



**General terms and conditions** for  
**State Treasury guaranteed insurance**  
of instruments provided for the financing  
of foreign direct investments



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## §1. Definitions

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**Debtor** – An investor utilising an Instrument to finance or refinance an Investment.

**Instrument** – An instrument issued to finance or refinance an Investment granted on the basis of the Financing Agreement.

**Investor** –

- 1) An entrepreneur domiciled or headquartered in the territory of the Republic of Poland, carrying out an Investment, including through a Subsidiary Company headquartered abroad;
- 2) A Subsidiary Company of the entrepreneur referred to in point 1, carrying out an Investment.

**Investment** – A direct investment outside the Republic of Poland, including, but not limited to:

- 1) Operating a Project Enterprise abroad (including a registered foreign branch or representative office, provided it has separate assets and equity recorded in the Investor's accounts) by the Investor;
- 2) Acquiring a foreign Project Enterprise or its organised part;
- 3) Providing capital contributions;
- 4) Granting subordinated loans by shareholders;
- 5) Carrying out a property development project;
- 6) Acquiring ownership or other rights to real estate and other fixed assets located in the Country of Investment in connection with the operation of a Project Enterprise abroad.

The Investment may also be carried out through a Consortium, provided that the Investor exercises control over the Investment under terms analogous to those defining control over a Project Enterprise.

**Consortium** – A consortium of entities, including the Investor, jointly carrying out an Investment.

**Additional Costs** – Costs incurred by the Insured before the payment of indemnity in connection with measures taken to avoid or reduce the Loss. Additional Costs include, but are not limited to, the costs of following KUKÉ's instructions, the costs of providing property insurance by the Insured if such coverage is not provided by the Debtor, the costs of legal proceedings, and other legal expenses, excluding costs related to establishing and maintaining Security, the costs of protesting a bill of exchange, or costs incurred to resolve disputes regarding the Insured's rights under the Financing Agreement.

**Country of Investment** – A country other than the Republic of Poland where the Investment has been or is being carried out.

**Lender** – A financing entity providing an Instrument or refinance an Investment under the Financing Agreement.

**KUKÉ** – Korporacja Ubezpieczeń Kredytów Eksportowych Spółka Akcyjna (Export Credit Insurance Corporation Joint Stock Company).

**Expenditures** – capital expenditures specified in the Insurance Agreement, incurred by the Investor in connection with the carried out Investment.

**Receivable** – Any monetary amount owed by the Debtor to the Lender under or in connection with the Financing Agreement.

**General Terms and Conditions** – These General terms and conditions for State Treasury guaranteed insurance of instruments provided for the financing of foreign direct investments.

**OECD Arrangement** – The Arrangement on Officially Supported Export Credits.

**Post-Indemnity Proceedings** – Proceedings conducted after the payment of indemnity, aimed at recovering the Receivable from the Debtor or Security Provider, or satisfying KUKÉ's and the Insured's claims in another way.

**Subsidiary Company** – An entrepreneur in relations to whom an entrepreneur domiciled or headquartered in the territory of the Republic of Poland:

- 1) Directly or indirectly holds the majority of votes at a shareholders' meeting or general meeting, including as a pledgee or user, or in the management board of a subsidiary being a capital company, including under agreements with other persons; or
- 2) Is entitled to appoint or dismiss the majority of the management board members of the said entrepreneur being a capital company or cooperative, including under agreements with other persons, or
- 3) Is entitled to appoint or dismiss the majority of the supervisory board of the said entrepreneur, including under agreements with other persons; or
- 4) Exercises control (directly, through its board members, or partners) over more than half of the board members of the said entrepreneur; or
- 5) Directly or indirectly holds the majority of voting rights in the said entrepreneur if it is a partnership, or at the general meeting of the said entrepreneur, if it is a dependent cooperative, including through agreements with other persons; or
- 6) Exerts a decisive influence over the operations of the said entrepreneur, if it is a capital company or a cooperative, particularly based on agreements providing for the management of the said entrepreneur or the transfer of profits by the said entrepreneur.

**Project Enterprise** – An enterprise defined in the Detailed Terms and Conditions, which either is or becomes a Subsidiary Company as a result of the Investment, responsible for implementing the Investment or within which the Investment is carried out.

**Indemnity Claim** – The Policyholder's request for payment of indemnity.

**Dispute** – A claim (judicial or extrajudicial) raised by the Debtor regarding the Policyholder's Receivables, in which the Debtor disputes the Policyholder's entitlement to the payment of Receivables, disputing particularly that the debt is due, disputes the fulfilment or proper performance of the Policyholder's obligations under the Financing Agreement, either in principle or in amount, or asserts unrecognised counterclaims or set-offs against the Policyholder's Receivables.

**Sum Insured** – The value of Receivables covered by the Insurance, as specified in the Detailed Terms and Conditions.

**Loss** – damage to the Policyholder's assets due to the Debtor's non-performance or improper performance of the Financing Agreement, provided the detriment is a normal, direct, and exclusive consequence of one or more Events Causing Loss.

**Policyholder** – An entity to which KUKI has provided State Treasury guaranteed insurance cover for the Receivables arising from an Instrument granted for the financing or refinancing of an Investment, hereinafter referred to as the **Insurance** or **Insurance Cover**.

**Insurance or Insurance Cover** – State Treasury-guaranteed insurance cover for Receivables arising in connection with the granted Instrument, provided under the Insurance Agreement.

