 120 days from the date of receipt by the Corporation of the Policyholder’s request for intervention, referred to in § 14.2.

§4. Exclusions and limitations of insurance coverage

Insurance coverage does not include:

- 1) damage not being a direct consequence of the risks mentioned in § 2,

- 2) losses caused by the violation or non-performance by the Policyholder of the terms of the insurance contract,
- 3) payments due from debtors, to which the Policyholder is the parent company or subsidiary,
- 4) in the case of domestic sales, payments due from the government and other entities, the bankruptcy of which could not be published in accordance with the laws in force in the Polish Republic,
- 5) incidental dues of the Policyholder (in particular liquidated damages and interest for delay and compensation for the delay)
- 6) losses from foreign exchange differences,
- 7) charges paid by irrevocable letters of credit confirmed by a bank established in the Republic of Poland,
- 8) charges paid before the release of the goods or performing services (prepayment),
- 9) losses resulting from:
 - a) failure, partial non-performance or improper performance of the contract by the Policyholder or its contractors (subcontractors),
 - b) breach or non-performance by the Policyholder or its contractors (subcontractors) of laws in force in the Polish Republic and the countries of implementation of the contract or payment,
 - c) breach or default by the debtor of laws, decisions and orders of state or administrative bodies concerning foreign trade or foreign exchange in the country of the debtor,
- 10) the cost of transfer of funds,
- 11) losses caused directly or indirectly by:
 - a) war, revolution, strikes or riots, natural disasters, in particular such as flood, earthquake, flooding by sea waves,
 - b) effects of nuclear energy or radioactivity,
 - c) events defined as political risk in the case of domestic sales,
 - d) or other events or activities than those mentioned in paragraphs a – c of the same extraordinary character.

§5. Deductible of the Policyholder

Policyholder's deductible is 15% of the amount of any claim approved by the Corporation, unless specified otherwise by the insurance contract.

§6. Liability of the Corporation

1. The upper limit of the Corporation's liability is credit limit(s) established for individual debtors, less deductible of the Policyholder.
2. The credit limit is the expected maximum amount of debtor's obligation to the Policyholder resulting from the terms of payment and delivery of goods or services for which the Corporation will pay compensation in accordance with the provisions of the insurance contract.
3. Liability of the Corporation commences on the date of dispatch of the goods or provision of service confirmed by an invoice entitling to payment, but not earlier than after establishing credit limit for the debtor, subject to payment on a specified date of the first premium instalment referred to in § 13. 1, 2.
4. Liability of the Corporation includes receivables for supply of goods or services that occurred during the period for which the insurance contract is concluded.
5. The period of the credit indicated in the decision on the credit limit is counted from the date of invoice entitling to receipt of payment.
6. Policyholder, without the prior consent of the Corporation, may extend the payment deadline for each amount due, provided that the total period of the credit referred to in paragraph 5, granted to the debtor after the extension does not exceed the period specified in the decision on the credit limit.

§7. Insurance of existing claims

1. If the date from which credit limit is valid is the same as the date of beginning of the first settlement period, the Corporation, at the request of the Policyholder, may additionally cover with insurance coverage the claims arising before that date, unless they are due on that day and subject to payment by a specified date of the first premium instalment.

2. In relation to the claims covered by the Corporation with an additional insurance coverage, the provisions of § 6.4 do not apply.
3. With the first reporting of realized turnover made in accordance with the provisions of § 12, the Policyholder is obliged to also notify to the Corporation the turnover realized before the start of the first settlement period, which, in accordance with paragraph 1 is covered by insurance and will be the basis for calculation of the insurance premium.

§8. The application for insurance contract

1. Conclusion of the insurance contract takes place on the basis of a written application submitted by the Policyholder in the form prescribed by the Corporation.
2. The Policyholder is obliged to report for insurance in the application all debtors, for which sales are made in the manner specified in § 1.
3. The Policyholder is obliged to disclose to the Corporation all the circumstances and facts relevant to the assessment of risk.
4. If data presented in the application are not sufficient for the assessment of risk, the Policyholder is obliged to complete it in a comprehensive manner, in accordance with the recommendations of the Corporation.
5. Based on the data and risk assessment, the Corporation shall determine the specific terms of insurance and present them to the Policyholder. Along with the specific terms, the Corporation sends the General Terms and Conditions. Specific terms of insurance not approved by the Policyholder will be the subject of further negotiations.
6. Immediately after coming to an agreement on all the specific terms and conditions of insurance, the Corporation shall prepare and serve the Policyholder an insurance contract.
7. The insurance contract shall be deemed concluded from the moment of its delivery to the Policyholder, subject to the provisions of paragraph 8.
8. If the insurance contract contains provisions deviating to the detriment of the Policyholder from an offer submitted by it in the application referred to

