

**FREE TRANSLATION FROM POLISH LANGUAGE**

**The General Conditions  
of Export Credit Insurance  
guaranteed by the State Treasury**

Approved by Decision of the Minister of Finance  
No. DG/8/2007 of 2 March 2007

**Individual Policy  
Buyer Credit  
Foreign Private Borrower**

**CHAPTER I**  
**DEFINITION OF RISK - BEGINNING AND SCOPE**  
**OF INSURANCE PROTECTION**

**§ 1 General rules**

1. In accordance with the provisions of the General Conditions of export credit insurance guaranteed by the State Treasury and the supplementary detailed conditions of the insurance agreement, the Export Credit Insurance Corporation, hereinafter referred to as the "Corporation", undertakes to cover the loss borne by the financing entity, hereinafter referred to as the "Insured" as a result of non performance or incorrect performance of a credit agreement by a foreign private borrower, hereinafter referred to as the "Debtor", in relation to the financing of the export contract within the credit agreement, hereinafter referred to as the "Agreement covered by insurance", if the said agreement has been concluded on the conditions of credit of two years or more and the loss is the direct and exclusive result of one of the events specified in § 3.
2. Detailed conditions of the insurance agreement specify in particular the scope of the insured risk, the conditions of liability of the Corporation, the amount and the payment date of insurance premium related to the Agreement covered by insurance.

**§ 2 Period of insurance protection – materialization of credit risk**

1. Insurance protection comprises losses that may occur after dispatch of goods or performance of services (credit risk).
2. The credit risk materializes when the Insured is not able to recover the whole or the part of the receivables resulting from the Agreement covered by insurance within the period specified in § 4, on condition that this inability is the consequence of one or more events causing loss, specified in § 3 and enumerated in the detailed conditions of the Agreement covered by insurance.

**§ 3 Events causing loss**

1. Events causing loss, qualified as commercial risk, include the following:
  - 1/ default - default in performance of payment commitments by a Debtor or a guarantor/surety, if any,
  - 2/ insolvency - ascertained insolvency of a Debtor or a guarantor/surety, if any, consisting of his incapability to fulfill the commitments towards the Insured due to legally ascertained insolvency or actual insolvency.
2. Events causing loss, qualified as political risk, include the following:
  - 1/ decision of a Debtor's country - issue of or change in legal regulations or decisions of the government or other state body of the Debtor's country or a third country which participates in performance of the Agreement covered by insurance, making it impossible to perform Agreement covered by insurance;

- 2/ moratorium - announcement of a general payment moratorium by the government of the Debtor's country or a country participating in settling the payment of liabilities or execution of Agreement covered by insurance;
  - 3/ inability of making transfer – inability or delay in making transfer of payments due by a Debtor, in the currency of payment, which resulted from political events, economic difficulties or legal regulations or administrative decisions made by authorities in the Debtor's country or in a third country participating in the fulfillment of Agreement covered by insurance;
  - 4/ legal regulations in Debtor's country - regulations regarding the payments made by the Debtor in local currency as sufficient for the fulfillment of liabilities resulting from the Agreement covered by insurance, regardless of the fact that as a result of the change of currency rates such payments after calculation to the currency of the Agreement covered by insurance do not balance the value of liability of the Agreement covered by insurance on the day of payment made by the Debtor;
  - 5/ decisions in the country of the Insurer - issuing of legal regulations or decisions by the Government of the Republic of Poland, as well as by the European Union, concerning foreign trade which make performance of the Agreement covered by insurance or delivery of the ordered services impossible, in so far as its effects are not covered otherwise by the government concerned;
  - 6) force majeure - outbreak outside the borders of the Republic of Poland of war, an uprising, a revolution, riot, civil disturbance, protracted mass strikes, an earthquake, volcano eruption, cyclone, typhoon, flood, sudden tidal wave, fires of catastrophic dimensions, nuclear breakdown, as well as its effects.
3. Ascertained insolvency of a Debtor occurs:
- 1/ in the case of legally ascertained insolvency if:
    - a) bankruptcy of the Debtor has been declared or declaration of bankruptcy has been refused due to lack of property of the Debtor,
    - b) the Debtor has suspended payments and has turned to all or the majority of the creditors for arrangements and then conducted conciliation by court or non-court proceedings or liquidation within the total amount,
    - c) execution proceedings instituted at the request of the Insured have not led to full satisfaction of his claim due to lack of property of the Debtor.
  - 2/ in the case of actually ascertained insolvency, if on the basis of circumstances authenticating the financial status of the Debtor, presented by the Insured, the Corporation recognizes that the said Debtor is insolvent, and institution of executive proceedings against him would be ineffective or obviously unremunerative.