**Financing Agreement** – An agreement or other instrument serving the purpose of financing or refinancing, in whole or in part, an Investment, covered by the Insurance under the Insurance Agreement. This includes, but is not limited to, bank loans granted by banks, as well as loans and other financing instruments specified in Article 1 item 2 point 1 of the Act, provided by other financing entities.

**Insurance Agreement** – An agreement under which Insurance Cover is provided to the Policyholder on the terms set out in these General Terms and Conditions and in the Detailed Terms and Conditions (including annexes).

**Act** – The Act on insurance guaranteed by the State Treasury of 7 July 1994 or any subsequent act amending or replacing this act, regulating the principles of conducting activities within the framework of the Polish state-supported insurance system.

**Detailed Terms and Conditions** – A document confirming the conclusion of the Insurance Agreement between the Policyholder and KUKI. The Detailed Terms and Conditions may include additional or differing provisions from these General Terms and Conditions. In the event of discrepancies between these General Terms and Conditions and the Detailed Terms and Conditions, the provisions of the Detailed Terms and Conditions shall prevail.

**Security Provider** – A surety, guarantor, or other entity providing Security.

**Security** – Personal or in rem security established to secure the Receivables or other obligations related to the Financing Agreement, specified in the Detailed Terms and Conditions as Security.

**Event Causing Loss** – An Event Causing Loss as defined in §6.

## §2. Purpose of the Insurance Agreement

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1. The purpose of Insurance of an Instrument granted for financing or refinancing an Investment is to enable the secure financing or refinancing by financing institutions of Investors in connection with Investments outside the borders of the Republic of Poland.
2. Under these General Terms and Conditions and the supplementary Detailed Terms and Conditions, KUKI undertakes to cover the Loss incurred by the Policyholder as a result of the non-performance or improper performance of the Financing Agreement by the Debtor or in connection with the financing or refinancing of an Investment, provided that the Loss is the normal, direct, and exclusive consequence of one of the Events Causing Loss.
3. The risk period equals the combined duration of the Instrument utilisation period and the repayment period of the Receivables.

## §3. Subject of the Insurance Cover

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1. The subject of the Insurance Cover are Receivables arising from the Financing Agreement concluded between the Creditor and the Debtor, under which the Creditor undertakes to provide funds to the Debtor for the purpose of financing or refinancing incurred or completed Expenditures or to otherwise secure financing or refinancing of Expenditures, and the Debtor, in turn, undertakes to repay the Instrument in accordance with the terms specified in the Financing Agreement.

2. The subject of the Insurance Cover may also include Receivables arising from the Financing Agreement intended to refinance another Instrument used for financing or refinancing an Investment.
3. The Financing Agreement and its basic parameters, including the parties to the said agreement and the amount of financing provided, are specified in the Detailed Terms and Conditions.
4. KUKE provides insurance for Instruments granted for the financing or refinancing of Investments with a repayment period of two years or more.
5. The maximum repayment period of Receivables covered by the Insurance must not exceed the repayment periods of receivables specified in the OECD Arrangement. This period excludes the utilisation period. For Instruments other than bank loans, these provisions apply accordingly.
6. The Insurance Cover is subject to the cumulative fulfilment of the following conditions:
  - 1) The Financing Agreement has been signed and entered into force;
  - 2) The Debtor and the Security Provider have obtained all permits (including permits for transferring funds) necessary to fulfil their obligations under the legal regulations in force in the Debtor's and Security Provider's country on the date the Financing Agreement enters into force, except for permits that may be obtained at a later date only.
7. The Insurance Cover may include:
  - 1) The principal amount owed to the Policyholder by the Debtor under the Instrument granted for the financing or refinancing of:
    - a) The Investment,
    - b) capitalised interest or fees accrued during the utilisation period of the Instrument,
    - c) the KUKE insurance premium,
    - d) other Receivables arising from the Financing Agreement, if specified in the Detailed Terms and Conditions;
  - 2) Interest on the principal Receivables, accruing on capital instalments until their due date, i.e., interest on non-due capital;
  - 3) Fees calculated on the outstanding balance of the Instrument in accordance with the repayment schedule for Receivables specified in the Detailed Terms and Conditions, i.e., on non-due capital.
8. The value of the Instrument intended for financing or refinancing the Investment cannot exceed the amount of the Expenditures.
9. Receivables covered by the Insurance are specified in the Detailed Terms and Conditions.
10. The Insurance Cover also includes the amounts specified in clause 13 and Additional Costs outlined in §18.
11. The Insurance Cover does not include:
  - 1) Default interest;
  - 2) Late payment interest;
  - 3) Interest on capital instalments after their due date, i.e., interest on due capital;
  - 4) Fees calculated on the outstanding balance of the Instrument after the due date of the relevant instalment, i.e., fees on due capital;
  - 5) Lost profits or other indirect damages incurred by the Policyholder, including amounts corresponding to penalties or damages paid to the Debtor, unless otherwise specified in the Insurance Agreement;
  - 6) Exchange rate differences.
12. The Insurance covers Losses incurred due to the non-payment of insured Receivables arising from the Financing Agreement, provided that such Losses are the result of Events Causing Loss.
13. If, as a result of a decision by the Government of the Republic of Poland or instructions issued by KUKE under §10, the Policyholder is unable to continue the performance of the Financing Agreement, they are additionally entitled to indemnity equivalent to the contractual penalty payable to the Debtor for terminating the Financing Agreement. In such cases, the limitation on the amount of Receivables mentioned in clauses 1 – 12 does not apply.
14. The subject of the Insurance may include Instruments where payments are denominated in currencies listed in Table A of the National Bank of Poland's average foreign exchange rates or in Polish zloty (PLN). If the Financing Agreement includes payments in foreign currencies (one or more), the Insurance Cover may apply to each of these currencies.