in paragraph 1, the Corporation shall point it out to the Policyholder in writing upon the delivery of the insurance contract, setting a 7-day deadline to lodge an objection. In the absence of an objection, the insurance contract shall come into effect in accordance with the content of the insurance contract on the next day after the deadline set for the submission of an objection.

9. In the event of the insurance contract coming into effect, the Policyholder is obliged to immediately send back the signed copy of the contract.

§9. The duration of the insurance contract

1. The insurance contract is concluded for a definite or indefinite period. The contract may be terminated not later than 30 days before the end of each settlement period. The settlement period is 12 months. The beginning of the first settlement period is specified in the insurance contract.
2. If the Policyholder fails to pay on time the insurance premium for the first settlement period, paid in a lump sum or the first instalment of the insurance premium paid in instalments, the insurance contract is terminated on the day following the expiry of premium / premium instalment payment and does not have any legal consequences for the parties, starting with the date of its conclusion.
3. If the premium is paid in instalments, failure to pay on time the next premium instalment may void the liability of the Corporation, if after the expiry of the term the Corporation called the Policyholder to pay under the pain of cessation of liability in the event of failure to pay within 7 days of the call.
4. The Policyholder may withdraw from the insurance contract within 7 days from the date of the contract, if the contract is concluded for a period longer than 6 months; withdrawal does not exempt the Policyholder from the obligation to pay the premium for the period in which the Corporation provided insurance coverage, as well as pay for the costs referred to in § 13.
5. The statements referred to in paragraphs 1, 3-4 are submitted to the other Party in writing.

§10. Credit limit

1. At the request of the Policyholder, following a risk assessment, the Corporation shall determine credit limits referred to in § 6. 1, 2 for individual debtors, in the currency of the contract or any other currency agreed with the Policyholder.
2. The limit determined by the Corporation is confidential.
3. The Corporation may determine the credit limit, making the Corporation's liability resulting thereof dependent on the possession by the Policyholder of the designated by the Corporation of security of repayment by the debtor, which this limit applies to.
4. During the insurance contract the Policyholder:
 - 1) is obliged to apply for coverage for contracts executed with debtors other than those listed in the application for insurance,
 - 2) may request an increase in the established credit limit,
 - 3) may apply for cancellation of the established credit limit.
5. Setting a new limit and increase or cancellation of established credit limits is possible after the submission by the Policyholder of a request in the form prescribed by the Corporation.

The decision on the credit limit is valid from the date of receipt by the Corporation of the request of the Policyholder.
6. The Corporation reserves the right to reduce or cancel a credit limit for individual debtors in the following cases:
 - 1) total or partial cessation of business by the debtor or a change in the profile of this business,
 - 2) legislative changes, changes in ownership or management structure of the debtor,
 - 3) deterioration in the financial condition of the debtor confirmed by the financial results,
 - 4) discontinuance by the debtor of disclosing financial data or sharing such data with delay, resulting in the inability to monitor the current financial condition of the debtor,
 - 5) the submission by the debtor or its creditors of a request for composition, remedial, restructuring or bankruptcy proceedings,
 - 6) cessation of timely payment by the debtor or its affiliates of liabilities to suppliers or other entities,
 - 7) debtor's relationship with the entities of the deteriorating financial condition or belonging to a group which is carrying out the restructuring or where bankruptcy or compositions with creditors occurred,
 - 8) obtaining by the Corporation of information concerning the debtor affecting previously made assessment of credit risk, as a result of which the credit limit has been set,
 - 9) exclusion of the debtor's country from the coverage,
 - 10) when due to the deterioration of the economic or political situation in the country of the debtor verification of a previous risk assessment is required,
 - 11) cessation of reporting by the Policyholder of turnover with the debtor for the last six months or if the value of turnover submitted for insurance is in the opinion of the Corporation inadequate to the amount of the fixed credit limit.
7. If the Corporation reduces or cancels a credit limit for a given debtor, the previous insurance coverage may exceptionally be maintained on the basis of the decision of the Corporation. The consent of the Corporation may only apply to shipments of goods or provision of services, which the Policyholder would make within three months from the date of the reduction or cancellation of the credit limit, if it is obliged to do so on the basis of contracts concluded with the debtor and if these contracts were concluded during the period of 6 months before the date of the reduction or cancellation of the credit limit, provided, however, that delays in payments shall not exceed 30 days.

