

DECLARATION CUM UNDERTAKING

(To be given by the Parent Company in India to ECGC LTD.)

Our Subsidiary/Joint Venture _____

which is registered outside India, has applied to you for a credit insurance cover. In this connection, we undertake that:

- 1) The Premium of ECGC LTD Insurance Cover shall be paid by us on behalf of our Subsidiary/Joint Venture, in terms of the Policy.
- 2) We ensure complete control over the management and functioning of the Subsidiary/Joint Venture. All steps necessary to be taken by the Subsidiary/Joint Venture to fulfill the contractual obligations, will be taken under our supervision and control.
- 3) We confirm that for part fulfillment of the obligation of the Subsidiary/Joint Venture under the Overseas Contract, we will export goods or render services to our Subsidiary/Joint Venture from India. We agree that this condition shall operate as a condition precedent before extending any cover to the subsidiary/joint venture. We agree that if this condition precedent is not performed by us, the liability of the ECGC LTD will cease and the Policy will be rendered void, in which case, ECGC LTD will be entitled to retain the entire premium paid.
- 4) We agree that at the date of issue of the Policy/Addendum, we have disclosed and will at all times during the operation of the Policy and/or Addendum, promptly disclose all facts in any way affecting the Risks Insured.
- 5) In case of default of realization of payment, our subsidiary/joint venture shall file the claim with ECGC LTD through us and the same shall be pursued by us on behalf of the subsidiary/joint venture.
- 6) ECGC LTD on settlement of claim, shall pay directly to us on behalf of our subsidiary/joint venture in Indian Rupees.

- 7) We shall ensure that the subsidiary/joint venture will take all necessary steps as intimated by ECGC LTD, for processing the claims.
- 8) We shall ensure that the subsidiary/joint venture will take all recovery measures including legal action, against the Overseas Buyer in the Overseas Buyer's Country.
- 9) On realization of recovery from the Overseas Buyer, the subsidiary/joint venture shall forward the details of amount realized to ECGC LTD through us.
- 10) We ensure that all amounts realized from Overseas Buyer by the Subsidiary/Joint Venture, net of recovery expenses shall be shared with ECGC LTD at the same ratio, at which the claim was settled.
- 11) We agree to be bound to disclose to ECGC LTD any changes or variance in the information already provided by us in the proposal or hereunder, which is likely to affect the Risks Insured by ECGC LTD.
- 12) We hereby agree that ECGC LTD will not be liable to make any payment towards any claim filed by us on behalf of the subsidiary/joint venture, if the Overseas Buyer does not make payment to the subsidiary/joint venture for any default or breach of the joint venture/subsidiary in fulfillment of any obligations under the Overseas Contract.
- 13) We agree to perform the duties and comply with the obligations of making timely declaration under the policy as and when called upon by ECGC LTD.
- 14) We will ensure that the subsidiary/joint venture performs its obligations under the Policy and/or Addendum.