#### §4. Exclusion of Liability

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1. The liability of KUKE is excluded in the following cases:
  - 1) related to bribery in connection with the conclusion of the Financing Agreement, as specified in the Detailed Terms and Conditions;
  - 2) Losses directly resulting from:
    - a) Any act or omission made by the Policyholder or a person acting on their behalf,

- b) Provisions restricting the rights of the Policyholder, set out in the Financing Agreement or Security documents, except for provisions that provide the Debtor with adequate time periods or remedies to avoid an event of default (however defined in the Financing Agreement) and potential limitations on the ability to initiate enforcement of the Securities, provided such restrictions have been accepted by KUKÉ,
  - c) An agreement between the Policyholder and the Debtor, concluded without the consent of KUKÉ after the entry into force of the Financing Agreement, under which the parties to the said agreement suspend or postpone the repayment of the Receivables,
  - d) Improper conclusion or performance of the Policyholder's obligations under the Financing Agreement, including the activation of the Instrument and the disbursement of the Instrument contrary to the terms and conditions of the Financing Agreement or the Insurance Agreement,
  - e) The Policyholder's violation or non-performance of legal provisions applicable to the Financing Agreement, including provisions imposing restrictive measures and other sanctions-related provisions,
  - f) Incurring costs contrary to KUKÉ's instructions related to them,
  - g) The disbursement of the Instrument contrary to KUKÉ's instructions related to it,
  - h) a waiver by the Policyholder, without the consent of KUKÉ, of a claim against the Debtor or the Security, or the occurrence of legal defects in the Instrument documentation (including Security documents) due to the fault of the Policyholder which makes it impossible to enforce claims for payment of the Receivables, or the failure to establish the Security, or causing the Security to expire; the Policyholder cannot claim that KUKÉ knew or could have learned about the content of the documentation at the time of concluding the Insurance Agreement;
  - i) Actions or omissions of the Policyholder without conducting due diligence and caution that would be expected from the Policyholder if they were not insured,
  - j) non-performance of the Policyholder's obligations under the Insurance Agreement, in particular making amendments to the Financing Agreement affecting the insured risk without the consent of KUKÉ;
- 3)** damages to the Policyholder's assets that are not a normal, direct, and exclusive consequence of Events Causing Loss.
- 2.** KUKÉ will deny providing Insurance Cover if, based on an analysis of information and statements obtained from the Policyholder, Debtor, or other entities, KUKÉ determines that an offence of bribery or another unlawful act of a similar nature was committed in connection with the Financing Agreement.

## §5. Period of Insurance Cover

1. The Insurance covers Losses that may arise after the first utilisation of the Instrument (credit risk).
2. The Insurance Cover commences, subject to the terms and conditions specified in §3 and the Detailed Terms and Conditions:
  - 1) For individual instalments of the Instrument, as the Debtor utilises the Instrument provided by the Policyholder;
  - 2) For other insured Receivables:
    - a) At the time these Receivables arise, if they become due after the first utilisation of the Instrument;
    - b) At the time of the first utilisation of the Instrument, if these Receivables became due before the first utilisation of the Instrument.
3. For each insured Receivable, the Insurance Cover continues until the full repayment of that Receivable in accordance with the repayment or redemption schedule of the Instrument specified in the Detailed Terms and Conditions or until KUKÉ makes a payment or issues a refusal of payment (concerning specific Receivables) under the Insurance Agreement.

## §6. Events Causing Loss

1. Events Causing Loss defined as commercial risk:
  - 1) Insolvency – legally or factually declared insolvency of a private Debtor, and their surety or guarantor, if they exist and are private entities, consisting in their inability to fulfil obligations towards the Policyholder;
  - 2) Delay – delay in fulfilling obligations by the private Debtor, and their surety or guarantor, if they exist and are private entities.
2. Established insolvency of the Debtor/surety/guarantor, as referred to in clause 1 point 1, occurs:
  - 1) In the case of legally established insolvency, if:
    - a) Bankruptcy of the Debtor/surety/guarantor has been declared, or a bankruptcy petition has been rejected due to a lack of assets of the Debtor/surety/guarantor,

- b) The Debtor/surety/guarantor has suspended payments and approached all or the majority of creditors to agree on a settlement, subsequently executing a court-approved or out-of-court settlement or liquidation within the framework of an aggregate amount,
  - c) Enforcement proceedings initiated at the request of the Policyholder have not resulted in full satisfaction of their claims due to a lack of assets of the Debtor/surety/guarantor;
- 2) In the case of factually established insolvency, if, based on circumstances confirming the financial condition of the Debtor/surety/guarantor as presented by the Policyholder, KUKÉ determines that the Debtor/surety/guarantor is insolvent, and initiating judicial enforcement proceedings against them would be either ineffective or clearly uneconomical.
3. The Event Causing Loss referred to in clause 1 point 1 shall occur if the insolvency is established in respect to both the Debtor and all their sureties or guarantors (if any).
4. The Event Causing Loss referred to in clause 1 point 2 shall occur if both the Debtor and all their sureties or guarantors (if any) are in delay, and if neither the Debtor nor any sureties or guarantors (if any) have made payment before the occurrence of the Loss, and the Policyholder has undertaken all necessary actions to preserve their rights to recover or to recover the Receivables, including those specifically stipulated in §14 clause 1 and §14 clause 2.

