



## **GENERAL TERMS**

Applicable to TradeLiner contracts issued by Coface Ireland which incept or renews on or after 1st November 2021

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## / GENERAL TERMS

### Purpose of this Contract

Subject to and in accordance with the provisions of this **Contract**, We undertake to cover You for the risk of **Non-Payment** of your **Debts** arising from **Deliveries** You make during the **contract** period (risk attaching principle) and to indemnify You up to the insured percentage of the **Net Debt**.

The **Contract** and the cover provided are subject to the conditions precedent of cover included in the General Terms and the Special Terms. Section 18 of the Marine Insurance Act 1906 shall not apply to the conditions precedent. If the conditions precedent are not complied with, the Insurer may rely upon such non-compliance to exclude, limit or discharge its liability, even if non-compliance with the conditions precedent could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

### Structure of this Contract

This **Contract** consists of the following documents:

- these General Terms .....,
- the Special Terms, including any *additional document* if any, and
- the Questionnaire submitted by You.

In case of inconsistency between the Special Terms and any other parts of this **Contract**, the Special Terms (including any additional document if any) shall prevail.

The terms in **bold** characters are defined in article 15 of the General Terms or in the body of the **Contract**.

The terms in italics are specified in the Special Terms.

All references in this **Contract** to “day(s)” refer to “calendar day(s)” unless expressly provided otherwise.

**Adverse Information:** any event You may become aware of and which could indicate that the Buyer may not be able to pay the Debt, such as but not limited to Insolvency of the Buyer or of an Associated Company of the Buyer, cash flow difficulties or reputation deterioration of the Buyer, substantial change or termination of your exclusive or long-lasting business relationship with the Buyer, legal action against the Buyer [local examples may be added subject to Group validation].

## / ARTICLE 1: COVER

### 1.1 Scope of cover

#### 1.1.1 Insurable Debts

Our cover shall apply to **Debts**:

- i) arising in the course of your covered business activity,
- ii) on a **Buyer** located in a covered country,
- iii) arising from **Deliveries** made during the **contract** period,
- iv) payable within the maximum credit period and
- v) for which the invoice is sent to the **Buyer** within the maximum invoicing period.

#### 1.1.2 Insurable causes of loss

Our cover shall apply to any **Non-Payment** arising directly and exclusively from:

- i) your **Buyer's Insolvency**, or
- ii) your **Buyer's Protracted Default**.

### 1.2 Exclusion of cover

#### 1.2.1 Excluded Debts

**a)** Our cover shall not apply to **Debts** due by a **Buyer** who is i) a **Private Individual**, ii) an **Associated Company**, iii) a Public **Buyer**, or iv) already subject to **Insolvency** on the date of **Delivery**.

**b)** Our cover shall not apply to **Debts**:

- i) payable before **Delivery**,
- ii) payable by irrevocable letter of credit confirmed by a bank registered in your country,
- iii) resulting from sales of goods made on approval or on consignment, or of goods in bonded warehouse or exhibited at a trade fair,
- iv) resulting from **Cash Against Documents Sales**,
- v) which are not required to be notified to Us pursuant to article 3.1.1.a) below,
- vi) which are at the date indemnification is triggered by Us in excess of the **Credit Decision**,
- vii) where You have not complied with any express condition which may be attached to the **Credit Decision**,
- viii) where a failure, by You or anyone acting on your behalf, to fulfill your obligations under the **Sales Contract** occurred, or
- ix) sustained on interest for late payment or any penalties or damages.

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**Associated Company:** any company which (i) is controlled directly or indirectly by You, or (ii) controls directly or indirectly You, or (iii) is controlled directly or indirectly by the same company as controls You, where "control" means significant influence by participation in the management, administration or capital.

**Buyer:** a legal entity which entered into a Sales Contract with You.

**Buyer in Default:** a Buyer for whom You have or should have sent Us a Notification of Overdue Account.

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- c) Our cover shall not apply to **Debts** arising from **Deliveries**:
- i) made after a **Refusal** or a **Cancellation**,
  - ii) made to a **Buyer in Default**,
  - iii) made to a **Buyer** for whom You have or should have notified Us **Adverse Information**, or
  - iv) made in violation of any applicable law or regulation.

d) Our cover shall not apply to **Debts** which are subject to a **Dispute**; in such a case, our cover shall be suspended until the **Dispute** is resolved in your favour by arbitration or by a final court decision, binding on both parties and enforceable in the **Buyer's** country.

### 1.2.2 Excluded causes of loss

Our cover shall not apply to any **Non-Payment** arising directly or indirectly from any of the following events:

- i) any **Political Event**,
- ii) any **Natural Disaster**,
- iii) a nuclear explosion or contamination,
- iv) a war, whether declared or not, between two or more of the following countries : France, the People's Republic of China, the Federation of Russia, the United Kingdom, the United States of America,
- v) for your domestic transactions: any legislative or administrative measure in your country that prevents the performance of the **Sales Contract** or the payment of the **Debt**.