#### **§ 4 Occurrence of loss - date for ascertainment of loss**

The date of occurrence of a loss is regarded to be the following:

- 1/ In the case of the event referred to in § 3 paragraph 1 pt 1 - 3 months from the date of payment for the outstanding receivable, established in the credit agreement.
- 2/ In the case of the event referred to in § 3 paragraph 1 pt 2:
  - 1) for legally ascertained insolvency:
    - the date of issue of the legally binding decision of a court or other competent body, declaring bankruptcy or refusing to declare it due to lack of property of the Debtor,
    - the date of conclusion of court or non-court conciliation with the creditors,
    - the date of issue of a legally binding decision of the competent executive body ascertaining full or partial ineffectiveness of proceedings against the Debtor in relation to the receivables of the Insured,
  - 2) for actual insolvency - the date of recognition by the Corporation of a Debtor as actually insolvent, which may take place not earlier than 3 months after the date of payment of each insured receivable (credit installment);
- 3/ In the case of the events referred to in § 3 paragraph 2 pt 1, 2 and 4-6 - 3 months after the date of payment for an outstanding receivable, according to the credit agreement.
- 4/ In the case of the event referred to in § 3 paragraph 2 pt 3, - 3 months from the fulfillment of the formalities necessary to transfer funds deposited by the Debtor, on the condition that these formalities have been properly performed within 3 months at the latest after the date of payment provided in the agreement.
- 5/ The dates defined in paragraphs 1-4 are not binding in case of bilateral agreement concluded between the government of the Debtor's country and the Republic of Poland concerning the debt restructuring including the insured receivables.

## **§ 5 Commencement and conditions of insurance protection**

1. Insurance protection is conditional on the joint fulfillment of the following conditions:
  - 1/ signing and entry into force of an Agreement covered by insurance;
  - 2/ obtaining by the Debtor and his guarantor/surety the authorizations (in particular authorizations for transfer) necessary for fulfillment of their liabilities in accordance with the legal regulations effective in the country of the Debtor and the guarantor/surety on the day the Agreement covered by insurance enters into force, with the exception of those that could be obtained only later.
2. For the individual credit installments, the insurance protection begins, subject to the conditions specified in paragraph 1, as the Debtor utilizes the credit granted to him by the Insured.
3. If the insurance covers receivables in respect of a commitment fee and management fee, and receivables in respect of the credit insurance premium required before the first utilization of credit, insurance protection for these receivables begins from the moment when this first utilization occurs.

## **§ 6 Subject and scope of insurance protection**

1. The subject of insurance protection are receivables due to the Insured under the concluded credit agreement described in the detailed conditions of the insurance agreement, financing one or several export contracts for delivery of goods and services of Polish origin.
2. Insurance protection includes the following receivables due to the Insured, in the amount specified in the detailed conditions of the insurance agreement:
  - 1/ the principal amount due to the Insured from the Debtor under the credit granted to him (principal);
  - 2/ interest on the principal amount - with the exclusion of penalties and delay interest;
  - 3/ banking fees.
3. The Corporation may cover the credit amount for financing the insurance premium.
4. If performance of an Agreement covered by insurance may not be continued by the Insured as a result of a decision of the Government of the Republic of Poland or instructions of the Corporation referred to in § 10 point 6, he has the right to indemnity in the amount of the penalty that he will be obliged to pay to the Debtor for breach of the Agreement covered by insurance; here the limitation of the amount of the liability referred to in paragraph 2 does not apply.