§11. Unnamed debtor

The Corporation, at the request of the Policyholder, may cover with insurance the receivables from debtors, for which no credit limits are established in accordance with § 10.1 (unnamed debtors), pursuant to the principles set out in the specific terms.

§12. Current turnover reporting

1. The Policyholder agrees to submit to the Corporation for insurance all turnover realized under the terms of § 1 with debtors with established credit limits. The specific terms determine the dates and periods for which the turnover reporting occurs.
2. Claims due to the Policyholder from debtors for which the credit limits have been set at less than 50% of the limit applied, may be at the request of the Policyholder excluded from reporting for insurance.
3. Failure to comply with the obligations referred to in paragraph 1, in respect of the debtor results in loss of the right to insurance coverage for payments due from the debtor not reported for insurance.
4. Reporting turnover occurs on the basis of invoices, using the form established by the Corporation. Currency specified in the report must be consistent with the currency mentioned on the invoice. In the case of domestic sales turnover is reported including VAT.
5. The Policyholder may make an adjustment of turnover reported to the Corporation before the due date indicated in the invoice which is being corrected.

§13. Cost of insurance coverage

1. Premiums
 - 1) Premiums are calculated on the basis of turnover reported by the Policyholder, at the rate determined on the basis of the following criteria:
 - a) scope of insurance coverage,
 - b) turnover,
 - c) the period of the credit,
 - d) country and industry of the debtor,
 - e) the results of previous cooperation with the Policyholder.
 - 2) The rate of insurance is specified in the specific terms.

- 3) Payment of the premium by the Policyholder is without prejudice to the liability of the Corporation for the damage; emergence of this responsibility and its extent are determined by the terms of the insurance contract.
2. The minimum premium
 - 1) For each settlement period, the Policyholder is obliged to pay a minimum premium to the Corporation. The premium is payable in advance: as a lump sum or in instalments (quarterly or monthly).
 - 2) The premium is paid on the basis of receipts issued by the Corporation within 15 days from the date of receipt.
 3. Periodic settlements
 - 1) After the end of the settlement period, a comparison is made between the minimum premium and the sum of the premiums calculated at the rate referred to in the specific terms on the basis of turnover reported by the Policyholder.
 - 2) If the value of the premium calculated on the basis of reported turnover is higher than the minimum premium, the Policyholder is obliged to make payment in the amount of the difference resulting from the calculation, within 15 days from the date of issuing the settlement receipt by the Corporation.
 - 3) For the calculation of the premium, the Corporation applies the average exchange rate of the contract according to the exchange rate table of the National Polish Bank, published on the last day of each period for which turnover was reported.
 4. In case of termination of the insurance contract before expiry of the period for which it was concluded, the Policyholder is entitled to refund of premium for the unused coverage period.
 5. Cost of risk assessment and supervision
The Policyholder participates in the expenses related to the assessment of the situation and overseeing its debtors. The Corporation charges a fee for setting a credit limit and overseeing risk according to the tariff applicable on the day of analysis or verification thereof.

6. Fee for intervention

In the case of a request for intervention, referred to in § 14.2, the Policyholder is obliged to pay a fee for intervention according to the tariff in force on the date of filing a request for intervention; the fee is not included in the cost of debt collection proceedings referred to in § 21.