## §7. Date of Loss

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1. A Loss occurs when the Policyholder has not received repayment of all or part of the Receivables within the timeframes specified in clause 2, provided that the inability to recover the Receivables is a normal, direct, and exclusive result of one or more Events Causing Loss as defined in §6.
2. The Loss occurs:

### **delay**

- 1) Three months after the payment due date specified in the Financing Agreement for the unpaid Receivable, in the case of an Event Causing Loss referred to in §6 clause 1 point 2;

### **legally established insolvency**

- 2) On the date of issuance of a final ruling by a court or other competent authority declaring bankruptcy

or denying bankruptcy due to a lack of assets of the Debtor/surety/guarantor, in the case of an Event Causing Loss referred to in §6 clause 1 point 1 and §6 clause 2 point 1 (a);

- 3) On the date of conclusion of a judicial or out-of-court settlement between the Debtor/surety/guarantor and creditors, in the case of an Event Causing Loss referred to in §6 clause 1 point 1 and §6 clause 2 point 1 (b);
- 4) On the date of issuance of a final decision by the competent enforcement authority confirming the total or partial ineffectiveness of enforcement of the Policyholder's Receivables, in the case of an Event Causing Loss referred to in §6 clause 1 point 1 and §6 clause 2 point 1 (c);

### **factually established insolvency**

- 5) On the date KUKÉ recognises the Debtor/surety/guarantor as factually insolvent, which may occur no earlier than three months from the due date of any insured Receivable, in the case of an Event Causing Loss referred to in §6 clause 1 point 1 and §6 clause 2 point 2.

3. The timeframes specified in clause 2 do not apply in the case of an intergovernmental bilateral agreement between the government of the Debtor's country and the Government of the Republic of Poland regarding the restructuring of debt that includes insured Receivables, if such an agreement stipulates that the Loss shall occur at an earlier date.

## §8. Policyholder's Deductible

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Depending on its risk assessment, KUKÉ may Insure Receivables up to 100% against commercial risks. The remaining portion, if applicable, constitutes the Policyholder's deductible. The percentage of Insurance Cover is specified in the Detailed Terms and Conditions.

## §9. Premiums and Fees

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1. Upon entering into the Insurance Agreement, the Policyholder is required to pay the premium in the amount and within the timeframe specified in the Detailed Terms and Conditions.
2. KUKÉ is entitled to charge the Policyholder fees for certain amendments to the Insurance Agreement, including those resulting in a premium refund. The amount and conditions for calculating such fees are specified in the Detailed Terms and Conditions.



3. In the event of changes to parameters affecting the premium amount, KUKÉ will issue a bill reflecting the updated premium parameters.
  4. If the Policyholder fails to pay the premium within the agreed timeframe, KUKÉ will issue a demand for payment, specifying a final deadline—no longer than 30 days—for the premium to be paid. If the payment is not made within this timeframe, KUKÉ reserves the right to terminate the Insurance Agreement with immediate effect.
  5. Termination of the Insurance Agreement as described in clause 4 does not deprive KUKÉ of the right to claim payment of the premium for the period during which KUKÉ was liable.
  6. KUKÉ will charge statutory interest for late payments on any amount owed to it under the Insurance Agreement, starting from the payment due date.
  7. If the premium is paid after the Instrument utilisation has begun, KUKÉ will adjust the premium rates in accordance with the principles established in the OECD Arrangement.
  8. KUKÉ may charge a fee for verifying the Insurance application.
- c) Any requests made by the Debtor to amend the payment terms of the Financing Agreement or related Securities,
  - d) Any difficulties arising in transferring funds as stipulated in the Financing Agreement,
  - e) Actions by the Debtor or guarantor/surety, as well as material events concerning these entities or their countries, that may hinder the performance of the Financing Agreement or the recovery of Receivables covered by Insurance,
  - f) Non-payment on time of any Receivables under the Financing Agreement,
  - g) Occurrence of an Event Causing Loss.
2. The occurrence of any of the circumstances listed in clause 1 point 2 constitutes an increased risk and obligates the Policyholder to, in consultation with KUKÉ, take all necessary actions and measures to protect their rights against the Debtor or third parties. From the moment such circumstances occur, the Policyholder must comply with KUKÉ's instructions to avoid Losses, minimise their extent, or secure the Receivables covered by Insurance.
  3. The Policyholder may not, without KUKÉ's prior written consent, make changes that affect the risk assumed by KUKÉ, particularly the Policyholder must not, without KUKÉ's consent (subject to the provisions of §20):
    - 1) Waive all or part of the Debtor's debt;
    - 2) Release any Security related to the Financing Agreement;
    - 3) Sell, encumber, or consent to the sale or encumbrance of Receivables arising from the Financing Agreement;
    - 4) Conclude any agreements, settlements, or arrangements concerning Receivables covered by Insurance.

#### §10. Risk Assessment and Risk Control Procedures

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1. The Policyholder is required to adhere to the following principles with due diligence:
  - 1) In the context of risk assessment:
    - a) Before concluding the Insurance Agreement, the Policyholder must conduct a detailed analysis and disclose all material circumstances related to the transaction known to them that may affect the risk assessment and KUKÉ's decision to provide Insurance Cover,
    - b) The Policyholder must provide KUKÉ with accurate and complete information;
  - 2) In the context of changes to the risk: the Policyholder is obliged to notify KUKÉ of the following circumstances without undue delay from the moment of becoming aware of:
    - a) Material changes made to the terms and conditions of the Investment financed or refinanced under the Financing Agreement,
    - b) Any events occurring during the execution of the Investment or the performance of the Financing Agreement that may have a material negative effect on its performance or the repayment of Receivables,
4. Subject to clause 5, the Policyholder may not amend significant terms of the Financing Agreement or documents associated with it, including Security documents, without KUKÉ's consent.
5. The Policyholder is not required to obtain KUKÉ's consent for the following:
  - 1) Increasing or decreasing the amount of the Financing Agreement if the change does not exceed 10% of the original value of the said agreement and does not exceed the equivalent of EUR 200,000, based on the average exchange rate of the National Bank of Poland on the date of signing the supplementary agreement approving the said change;
  - 2) Extending the Instrument utilisation period if the original term is not extended by more than 25% and the extension does not exceed six months.