## **§ 7 Exclusion of responsibility**

1. With the stipulation of the provisions of these General Conditions and detailed conditions of the insurance agreement, the insurance protection does include nor lost profits neither any other indirect losses borne by the Insured, including the amounts corresponding to penalties or indemnities paid to the Debtor by the Insured.
2. The responsibility of the Corporation is excluded if:
  - 1/ there is evidence for the Agreement covered by insurance to be concluded by bribery of the person acting as a foreign public official or another illegal acts of similar character or evidence for the export contract financed within the Agreement covered by insurance to be concluded by bribery of the person acting as a foreign public official or another illegal acts of similar character and the Insured on the date of concluding the insurance agreement knew or could have known undertaking due diligence about committing the offence by conclusion of the export contract.
  - 2/ the evidence referred to in point 1 is regarded to be the following:
    - a) legally valid sentence of the national or a foreign court for committing the offence by conclusion of the Agreement covered by insurance,
    - b) legally valid sentence of the national court for committing the offence by conclusion of the export contract financed within the Agreement covered by insurance;

3/ there are losses resulting directly or indirectly from:

- a) any action or the lack of action of the Insured or the person acting on his behalf,
- b) provisions limiting the rights of the Insured comprised in the Agreement covered by insurance, export contract or other document connected with guarantee/suretyship or with other forms of collaterals,
- c) any further agreement between the Insured and the Debtor concluded, without the consent of the Corporation, after having entered into force the Agreement covered by insurance, which empowers both parties to suspend or postpone the payment of receivables.

### **§ 8 Insured's own stake**

Insurance protection includes receivables due to the Insured in the amount defined in percentage in the detailed conditions of the insurance agreement . The part of payments due to the Insured not covered by insurance protection constitutes the Insured's own stake.

## **CHAPTER II**

### **PREMIUM AND PROCEEDINGS**

#### **CONCERNING RISK ASSESSMENT AND RISK MONITORING**

### **§ 9 Premium**

1. From the moment of concluding an insurance agreement, the Insured is obliged to pay the premium in the amount and within the time defined in the detailed conditions of the insurance agreement.
2. Premium should be paid immediately after the Insured receives a written demand of the Corporation to pay it.

### **§ 10 Proceedings concerning risk assessment and risk monitoring**

The Insured is obliged to observe the principles below with due diligence:

1/ Within the risk description:

- a) before concluding an insurance agreement, the Insured is obliged to report all the circumstances that are or should be known to him and may affect risk assessment and the decision of the Corporation on acceptance for insurance; the basis for concluding an insurance agreement is the application with answers of the Insured, given on forms prepared by the Corporation,
- b) the Insured is obliged to submit his declaration on not having been engaged in bribery of the person acting as a foreign public official,
- c) the Insured is obliged to submit the declaration:
  - of the exporter on not having been engaged in bribery of the person acting as a foreign

public official and that the exporter commits to pay to the Corporation within 30 days following the date, when the Corporation sent the relevant demand, the sum amounting to 10% of the indemnity amount, in case the exporter, person acting on his behalf or person associated with him was convicted by legally valid sentence of the national court for actions fulfilling the characteristics of the criminal offence of bribery of the person acting as a foreign public official or another illegal acts of similar character by conclusion of the export contract financed within the Agreement covered by insurance, and the Corporation paid out the indemnity in whole or in part,

- of the exporter concerning the share of foreign components in the final product exported within an export contract,
  - of the exporter on environmental impact of the project,
- d) a description of the Agreement covered by insurance, attached to the detailed conditions of the insurance agreement, is drawn up on the basis of answers of the Insured given on forms prepared by the Corporation,
- e) the consequences of negligence, errors and inaccuracies in the description of documents linked with export contract and Agreement covered by insurance are borne only by the Insured;
- 2/ The Insured is obliged to report to the Corporation, by the 10th day of each month, the fact of single or multiple utilization of the credit in the preceding month;
- 3/ The Insured is obliged to inform the Corporation of the dates of credit repayment and of any changes. The information should be presented on the forms prepared by the Corporation;
- 4/ In relation to changes concerning risk:
- a) without the written consent of the Corporation, the Insured may not make any changes concerning the risk taken on by the Corporation, and in particular the Insured may not with exception stipulated in § 20, without the consent of the Corporation relieve the Debtor from a debt in whole or in part, relinquish from any collateral linked with an Agreement covered by insurance, dispose of or pledge receivables resulting from this agreement, conclude any agreement, settlement or arrangement concerning receivables covered by insurance,
  - b) with the proviso of pt. c) the Insured may not change the conditions of an Agreement covered by insurance without the consent of the Corporation,
  - c) the Insured is not obliged to obtain the consent of the Corporation in matters concerning:
    - raising or lowering the amount of an Agreement covered by insurance, if this change does not exceed 10% of the initial value of this agreement and does not exceed the equivalent of Euro 100,000 according to the average NBP exchange rate effective on the day of signing an additional agreement endorsing this change,
    - prolongation of the time of credit utilization, if the initial time has not been extended by more than 25% and the extension does not exceed 6 months,
  - d) the Insured, however, is obliged to inform the Corporation of the changes referred to in pt. c) above within 14 days from the day they take effect;
- 5/ from the moment of receiving information, the Insured is obliged to immediately notify the Corporation of the following circumstances that may cause risk increase:

- a) significant changes made in an export contract financed by an Agreement covered by insurance,
  - b) all events that have occurred in the course of performance of an export contract or Agreement covered by insurance, that may affect its performance or the conditions of credit repayment,
  - c) all demands of the Debtor that aim to change the payment conditions under an Agreement covered by insurance or collaterals linked with it,
  - d) all difficulties experienced when transferring payment provided in an Agreement covered by insurance,
  - e) all actions of the Debtor or guarantor/surety as well as all events concerning these entities or their countries that in the future may be an obstacle to the operation of an Agreement covered by insurance or recovery of receivables covered by insurance protection,
  - f) occurrence of an event that causes a loss;
- 6/ occurrence of one of the risk-increasing circumstances, referred to in pt. 5, obliges the Insured to undertake, in agreement with the Corporation, all means and to take all steps necessary to maintain his rights towards the Debtor or a third party. From the moment of the occurrence of these circumstances, the Insured is obliged to comply with the instructions of the Corporation in order to avoid the loss, limit its extent or to protect the insured liabilities.

### **§ 11 Powers of attorney of the Corporation and their scope**

1. In the case of risk increase, the Corporation has the right to require from the Insured a declaration, to be furnished within a time of at least seven days, stating whether he further intends to independently pursue and prove his rights arising from the Agreement covered by insurance, or authorizes the Corporation to do this.
2. In the case of granting to the Corporation the authorization referred to in paragraph 1, the Corporation is authorized to perform on behalf of the Insured all practical and legal functions for the purpose of pursuing the rights of the Insured under the Agreement covered by insurance, including conclusion of an arrangement, recognition of a claim, debt cancellation, the possibility of action towards amicable settlement of a litigation with the Debtor and to take all preventive measures considered necessary.
3. If the Corporation undertakes the actions defined in paragraph 2, it shall request that the Insured issue a document certifying irrevocable power of attorney and that all documents and securities establishing rights ensuing from the Agreement covered by insurance, necessary for their execution, be delivered or transferred to it, in a form effective towards third parties. In the case that the Insured does not grant the Corporation the power of attorney, the Corporation shall be free of any liability if by not taking action the probability of occurrence of a loss increases.
4. If the Corporation undertakes the actions referred to in paragraph 2, representing the totality of rights of the Insured arising from the Agreement covered by insurance, the Insured is obliged to accept the decisions and confirm actions that the Corporation will make with regard to the rights of the Insured, for the purpose of avoiding loss or minimize its amount.



5. If the Corporation does not intend to act against the Debtor in arrears, the Insured is obliged to apply all means to maintain his rights, to recover the insured receivables and to comply with the instructions of the Corporation in this scope.

### **§ 12 Bankruptcy or cessation of activity by the Insured**

1. The Insured is obliged to notify the Corporation, not later than within 14 days, of the following:
  - 1/ partial or total cessation of activity;
  - 2/ his request to his creditors for a suspension of the payments due from him;
  - 3/ submission of an application for the institution of bankruptcy proceedings towards him and on the institution of such proceedings;
  - 4/ institution of other proceedings towards him (court or non-court proceedings) concerning his liquidation, changing the legal form or the owner.
2. In the situations defined in paragraph 1, the Corporation may terminate an insurance agreement with an immediate effect. It does not apply to the case when the insurance protection started, on condition that the premium is paid immediately.