§14. Debt collection proceedings

1. During the term of the insurance contract the Policyholder shall immediately (no later than within three days of acknowledgement) provide the Corporation with any information received about the possibility of the occurrence of events specified in § 2.2, which may affect the delay or non-receipt by it of receivables insured under the contract.
2. The Policyholder should submit, after 30 days but not later than 60 days, counting from the date of payment provided for in the contract or extended under the conditions referred to in § 6.6, on a form prescribed by the Corporation, the request for intervention concerning any unpaid receivables covered by insurance, under penalty of loss of insurance coverage on the receivable.
3. In the request referred to in paragraph 2, the Policyholder is obliged to report all other receivables due from the debtor, including those in respect of which the payment deadline has not yet occurred, under penalty of loss of insurance coverage on the receivables.
4. In cases where all or part of the debt was not credited to the bank account of the Policyholder within 60 days from the date of payment specified in the contract or extended under the conditions referred to in § 6.6, the Policyholder is obliged to:
 - 1) stop the shipment of goods or performance of services (for receivables covered and not covered by insurance)
 - 2) take the necessary steps to obtain the receivables from the debtor, its guarantors or other third parties,
 - 3) obtain the prior approval of the Corporation in the event of:
 - a) concluding agreements, compositions or settlements concerning the insured receivables,

- b) waiver of its rights or collaterals associated with these receivables, or waiving them to third parties,
- c) entering into any agreements concerning the transfer of ownership of the goods.

5. Following the submission of the request referred to in paragraph 2, the Policyholder is obliged to:
 - 1) make available to the Corporation legal remedies for the realization of its rights against the debtor, including the establishment for the Corporation of the power of attorney to act in this regard on behalf of the Policyholder,
 - 2) comply with the findings and guidelines of the Corporation,
 - 3) provide any information, documents and materials relating to or having a direct or indirect connection with the debt collection proceedings.
6. After granting the Corporation the power of attorney referred to in paragraph 5.1, the Corporation is authorized to perform on behalf of the Policyholder all legal measures to dispose of receivables including the settlement, recognition of a claim, cancellation of debt, the possibility of an amicable settlement of the dispute with the debtor, and taking all measures deemed by it. In the event of not granting the power of attorney by the Policyholder, the Corporation is free from liability if the failure to undertake action increases the likelihood of damage.
7. The rights of the Corporation referred to in paragraph 6 also apply to claims (or parts thereof) of the Policyholder not insured if they arise or are related to receivables which are the subject of insurance.
8. The Corporation may order the Policyholder to conduct the debt collection proceedings or consent to conduct by the Policyholder of the proceedings on its own. If the debt collection proceedings are conducted by the Policyholder, it is obliged to comply with the guidelines of the Corporation and report on a regular basis about the course of the proceedings.
9. The Corporation does not conduct debt collection activities if a dispute arose between the parties. The term dispute should be understood as any dispute (judicial, non-judicial) between the Policyholder and the debtor, in particular on the maturity, fairness and

amount of unsatisfied claim of the Policyholder or the debtor's claim against the Policyholder. In this case, the Corporation shall not conduct debt collection proceedings until the recognition of claims by the debtor or the submission by the Policyholder of the court or arbitration decision awarding the insured receivable to the Policyholder and enforceable in the country of the debtor, and in the case of domestic sales bearing the writ of execution.

10. Each case of receipt by the Policyholder of the receivables referred to in paragraph 2, should be reported immediately to the Corporation, on a form prescribed by the Corporation.

§15. Registration and documentation of damage

1. In the event of damage covered by insurance, the Policyholder is obliged to make a claim for compensation on the form prescribed by the Corporation and provide the Corporation with all information and submit documents and other evidence necessary to determine the circumstances of the damage and its size, in particular:
 - 1) provide the data necessary to identify the claim,
 - 2) define and document the event, following which the damage occurred,
 - 3) list all of its rights, guarantees, deposits, bills, bonds and other securities of the object of transaction,
 - 4) present the progress of the transaction,
 - 5) indicate the applicable measures to prevent the occurrence of damage or reduce its size and the steps taken to protect the right of recourse,
 - 6) document the amount of reported claim in the currency of the contract broken down by the dates of maturity of receivables,

Part of a complete and documented filing of claims is the debtor's account history – analytical printout from the computer system of accounting records in the account of the debtor kept by the Policyholder. The history of the debtor's account includes all invoices for the period of 12 months, counting backwards from the date of the first unpaid invoice recognized in the request for intervention, referred to in § 14. 2, including the dates and amounts in currency and all payments with assignment to the individual invoices. The

statement should include the opening balance, information about the period concerned, the name of the debtor, and also bear the company seal and signature of the person entrusted with bookkeeping. In exceptional and justified cases, the Corporation may take into account the history of the debtor's account in a form other than a printout from the computer system.