6. The Policyholder must report to KUKÉ:
  - 1) Each disbursement of the Instrument;
  - 2) Each repayment of Receivables;
  - 3) Each change to the schedule for Instrument utilisation or Receivable repayment schedule.
7. The information specified in clause 6 must be reported promptly but no later than the 10th day of the month following the month in which the event occurred.
8. The Policyholder is obliged to inform KUKÉ of any amendments to the Financing Agreement within 14 days of their execution.

### §11. KUKÉ Powers of Attorney and Their Scope

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1. In the event of increased risk, KUKÉ may request the Policyholder to declare whether they intend to continue independently managing and exercising their rights under the Financing Agreement and Security documents or whether they authorise KUKÉ to do so. The declaration must be submitted within 14 days.
2. If the authorisation referred to in clause 1 is granted to KUKÉ, KUKÉ will request the Policyholder to issue an irrevocable power of attorney and provide or transfer to KUKÉ, in a form enforceable against third parties, all documents and securities establishing the rights under the Financing Agreement and Security documents that are necessary for their execution.
3. Upon receiving the authorisation, power of attorney, and other documents referred to in clause 2, KUKÉ shall act on behalf of the Policyholder to carry out factual and legal activities aimed at exercising the Policyholder's rights under the Financing Agreement and Security documents, including entering into settlements, acknowledging claims, remitting debts, pursuing amicable resolution of disputes with the Debtor, and taking any preventive measures deemed necessary by KUKÉ.
4. Should the Policyholder fail to provide the power of attorney and other documents as referred to in clause 2, KUKÉ shall be exempt from liability if the inability to take action increases the likelihood of an occurrence of Loss.
5. If KUKÉ undertakes the actions referred to in clause 3, representing the entirety of the Policyholder's rights under the Financing Agreement and Security documents, the Policyholder agrees to accept KUKÉ's decisions and confirm actions taken by KUKÉ concerning the Policyholder's rights, aimed at preventing or mitigating Loss.
6. If KUKÉ does not intend to take action against a Debtor in default, or if the Policyholder declares their intention,

as referred to in clause 1, to independently manage and enforce their rights under the Financing Agreement and Security documents, the Policyholder is obliged to take all measures necessary to preserve their rights and recover the Receivables covered by Insurance and comply with KUKÉ's instructions in this regard.

### §12. Bankruptcy or Cessation of Operations by the Policyholder

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1. The Policyholder is obliged to notify KUKÉ within 14 days of the following events:
  - 1) Partial or complete cessation of operations;
  - 2) Requesting creditors to suspend or defer payments;
  - 3) Filing an application for bankruptcy or restructuring proceedings against them and on the initiation of such proceedings;
  - 4) The initiation of other proceedings (judicial or extra-judicial) concerning their liquidation, change in legal form, or change of ownership.
2. In the cases specified in clause 1, points 1, 2 and 4, KUKÉ may terminate the Insurance Agreement with immediate effect; this does not apply if the Insurance Cover has commenced, and the premium has been paid.

### §13. Threat of Loss

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1. If, as a result of Events Causing Loss, the Receivables covered by Insurance are not paid on time, the Policyholder must report the threat of Loss no later than 14 days from the due date of the respective Receivable. A report of the threat of Loss constitutes any information provided by the Policyholder regarding the non-payment of Receivables by the required due date.
2. If the Receivables are subsequently paid, the Policyholder must promptly inform KUKÉ and simultaneously cancel the threat of Loss report in the part concerning the paid Receivable.

### §14. Conditions for Granting Indemnity

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1. Indemnity shall be paid subject to the following conditions:
  - 1) The Policyholder has reported the Loss and submitted a complete Indemnity Claim along with a properly prepared in accordance with §17 loss account, and supporting documents justifying the Indemnity Claim, particularly those confirming the validity and

enforceability of the Financing Agreement and Security Documents; and

- 2) The Policyholder has complied with the provisions of the Insurance Agreement, as outlined in these General Terms and Conditions and the Detailed Terms and Conditions.
2. Additional conditions for granting indemnity in the case of Securities:
    - 1) If the obligations of the Debtor towards the Policyholder are secured by a surety, guarantee, or other means, the granting of indemnity is also subject to the following:
      - a) Submission of documents confirming that such Securities have been established in compliance with the legal provisions in force in the Debtor's country and the applicable laws governing those Securities, and
      - b) Submission of documents proving that the Policyholder has undertaken all actions necessary to preserve or enforce their rights under these Securities;
    - 2) In the case of sureties or guarantees, the Policyholder must, without waiting for instructions from KUKÉ, call upon the surety or guarantor to fulfil their obligations under the surety or guarantee agreement and take the necessary actions to preserve or enforce their rights under the surety or guarantee. If these actions are not taken within two months of the due date of the unpaid Receivables, the timeframes specified in §7 will be adjusted to start from the date the surety or guarantor was called to fulfil their obligations under the surety or guarantee agreement;
    - 3) For property Securities, the Policyholder must take all necessary actions to preserve or enforce their rights arising from the Financing Agreement.
  3. If a Dispute arises between the Policyholder and the Debtor, KUKÉ may withhold indemnity payment until the Dispute is resolved in favour of the Policyholder by the arbitration body designated by the parties in the Financing Agreement or, in the absence thereof, by a court whose judgment is enforceable in the Debtor's country.
  4. Any provisions in the Financing Agreement that provide for the early maturity of insured Receivables (whose due dates have not yet occurred) due to the Debtor's breach of the provisions of the Financing Agreement shall not be effective against KUKÉ. However, KUKÉ may pay indemnity at an earlier date; in such cases, unaccrued interest shall reduce the balance of the loss account.