## **CHAPTER III LOSS AND INDEMNITY**

### **§ 13 Notification of potential loss**

1. If as a result of events that cause a loss, insured receivables have not been paid on time, the Insured should notify the potential loss, using the forms prepared for this purpose by the Corporation.
2. The potential loss should be notified not later than within 30 days from the due date for the given receivable. In the case that the Insured does not notify the potential loss on time, the Corporation may reduce the amount of the indemnity by the amount by which the loss would have been reduced had the Insured notified the potential loss on time.
3. In the case of payment of such a receivable, the Insured should immediately notify the Corporation of this, at the same time filing for annulment of the notification of the potential loss.

### **§ 14 Reported loss - application for indemnity**

1. Payment of indemnity is conditional on the Insured reporting the loss and the ensuing indemnity claim of the Insured toward the Corporation.
2. The loss report should be accompanied by an account of losses drawn up in accordance with § 17 and documents justifying the claim, in particular confirming the validity and

enforceability of the Agreement covered by insurance (e.g. legal opinion referring to the validity and enforceability of the Agreement covered by insurance).

### **§ 15 Conditions of indemnity**

1. Indemnity is paid not earlier than after the time defined in § 4 expires, if the loss borne by the Insured is the direct and exclusive consequence of an insured risk and on the condition that the Insured fulfils the provisions of the insurance agreement, set out in these General Conditions and in the detailed conditions of the insurance agreement, provided the Insured has managed the risk with due diligence.
2. If the commitments of the Debtor towards the Insured were secured by a suretyship or guarantee, or in another manner, indemnity claim is being recognized subject to the following conditions:
  - 1/ filing of documents stating that the collaterals have been established in accordance with the legal regulations effective in the Debtor's country and with the legal regulations adequate for the collaterals; and
  - 2/ filing of documents stating that the Insured has performed all the actions necessary for exercising his rights from these collaterals.

In the case of suretyship or guaranties the Insured, without waiting for the instructions from the Corporation, should call on the guarantor or surety and perform obligations resulting from the suretyship agreement or the guarantee agreement and undertake all the necessary steps. If these actions have not been performed within 2 months from the due date of outstanding receivables, the beginning of the time specified in § 4 is postponed to the day when the guarantor or surety has been called upon to perform his duties resulting from the suretyship or guarantee agreement.

In the case of property collaterals the Insured should perform all the necessary actions to secure his rights resulting from the Agreement covered by insurance.

3. If the dispute between the Insured and the Debtor arose, the Corporation may withhold payment of indemnity, pending resolution of the dispute to the advantage of the Insured by arbitration procedures designated by the parties in the Agreement covered by insurance, or in the event of a lack of such, by the court whose decision is enforceable in the country of the Debtor. The dispute means any dispute (court or non-court) between the Insured and the Debtor, in particular dispute covering the subject of enforceability, justification and the amount of the claim of the Insured or the claim of the Debtor towards the Insured. The Corporation may recognize the indemnity claim of the Insured if an event causing a loss occurred, and the court or arbitration court provided in the Agreement covered by insurance could not be followed because of political events that occurred beyond the borders of the Republic of Poland, as a result of which the Insured was deprived of the possibility of recognition or ascertainment of his rights. The basis for indemnity calculation in this case will be the amount of the receivables which could be recognized as due to the Insured by the court or an arbitration court, if there were no obstacles preventing their consideration of the case and the receivables were covered by insurance.

4. In the case of occurrence of the event referred to in § 3 paragraph 2 pt 3, payment of indemnity is conditional on submission by the Insured of a document ascertaining fulfillment of the formalities required by the authorities in the Debtor's country for transfer of the currency of payment e.g. through the presentation of a bank document confirming payment in the local currency.
5. If the Agreement covered by insurance is subject to a bilateral intergovernmental debt restructuring agreement, the Insured is obliged to follow the provisions of this agreement in relation to insured receivables and non-insured receivables resulting from the Agreement covered by insurance. The Insured is obliged to give the Corporation any necessary assistance to fulfill the agreement on debt restructuring.  
If the insured amount is included in the bilateral intergovernmental debt restructuring agreement, the Corporation may waive, once the bilateral agreement is effective, the time of indemnity payment provided in § 19.
6. All provisions of the Agreement covered by insurance providing for early payment of insured liabilities (which have not yet matured) due to infringement or evasion by the Debtor of obligations arising from the Agreement covered by insurance shall not be effective for the liability of the Corporation.  
However, the Corporation may pay the indemnity at an earlier date; in such a case interest not incurred will be entered in the account of losses on the credit side.