2. The Corporation confirms to the Policyholder notification of a claim for compensation within 7 days of receipt and informs what documents are needed to determine compensation.

§16. Terms of compensation payment

1. Subject to paragraphs 2-4 and 6 the Corporation is obliged, after establishing the facts, the grounds for the claim for compensation and amount of compensation, to make payment thereof within 30 days from the date of receipt of the complete and documented compensation claim.
2. If the compensation claim submitted is incomplete or improperly documented, the Corporation shall request the Policyholder in writing or electronically to remedy the deficiencies. The Corporation shall pay compensation within 14 days from the date on which clarification of such circumstances was possible keeping due diligence.
3. If on the dates specified above, the Corporation fails to pay compensation, it shall notify the claimant in writing of the reasons for the inability to satisfy its claims in whole or in part, however, the indisputable part of the compensation shall be paid by the Corporation within the period provided for in paragraph 1.
4. If compensation is not payable or is due in an amount different than that specified in the claim, the Corporation shall notify the claimant in writing, indicating the circumstances and the legal basis justifying the refusal to pay the whole or part of compensation and instructing about the possibility of pursuing claims in court.
5. In the event of damage, referred to in § 3, the oldest claims are due each time, in chronological order of their maturity specified in the contract. If there is more than one harmful event, then for a given invoices

the event will be accepted, which, in relation to claims arising therefrom will be fulfilled first.

6. The dispute referred to in § 14.9 shall suspend the period referred to in paragraph 1 or 2. In this case, compensation must be paid within 30 days of the presentation by the Policyholder to the Corporation of a final court or arbitration judgment awarding the insured receivable to the Policyholder and enforceable in the country of the debtor, and in the case of domestic sales bearing the writ of execution.
7. If the debtor's obligations in relation to the Policyholder have been conditioned by finding additional collateral, the granting of compensation may be subject to the following conditions:
 - 1) collateral has been established in accordance with the legal provisions of the country of the debtor, and
 - 2) the Policyholder submitted, in an appropriate manner and within the time limits, its claim to the collateral holder.

In the event of holding the required collateral, the Policyholder without waiting for instructions of the Corporation should request the collateral holder to fulfil the obligations arising from the collateral and perform any further acts under this collateral.

8. Waiver by the Policyholder without the consent of the Corporation, of the receivables and its rights against the debtor or its guarantors for damages and the emergence by default of the Policyholder of formal defects in contractual documents, preventing redress relieves the Corporation from the obligation to pay compensation.
9. Compensation is also not payable if the claim includes receivables from transactions carried out after the Policyholder obtaining information about the occurrence of the damage or increase in the probability of its occurrence, unless, based on the request of the Policyholder the Corporation agreed to continue the insurance.
10. The Corporation may also refuse to pay compensation when payment collateral required by the Corporation expired or became ineffective for reasons attributable to the Policyholder.

11. The Corporation will provide the Policyholder or the beneficiary of the insurance contract, at their request, with information and documents, which were used to determine the circumstances of the loss, the liability of the Corporation and the amount of compensation. These persons (at the agreed time and in accordance with established principles) shall have the right to examine the claim and draw up at own expense the copies or photocopies of claim documents, where the manner of making the claim documentation available cannot be associated with excessive handicap for these persons.

§17. Loss account

1. In the event of damage, loss account shall be drawn up, based on the history of the debtor's account for the period specified by the Corporation.
2. Loss account on the debit side includes the amount of unpaid receivables.
3. Loss account on the credit side includes:
 - 1) payments made by the debtor, guarantors and third parties, set off against the receivables covered or not covered by insurance, including the amounts decommitted by set-off against the oldest debt payable, from the date of receipt by the Corporation of the request for intervention, referred to in § 14.2,
 - 2) amounts obtained from the implementation of the acquired rights, guarantees, deposits and securities or other property rights,
 - 3) any discounts and rebates granted to the debtor without the consent of the Corporation on the price of goods sold or services if they are not included on the invoices documenting receivables.
4. If the currency in which turnover was reported is different from the currency in which a credit limit has been set for the debtor, in determining loss account in order to determine the upper limit of liability of the Corporation, the invoice value expressed in a particular currency is equated to the value of the credit limit expressed in another currency using the average exchange rate table of the Polish National Bank published on the date of the invoice.