## §15. Intergovernmental Debt Restructuring Agreement

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1. If the Financing Agreement is subject to an intergovernmental bilateral agreement on debt restructuring, the Policyholder is obligated to comply with the terms and conditions of that agreement concerning insured and uninsured Receivables arising from the Financing Agreement.
2. The Policyholder agrees to provide KUKÉ with all necessary assistance required to fulfil the obligations under the debt restructuring agreement.
3. If the Sum Insured is included in an intergovernmental bilateral agreement on debt restructuring, KUKÉ may, after the agreement enters into force, pay indemnity earlier than the deadline specified in §19.

## §16. Allocation of Payments and Amounts under the Financing Agreement

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1. Payments received towards Receivables, particularly those originating from:
  - 1) The Debtor;
  - 2) Guarantors or sureties;
  - 3) Third parties;
  - 4) The enforcement of Security;
  - 5) The bankruptcy trustee;are, starting from the report of a Threat of Loss, regardless of their allocation by the payers, used to satisfy, in chronological order, the oldest due Receivables, both insured and uninsured, to determine the Loss amount and divide recovered amounts between KUKÉ and the Policyholder after the indemnity payment. For Receivables due on the same date, such payments are allocated proportionally to the Receivables covered by Insurance and uninsured Receivables based on their relative values.
2. If the Financing Agreement involves multiple Lenders whose Receivables are covered under a single Insurance Agreement, payments received from the Debtor are allocated to each Lender proportionally to their entitlement to the unpaid portion of the due Receivables covered by Insurance, unless a consortium agreement or another agreement governing the mutual relationships between Lenders or the settlement of Receivables arising from the provided Instrument contains other provisions in this regard, which have been approved by KUKÉ.
3. Once both the Receivables covered by insurance and uninsured Receivables (if applicable) are satisfied, any surplus proceeds are allocated towards late payment interest.

4. In the case of an intergovernmental bilateral debt restructuring agreement providing for the partial settlement of Receivables covered by Insurance, such payments are applied to cover these Receivables in the manner specified in the aforementioned intergovernmental agreement. The provisions of clause 1 do not apply.

### §17. Determination of Loss Amount

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1. The determination of the Loss amount occurs as each payment due date passes. For each unpaid Receivable, the Policyholder must provide a loss account prepared in the currency of the Financing Agreement. The loss account should include:
  - 1) The amount of the respective Receivable covered by Insurance;
  - 2) The amount of any payments allocated to the Receivable covered by Insurance in accordance with §16, received by the Policyholder before indemnity payment; and
  - 3) The balance of the unpaid Receivable.
2. If the payment referenced in clause 1 point 2 is made in a currency other than the currency of the Financing Agreement, it will be converted into the Financing Agreement's currency at the average exchange rate of the National Bank of Poland applicable on the date the funds are credited to the Policyholder's account.
3. If KUKÉ decides to pay indemnity for all Receivables covered by Insurance, including Receivables that are due and unpaid, as well as those for which the due date has not yet occurred, the Policyholder must provide a consolidated loss account. The loss account should include:
  - 1) The total amount of Receivables covered by Insurance;
  - 2) The amount of any payments allocated to the Receivable covered by Insurance in accordance with §16 and the amount of interest will be accrued between the indemnity payment date and the maturity dates of the Receivables covered by Insurance;
  - 3) The balance of unpaid Receivables.
4. If an Event Causing Loss referred to in §6 clause 1, point 1 (Insolvency) occurs before the payment due date of the respective Receivable, the loss account will also include Receivables that have not yet become due.
5. Indemnity is calculated based on the Loss. The amount of Loss equals the balance of unpaid Receivables from the loss account. The Loss cannot exceed the Sum Insured. If the Loss exceeds the Sum Insured, the Sum Insured becomes the basis for calculating indemnity.

6. The provision regarding the Sum Insured in clause 5 does not apply to:
  - 1) The amounts the Policyholder is obligated to pay the Debtor for terminating the Financing Agreement, as stipulated in §3 clause 10;
  - 2) Additional Costs, as defined in §18
7. Indemnity equals the product of the Loss amount (or the Sum Insured, as specified in clause 5) and the Insurance Cover percentage specified in the Detailed Terms and Conditions.
8. Indemnity for Additional Costs, as defined in §18, equals the product of these costs and the Insurance Cover percentage specified in the Detailed Terms and Conditions.
9. Indemnity for the contractual penalty referenced in §3 clause 10 equals the product of the contractual penalty amount and the Insurance Cover percentage specified in the Detailed Terms and Conditions.

### §18. Additional Costs

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1. Additional Costs are covered by the Insurance, subject to prior written approval by KUKÉ, in proportion to the Insurance Cover percentage specified in the Detailed Terms and Conditions.
2. If the costs referred to in clause 1 also relate to uninsured Receivables, they will be allocated proportionally between Receivables covered by Insurance and uninsured Receivables.
3. Costs arising from the Policyholder's normal business activities are borne by the Policyholder.