#### **§ 16 Accounting for payments and sums from suretyship and guarantees**

1. Payments obtained under the Agreement covered by insurance, derived from the Debtor, his sureties or guarantors, or from execution of contractual collaterals are, beginning with the notification of the potential loss, irrespective of the manner of their accounting by the payers, appropriated for the satisfaction of, in chronological order, insured and uninsured liabilities for the purpose of establishing the amount of loss and dividing the amounts recovered after paying out the indemnity between the Corporation and the Insured.
2. If the Agreement covered by insurance provides for several creditors whose receivables are covered by a single insurance agreement, in the case of payments obtained from the Debtor they are accounted to the benefit of each of the creditor in proportion to the rights of each of them to part of the matured and unpaid receivable covered by insurance.
3. After satisfaction of an insured and possibly uninsured liability, the surpluses in receipts are counted towards delay interest.
4. In the case of a bilateral intergovernmental debt restructuring agreement providing for partial settlement of receivables covered by insurance, the payments made in this manner are counted towards these receivables.

### **§ 17 Processing of loss**

1. Processing of a loss takes place as the individual payment dates fall due. For each outstanding receivable the Insured is obliged to present an account of losses drawn up in the currency of the Agreement covered by insurance. The account of losses should include:
  - 1/ on the debit side - the amount of outstanding receivable;
  - 2/ on the credit side - the amount of all sums appropriated towards overdue payments, received by the Insured before the indemnity is paid, in particular:
    - a) partial payments made by the Debtor or a third party,
    - b) sums obtained from guaranties/suretyship.If the payment referred to in subpoint 2/ was made in a currency other than the currency of the Agreement covered by insurance, conversion into the currency of the Agreement takes place according to the average NBP exchange rate effective on the day of payment.
2. If the Corporation decides to pay an indemnity for all insured receivables (both matured and outstanding receivables as well as those for which the due date has not yet occurred), the Insured should present a single account of losses. The account of losses should include:
  - 1/ on the debit side - the amount of outstanding receivables;
  - 2/ on the credit side - the amount of receivables referred to in paragraph 1 and the amount of interest which will be due between the date of payment of the indemnity and the date of maturity of the receivables for which the payment date has not occurred.
3. The amount of loss constituting the base for calculating indemnity is equal to the debit balance from the account of losses, the maximum amount of loss may not exceed the amount of insured receivables, defined in the detailed conditions of the insurance agreement, increased if necessary by the amount specified in § 10 pt 4c, first tiret.  
Within these limits, the maximum amount of loss is the difference between the amount of insured receivables due to the Insured and the amount of insured receivables obtained by the Insured before the date of occurrence of the loss; the above limitations do not apply in case the indemnity includes:
  - 1/ the amount that the Insured will be obliged to pay to the Debtor for breach of the Agreement covered by insurance, in accordance with the provisions of § 6 paragraph 4;
  - 2/ the costs of proceedings referred to in § 18.
4. The indemnity is equal to the product of the amount of loss (or the maximum amount of loss) and the percentage of cover, referred to in the detailed conditions of the insurance agreement.

### **§ 18 Costs before indemnity payment**

1. Additional costs resulting from action to avoid the loss or to diminish its size, provided written consent of the Corporation, are covered by insurance protection proportionately to the percentage of cover defined in the detailed conditions of the insurance agreement. These costs include the costs of court proceedings and other legal expenses except for the costs connected with settling and maintaining collaterals in force, the costs of a protest of the bill of exchange

as well as the costs borne in order to settle the dispute in relation to the scope of rights of the Insured connected with the Agreement covered by insurance.

2. If the costs, mentioned in paragraph 1 are related to the amounts or the payment dates not covered by the insurance protection, they shall proportionately be assigned to insured and non-insured receivables or to the payment dates.

### **§ 19 Payment of indemnity**

1. Indemnity is paid within 30 days from the date the Corporation receives the indemnity claim together with the documents specified in § 14.
2. If a reported indemnity claim is incomplete or improperly evidenced, the Insured should provide the missing information within the time designated by the Corporation; in this case the Corporation pays the indemnity within 30 days after the indicated information is provided.