§18. Amount and payment of compensation

1. The basis of the amount of compensation is the amount calculated in accordance with § 17, but not more than the amount of credit limit less the deductible of the Policyholder.
2. Compensation calculated in accordance with § 17 and 18. 1, shall be paid in Polish zlotys using the average exchange rate of the contract according to the table of the Polish National Bank published on:
 - 1) the day of ascertainment of the insolvency of the debtor (§ 2.2 point 1)
 - 2) the next day after 120 days from the date of receipt by the Corporation of an the Policyholder's request for intervention in case of delay in the fulfilment of payment obligations by the debtor (§ 2.2 point 2),
 - 3) the occurrence of events giving rise to non-receipt of receivables from the debtor as defined in § 2. 3.
3. The maximum amount of compensation paid by the Corporation for the settlement period cannot exceed the multiple of premiums paid by the Policyholder due in the settlement period.
4. Multiple of the premiums referred to in paragraph 3, is defined in the specific terms.
5. If after the payment of compensation it turns out that it was unduly paid, the Policyholder is obliged to return it to the Corporation no later than 10 days from the date of the request.

§19. Subrogation

1. Upon payment of the compensation, all the debts and rights of the Policyholder from the debtor, its guarantors and third parties for the loss of receivables, for which compensation was paid shall be transferred to the Corporation up to the amount of compensation paid.
2. The Policyholder, after receiving all or part of the compensation is required to transfer the rights referred to in paragraph 1 within the time and in the determined by the Corporation.
3. The Policyholder is obliged to provide the Corporation with any information and documents, and perform

the tasks necessary for the effective enforcement of rights by the Corporation.

4. With regard to the part of the Policyholder's rights (claims) not covered by the compensation paid by the Corporation, § 14 paragraph 6 shall apply accordingly to the rights of the Corporation.

§20. Security of the rights associated with recourse

1. Recourse proceedings shall be conducted by the Corporation, subject to paragraph 2.
2. In special cases, the Corporation may delegate the conduct of recourse proceedings to the Policyholder.
3. The Policyholder is obliged to cooperate with the Corporation in its ongoing recourse proceedings, especially in securing claims to the bankruptcy estate or if the participation of the Policyholder as a party to the contract is required under the law of the country of the debtor.
4. In the cases referred to in paragraph 2, decisions of the Policyholder to secure claims to the bankruptcy estate or to recover the goods or receivables, or agreed procedures in the case of the proposed settlement or submission of claims for legal action shall be taken after consultation with the Corporation. The Policyholder in particular cannot – without the authorization of the Corporation – independently waiver its rights and guarantees relating to the insured receivable, relieve the debtor of the debt in full or in part, assign or pledge its rights and conclude a settlement in this regard as well as express consent to surrender to the decision of the court of arbitration.
5. Conducting the recourse proceedings by the Corporation does not relieve the Policyholder from the obligation to cooperate in pursuing claims against the debtor and follow the guidelines of the Corporation in this regard.

§21. Costs of debt collection and recourse proceedings

1. The Corporation covers the costs of debt collection proceedings against the insured portion of the receivable and the Policyholder covers the costs of debt collection proceedings concerning the uninsured portion of receivables. The costs of debt collection proceedings

incurred for the actions taken without the agreement or against the guidelines of the Corporation shall be borne by the Policyholder.

2. The costs of recourse proceedings shall be borne by the Corporation in proportion to the scope of damage coverage subject to paragraph. 1.
3. Costs related to the settlement of disputes, referred to in § 14.9 and § 16.6 as a whole are covered by the Policyholder.
4. In the cases referred to in § 14.8 and § 20.2, the decisions involving the incurring or increasing the costs of the proceedings may be taken only in consultation with the Corporation.