### §19. Payment of Indemnity

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1. Indemnity is paid within 30 days from the date KUKÉ receives the Indemnity Claim along with the documents specified in §14 clause 1 point 1, but not earlier than 30 days after the deadline specified in §7.
2. If the submitted Indemnity Claim is incomplete or inadequately documented, the Policyholder must rectify the deficiencies within the timeframe set by KUKÉ. In such cases, KUKÉ will pay indemnity within 30 days of receiving the additional data or documents.

## §20. Transfer of Rights to Indemnity under the Insurance Agreement – Assignment

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1. The right to indemnity under the Insurance Agreement may be transferred by the Policyholder to a third party or pledged only with KUKÉ's prior written consent.
2. Both the Policyholder and the assignee (the "Assignee") must promptly notify KUKÉ of any assignment of the right to indemnity.
3. KUKÉ reserves the right to inform the Assignee of any breaches by the Policyholder of obligations under the Insurance Agreement.
4. Any additional contractual provisions altering the content and scope of the assigned rights made after the date of the assignment must be accepted and signed by the Assignee.
5. The assignment of the right to indemnity does not release the Policyholder from any obligations under the Insurance Agreement.

## §21. Transfer of Rights after Indemnity Payment – Subrogation

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1. Upon the payment of indemnity, all claims of the Policyholder against the Debtor and any Security Providers, if applicable, are transferred to KUKÉ up to the amount of the indemnity paid.
2. The transfer of claims referred to in clause 1 includes both the principal Receivable, interest, fees, and other additional claims related to the Receivable for which indemnity has been paid.
3. Thus, KUKÉ acquires the following rights under the Financing Agreement:
  - 1) The right to demand from the Debtor repayment of the Receivables, in respect of which subrogation has occurred;
  - 2) The right to charge interest on the Receivables referred to in point 1, under the terms of the Financing Agreement;
  - 3) The right to demand reimbursement from the Debtor for the costs of recovering the Receivables referred to in points 1 and 2, to the extent and under the terms specified in the Financing Agreement; and
  - 4) The right to demand reimbursement from the Debtor for any other costs that the Debtor was obliged to reimburse the Policyholder under the provisions of the Financing Agreement, to the extent and under the terms specified in the Financing Agreement

and to the extent that these costs, initially incurred by the Policyholder, were subsequently reimbursed by KUKÉ.

4. If permissible under the applicable law and provided such transfer does not occur automatically under Polish law, including under Article 12 of the Act, the Policyholder, at KUKÉ's request, shall transfer all rights under the Financing Agreement, along with the rights arising from Securities (while retaining rights under Securities related to claims against the Debtor that were not covered by the indemnity), in the form of an assignment of rights, endorsement, or other legally required method. The Policyholder shall also perform any other legal acts necessary for the effective exercise of KUKÉ's rights concerning Receivables for which KUKÉ has paid indemnity, subject to §22.
5. If KUKÉ, as part of the subrogation, also exercises the Policyholder's rights, it is obliged to inform the Policyholder of its actions and to transfer the portion of recovered amounts due to the Policyholder, as specified in §23.

## §22. Policyholder's Obligations Following the Occurrence of Loss

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1. The payment of indemnity by KUKÉ does not release the Policyholder from its obligations under the Insurance Agreement.
2. The Policyholder is required, within 30 days of receiving the indemnity payment, or at the earliest possible date if compliance with the 30-day deadline is hindered by factors beyond their control, to:
  - 1) Provide KUKÉ with information on the total outstanding debt owed to the Policyholder under the Financing Agreement as of the indemnity payment date;
  - 2) Inform KUKÉ of their intentions regarding Receivables not covered by the Insurance, provided such Receivables remain overdue and unpaid, noting that this statement will be interpreted as solely reflecting the Policyholder's intentions as of the date of its submission and will not constrain the Policyholder from fulfilling, altering, or ceasing those intentions, for which the Policyholder will be obligated to promptly notify KUKÉ;
  - 3) Submit to KUKÉ evidence, effective against third parties, required for KUKÉ to exercise its rights under subrogation, and provide a statement confirming the occurrence of subrogation, its effective date, the total amount of the subrogated claim, and details of the claims constituting the subrogated receivable (collectively referred to as the "**Subrogation Terms**");