### **§ 20 Transfer of right to indemnity under insurance agreement - cession**

1. The right to indemnity ensuing from the General Conditions herein may be transferred by the Insured to a third party or be the subject of lien solely with the prior written consent of the Corporation.
2. The consent of the Corporation referred to above is not required if the right is to be transferred to a Polish bank as security for repayment of credit provided for the financing of the performance of an Agreement covered by insurance.
3. Both the Insured and the acquirer (cessionary) should immediately notify the Corporation of the transfer of the right to indemnity.  
The Corporation reserves the right to inform the acquirer (cessionary) of all transgressions of the Insured with regard to any of the obligations arising from the insurance agreement.
4. All additional contractual provisions changing the content and scope of the transferred right, made after the date of the transfer (cession), should be accepted and signed by the acquirer (cessionary).
5. Transfer of the right to indemnity does not relieve the Insured of any obligation arising from the insurance agreement.
6. All charges that the Corporation has the right to with regard to the Insured are effective towards the third party to whom the right to indemnity has been transferred from the moment of obtaining information about the fact of that transfer (cession).
7. The consent of the Insured shall be required for the transfer by the Corporation of its rights and obligations under the insurance agreement.

**CHAPTER IV  
RIGHTS AND OBLIGATIONS OF THE PARTIES  
AFTER PAYMENT OF INDEMNITY**

**§ 21 Transfer of rights after payment of indemnity - subrogation**

1. Upon payment of the indemnity all claims of the Insured against the Debtor and other third parties are transferred to the Corporation up to the amount of the paid indemnity.
2. Transfer of the right referred to in paragraph 1 takes place from the moment of payment of the indemnity by the Corporation and embodies both the principal amount and the interest as well as additional payments linked with the receivables for which indemnity was paid.
3. On the motion of the Corporation, within a specified time and in a form effective towards third parties, the Insured undertakes to transfer any proof needed by the Corporation for exercising its rights from the subrogation, and in particular to transfer all securities and documents and to make endorsements, transfers and other legal actions useful for the effective exercising of the rights of the Corporation.
4. If the Corporation, under subrogation, also exercises the rights of the Insured, it is obliged to inform him of its actions and to transfer to him the part of recovered amounts due to him.

**§ 22 Obligations of the Insured after occurrence of loss**

1. Irrespective of the rights of the Corporation defined in § 21, the Insured is obliged to undertake all means necessary to recover receivables and at the same time to observe the instructions issued to him by the Corporation.
2. Payment of indemnity by the Corporation does not relieve the Insured of the obligations ensuing from the insurance agreement.

**§ 23 Recovered amounts**

1. All payments - including delay interest - enforced under the Agreement covered by insurance after the indemnity is paid, constitute recovered amounts.
2. Amounts recovered in a convertible currency, subject to transfer, regardless of their amount are divided between the Corporation and the Insured.  
The part due to the Corporation is defined through the application of the following ratio to the amount of the recovered amounts:

$$\frac{\text{Sum of indemnity}}{\text{Debit balance of account of losses}}$$

However, if the amount was recovered within the bilateral intergovernmental debt restructuring agreement, the part of the amount due to the Corporation is defined according to proportions provided for the calculation of the indemnity:

The amount of loss constituting the basis for the calculation of indemnity

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Debit balance of account of losses

If the recovered amounts are expressed in a foreign currency, conversion takes place according to the NBP exchange rate effective on the date of payment.

3. If, in accordance with the § 16, the recovered amounts are assigned towards delay interest, the part corresponding to the period between the date of maturity of the outstanding receivable and the date of indemnity payment, is paid in full to the Insured.
4. The Insured undertakes to notify the Corporation of the recovery of any sums within 14 days and to transfer to the Corporation the part due to it within 14 days from their receipt.

#### **§ 24 Return of indemnity**

If after payment of indemnity it turns out that the Corporation had not been obliged to pay the indemnity in accordance with the legal provisions and these General Conditions, the Insured should return the full amount of the received indemnity within 14 days from the date of the demand for its return.

### **CHAPTER V OBLIGATIONS OF THE INSURED - CONTROL AND SANCTIONS**

#### **§ 25 Control**

1. The Insured is obliged to facilitate the Corporation's exercising of its right of control, and in particular to make available all documents, linked with the Agreement covered by insurance, or their certified copies; to permit performance of verifying functions that the Corporation decides to perform directly or through persons authorized by it to check the correctness and accuracy of declarations of the Insured, as well as observance of obligations by him.
2. If necessary the Corporation reserves the right to translate documents in a foreign language, at the cost of the Insured.