§22. Recovery of debts

1. Any amount recovered after the payment of compensation, received from the debtor, the persons liable to pay for the debtor due to granted security on property, as well as amounts received in respect of the implementation of other security on property, regardless of the account to which they will be credited, shall be divided between the Policyholder and the Corporation in proportion to the scope of damage coverage.
2. The transfer of the amounts referred to in paragraph 1 shall be made by the Policyholder or the Corporation within 15 days from the date of receipt thereof, using the average exchange rate of the currency of the contract according to the exchange rate table of the Polish National Bank published on the day of receipt of the above amounts.

§23. Breach of obligations by the Policyholder

1. If the Policyholder failed to fulfil its obligations under these General Terms and Conditions or if the information provided by it is untrue, the Corporation is free from liability in respect of the claims for which the obligations of the Policyholder have not been fulfilled, and in the case when the compensation was paid, has the right to demand its return.
2. If the Policyholder fails to fulfil obligations under the insurance contract, the Corporation calls for the enforcement of this obligation under the pain of ter-

mination of the contract with immediate effect in case of ineffective expiry of that period.

3. In the event of failure by the Policyholder to fulfil the obligations referred to in § 8.2 and § 10.4 point 1), the Corporation shall reduce the compensation calculated in accordance with § 18.1, in proportion to the uninsured turnover.
4. In the cases referred to in paragraph 1 and 2 the Corporation shall be entitled to the premium for the period of remaining in liability under insurance contract, not less than the minimum premium due for this period.
5. Expressed in days, the time provided for undertaking the actions which are the obligations of the Policyholder arising from these General Terms and Conditions, also applies to Saturdays and public holidays (Act of 18 January 1951 on non-working days). If the end date for implementation of the aforementioned actions falls on a public holiday, the time limit expires the next day. If these General Terms and Conditions determine the period to take actions which are the Policyholder's obligations, observance of the date is determined by the date of the postmark.

§24. Limitation of claims under the insurance contract

1. Claims under the insurance contract expire after three years.
2. The limitation period of the Policyholder's claim for damages towards the Corporation runs from the date on which this claim became due, i.e. from the date of the insured event specified in § 3.
3. Interruption of the limitation occurs also in the case of circumstances referred to in § 15.1. The period of limitation begins anew upon the submission by the Corporation of a statement of grant or refusal to grant compensation.

§25. Assignment of insurance contract

1. The right to compensation under an insurance contract cannot be transferred to a third party without the consent of the Corporation.
2. Assignment of rights to compensation from the insurance contract may be made only in favour of a single assignee.

3. The Corporation reserves the right to inform the assignee of any infringements of the Policyholder in respect of its obligations under the insurance contract.
4. Assignment of rights to compensation does not relieve the Policyholder of the obligations under the insurance contract.
5. The Policyholder is obliged to notify the assignee of any changes in the insurance contract adopted after the assignment.

§26. Reservations regarding the deductible

Part of receivables, in accordance with the provisions of § 5 and the specific terms forming the deductible of the Policyholder in the damage cannot be insured by any other insurance company.

§27. Inspection of documents

The Policyholder is obliged at any time, at the request of the Corporation, to make available to persons authorized by the Corporation any information, records, documents and other materials, as well as provide the Corporation with certified copies, extracts or translations of books, reviews, information, and other documents and materials relating to or having a direct or indirect relationship with the insurance contract, transaction or foreign debtor.

§28. Amendments

1. Any amendment to the terms of the insurance contract must be made in writing under pain of invalidity.
2. The Corporation may in the course of the insurance contract make changes to the General Terms and Conditions of Insurance notifying the Policyholder in writing and setting a thirty-day deadline to terminate the contract. After that deadline, it is assumed that the Policyholder has accepted the amendments to the General Terms and Conditions of Insurance introduced by the Corporation.
3. Specific terms may include the provisions additional to or different from those set forth in these General Terms and Conditions of Insurance.

§29. Resolution of disputes under the insurance contract

Any disputes related to the insurance contract shall be settled by the court of general jurisdiction or by the court of the place of establishment or residence of the Policyholder or the beneficiary of the insurance contract.

§30. Legal basis

1. The legal basis of the insurance contract is:
 - 1) Act of 23 April 1964 the Civil Code,
 - 2) Act of 11 September 2015 on insurance and reinsurance activities.
2. The matters not provided for in this contract shall be governed by laws referred to in paragraph 1.

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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.



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