- 4) Prepare and send a notification of the Subrogation Terms to the Debtor, previously approved by KUKÉ; and
- 5) If it appears that:
  - a) Subrogation by KUKÉ of the insured Receivable proves impossible under the laws applicable to recovering the said Receivable from the Debtor,
  - b) KUKÉ is unable to assume the rights to significant Securities, or
  - c) KUKÉ will not have the possibility of effectively pursuing the subrogated Receivable, or such subrogation would harm KUKÉ's rights;
 the Policyholder shall either assume the fiduciary assignment of Receivables previously subrogated to KUKÉ or remain the creditor of the Debtor for the Receivables covered by the Insurance. The Policyholder shall then take actions against the Debtor and Security Providers to recover the Receivables. Alternatively, the parties to the Insurance Agreement may agree on another method for pursuing these claims, but in all cases:
  - (i) The Policyholder shall act solely on behalf of, at the risk of, and at the expense of KUKÉ, strictly following and within the scope of prior written instructions issued by KUKÉ,
  - (ii) The Policyholder has the right to execute KUKÉ's instructions independently or through a legal advisor or other entity of their choosing, subject to KUKÉ's prior approval to cover the associated costs.
3. The verification of the subrogation terms and feasibility, as referred to in clause 2 point 5, may be conducted separately by KUKÉ and the Policyholder (at their own expense) or based on the recommendations of a legal advisor mutually agreed upon by the parties to the Insurance Agreement, acting in the interests of both KUKÉ and the Policyholder.
4. Costs incurred by the Policyholder for third parties in connection with cooperation with KUKÉ, as referred to in clauses 2 and 3, which are pre-approved by KUKÉ, shall be treated as Post-Indemnity Proceedings Costs.
5. In the event that the Policyholder fails to fulfil its obligations set out in clauses 2 points 1 – 5, the Policyholder shall be liable to KUKÉ for any damages incurred as a result thereof.
2. Post-Indemnity Proceedings are conducted by KUKÉ.
3. The parties to the Insurance Agreement may agree that the Post-Indemnity Proceedings will be conducted by the Policyholder.
4. The costs of Post-Indemnity Proceedings are borne by:
  - 1) KUKÉ, in relation to the amount of indemnity paid (recourse action costs);
  - 2) The Policyholder, in the remaining scope and for actions undertaken contrary to KUKÉ's instructions.
5. The party to the Insurance Agreement conducting Post-Indemnity Proceedings is obliged to inform the other party of planned and taken actions.
6. The conduct of Post-Indemnity Proceedings by one party to the Insurance Agreement does not release the other party from the obligation to cooperate in recovering claims.

#### §24. Recovered Amounts

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1. All amounts – including late payment interest – collected under the Financing Agreement after the indemnity payment constitute recovered amounts.
2. Recovered amounts, regardless of their value, are distributed between KUKÉ and the Policyholder in proportion to the ratio of the indemnity paid to the outstanding balance of Receivables under the Financing Agreement.
3. If recovered amounts are expressed in a currency other than the currency of the Financing Agreement, they are converted using the average exchange rate of the National Bank of Poland applicable on the date the funds are credited to the Policyholder's account.
4. The Policyholder agrees to notify KUKÉ of recovered amounts within 14 days and transfer KUKÉ's share within 14 days of receipt, i.e., the date the funds are credited to the Policyholder's account. If the funds are transferred later, KUKÉ is entitled to charge statutory interest for late payment.

#### §25. Indemnity Reimbursement

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If it is determined after the payment of indemnity that KUKÉ was not obligated to make the payment under legal provisions and the terms and conditions of the Insurance Agreement, the Policyholder must return the full amount of indemnity received within 14 days of the refund request.

#### §23. Post-Indemnity Proceedings

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1. Post-Indemnity Proceedings include recourse actions concerning the amount of indemnity paid and proceedings related to other Receivables conducted after the indemnity payment.

## §26. Sanctions for Breach of Policyholder Obligations

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1. If undue indemnity is paid due to the fault of the Policyholder, KUKÉ will charge statutory interest for late payment from the date the indemnity was paid.
2. If the Policyholder fails to fulfil their obligations under these General Terms and Conditions, particularly under §10, obligations specified in the Detailed Terms and Conditions, or provides KUKÉ with false information, KUKÉ is released from liability unless:
  - 1) These circumstances do not impact the occurrence of the Loss, its increase, or the lack of its reduction; or
  - 2) The information was obtained by the Policyholder from third parties and provided to KUKÉ in good faith.
3. In the case described in clause 2, if indemnity has been paid, it must be refunded.
4. If the Policyholder, due to wilful misconduct or gross negligence, acts or conceals facts to mislead KUKÉ about the actual situation of the Debtor or the Receivables covered by the Insurance, or causes KUKÉ, due to wilful misconduct or gross negligence, to improperly assess the risk or increases the risk, KUKÉ may refuse to pay indemnity in whole or in part.

## §27. Payment Currency

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All payments arising from the provisions of the General Terms and Conditions and the Detailed Terms and Conditions shall be made in the currency of the Financing Agreement or the premium payment currency, applicable to both amounts paid to the Policyholder and those received by KUKÉ.

## §28. Simultaneous Insurance of the Instrument and the Investment

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In the case of simultaneous Insurance of the Instrument and Insurance of the Investment related to the same Investment, the following principles apply:

- 1) The political risk Investment Insurance concluded by KUKÉ with the Investor may be assigned to the Policyholder as collateral for the repayment of the Instrument;
- 2) The Sum Insured of political risk Investment Insurance will not be reduced as a result of the repayment of individual instalments of the Instrument

insured under the commercial risk Instrument Insurance;

- 3) Insurance primarily covers Losses incurred in connection with the Instrument provided by the Policyholder, and any remaining amount, if applicable, covers the Expenditures incurred by the Investor;
- 4) If the duration of the commercial risk Instrument Insurance is shorter than the duration of the political risk Investment Insurance, the Insurance Agreement will regulate, among others, the terms of the political risk Investment Insurance after the full repayment of the Instrument.

## §29. Insurance Agreement Dispute Resolution

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All disputes arising from the Insurance Agreement concluded based on these General Terms and Conditions shall be resolved by a common court with jurisdiction over KUKÉ's registered office.

## §30. Legal Basis

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1. In matters not regulated by these General Terms and Conditions, the following provisions shall apply:
  - 1) The Act, implementing regulations to the Act, and other legal acts issued under its provisions;
  - 2) The Polish Civil Code of 23 April 1964.
2. These General Terms and Conditions were adopted by Resolution No. 315/IN/P/2024 of the Management Board of KUKÉ on 31 December 2024.

This text does not constitute an official translation and may be used only for information purposes