## **§ 26 Sanctions for infringement of obligations by the Insured**

1. If the Insured does not pay the premium within the designated time, the Corporation will demand by a registered letter that it be paid, designating the final deadline - not longer than 30 days. If it is not paid within this additional period, the Corporation has the right to withdraw from the insurance agreement with immediate effect.
2. The termination of the insurance agreement in the situation defined in paragraph 1 does not deprive the Corporation of the right to demand the payment of premium due for the period for which it was liable. On each sum due to the Corporation from the Insured under insurance agreement, the Corporation adds statutory interest, beginning with the day of its maturity. In the case the undue indemnity is paid through the fault of the Insured, the Corporation adds statutory interest from the day of indemnity payment.
3. If the Insured delays notification of the Corporation on credit utilisation, infringing the obligation stipulated in § 10 point 2, which causes delay in receiving the premium due to the Corporation, it is assumed that the premium has matured from the day of credit utilisation; in this case the Corporation is entitled to statutory interest on the amount of the premium, counted from the day the credit was utilised.
4. If the Insured fails to fulfill the obligations provided in § 10 point 3 to 6 or if the Insured presented to the Corporation untrue information, the Corporation is released from liability, unless these circumstances do not affect the probability of the occurrence of an event covered by the insurance agreement.
5. In the case specified in paragraph 4, if the indemnity was paid, it shall be returned.
6. The Insured is obliged to inform the Corporation about any case of instituting criminal proceedings concerning bribery of a person acting as a foreign public official or another illegal acts of similar character, referred to in § 7 paragraph 2, pt. 1, on the penalty of the loss of right to indemnity and the loss of all the rights resulting from the insurance agreement. In case the Insured informs the Corporation about the instituting of criminal proceedings concerning bribery of a person acting as a foreign public official or another illegal acts of similar character committed by concluding the Agreement covered by insurance, the activities connected with establishing liability of the Corporation is postponed until the legally valid termination of the criminal proceedings.
7. In the case of failure of the Insured to fulfill an obligation resulting from the insurance agreement other than that referred to in paragraph 4, and also any actions or concealment of facts for the purpose of misleading the Corporation with regard to the actual situation of the Debtor or with regard to the collaterals to the receivables covered by insurance, as well as leading to improper risk assessment by the Corporation and risk increase caused by the Insured, the Corporation may refuse payment of indemnity in whole or in part.



## **CHAPTER VI FINAL PROVISIONS**

### **§ 27 Currency of payment**

All payments resulting from the provisions of the General Conditions and detailed conditions of the insurance agreement are made in the currency of the Agreement covered by insurance both in the case of amounts paid to the Insured and received by the Corporation.

### **§ 28 Settlement of disputes under insurance agreement**

All disputes under the insurance agreement concluded on the basis of these General Conditions are resolved by the appropriate court competent on general principles.

### **§ 29 Legal basis**

In matters not regulated in these General Conditions, the provisions of the following acts apply:  
1/ the Act of 7 July 1994 on Export Insurance Guaranteed by the State Treasury (the Journal of Law No. 59, item 609 and subsequent amendments); and  
2/ the Act of 23 April 1964 - the Civil Code (the Journal of Law No. 16, item 93 and subsequent amendments).

### **§ 30 Transitory provisions**

1. These General Conditions take into consideration the provisions of the Council Directive 98/29/EC of 7 May 1998 in relation to the harmonization of the main provisions concerning export credit insurance for medium and long-term transactions.
2. Subdeliveries from the Member States of the European Union, provided Polish regulations in force, shall be considered domestic goods and services.

*This text does not constitute an official translation and may be used only for information purposes. The provisions of Ogólne warunki gwarantowanych przez Skarb Państwa ubezpieczeń kredytów eksportowych zatwierdzone decyzją Ministra Finansów DG/8/2007 z 2 marca 2007r., polisa indywidualna, kredyt dla nabywcy, kredytobiorca prywatny in original version shall apply to the insurance agreement. The Corporation may not be held liable for inaccurate or improper use of the English language in this translation.*