## 1.3 Commencement and termination of cover

Our cover shall start upon **Delivery**, provided that a **Positive Credit Decision** with respect to the **Buyer** is in force on the date of **Delivery**.

Our cover shall terminate immediately and automatically when cleared funds are duly credited by the **Buyer** to your account.

**Cancellation:** Credit Decision whereby We cancel a Positive Credit Decision previously granted in respect of a Buyer.

**Cash Against Documents Sales:** sales where the applicable terms of payment provide that You shall keep title to and control over the goods until full payment has been made to the third party responsible for handing the documents of title over to the Buyer.

## / ARTICLE 2: RISK MANAGEMENT

### 2.1 Diligence and prevention

You shall exercise due care in granting credit to your **Buyers**, with regard to both the amount and the period of credit, and shall manage all business which is covered under this **Contract** with at least the same diligence and prudence as You would reasonably be expected to exercise were You not insured. You shall also use all reasonable endeavours to preserve your rights against both your **Buyers** and any third parties.

### 2.2 Management of the credit period

The initial credit period You grant to your **Buyers** shall not exceed the maximum credit period.

You may grant one or more extension periods, provided that the total duration of the credit period does not exceed the maximum credit period.

You shall obtain our agreement before You extend the credit period:

- i) if the extended credit period falls outside the maximum credit period,
- ii) for a **Buyer in Default**, or
- iii) for a **Buyer** in respect of whom We notified a **Cancellation**.

### 2.3 Notification of Adverse Information

You shall notify Us as soon as and in any case no later than 10 days after You become aware of any **Adverse information** concerning a **Buyer**.

### 2.4 Credit Decisions

#### a) Your requests for Credit Decisions

Your request to obtain from Us a **Credit Decision** shall be made [through our online system] pursuant to the Special Terms.

You may at any time [through our online system] request a modification (such as a reduction, withdrawal, or increase) of the **Credit Decision** previously set by Us.

When applying for an initial or revised **Credit Decision**, You shall notify Us of any **Overdue Account** exceeding 60 days from the **Due Date**.

#### b) Role of the Information Service Provider

Upon your request for a **Credit Decision** with respect to a **Buyer**, the **Buyer's** creditworthiness shall be assessed and monitored by the Information Service Provider, such assessment being a piece of information on which we base our **Credit Decision**.

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**Contract:** the credit-insurance contract concluded between the legal entities identified herein as Contracting Parties and which includes these General Terms, the Special Terms, the Questionnaire and as the case may be any additional document listed in the Special Terms.

**Credit Decision:** decision which is set pursuant to the Special Terms and determines the maximum covered amount of your Outstanding in respect of a given Buyer, if any.

### c) Notification and duration of our Credit Decision

Upon your request for a **Credit Decision**, We shall notify You of either a **Positive Credit Decision** or a Refusal.

Our **Credit Decisions** shall take effect as follows:

- in case of a new **Positive Credit Decision** other than a **Reduction** (including the case of a **Positive Credit Decision** which increases the amount of a previous **Positive Credit Decision**), such new **Positive Credit Decision** shall take retroactive effect 60 days before its notice, provided that at the date of your request You have no **Overdue Account** exceeding 60 days from the **Due Date** or Adverse information.

Such new **Positive** Credit decision shall replace any Credit decision in force during the retroactive period and may not be accumulated with any prior **Credit Decision**. In case of retroactive **Credit Decision**, You shall make sure that You include in your activity declaration **Debts** arising during the retroactive period pursuant to article 6.1 below. If the conditions for retroactivity are not met, the **Positive Credit Decision** shall take effect at the date of your request.

> in case of **Reduction**, Refusal or **Cancellation**, such **Credit Decision** shall take effect on the date of notice. In that case:

- **Deliveries** made to a **Buyer** after notice of **Reduction** shall only be covered to the extent that the Outstanding does not exceed the value of the new **Credit Decision**.
- **Deliveries** made to a **Buyer** after notice of Refusal or **Cancellation** shall not be covered.

We may at any time revise our **Credit Decision** in respect of a **Buyer** and notify **You** of a **Reduction**, a **Cancellation** or any new condition or restriction applicable to our **Credit Decision**, it being agreed that any **Debt** validly covered before such new **Credit Decision** remains covered.

### d) Conditions attached to our Credit Decisions

Our **Credit Decisions** may provide that its validity is subject to specific conditions. If a **Credit Decision** is subject to your obtaining a **Security**, this **Security** must be valid and enforceable at all times.

## 2.5 Uncovered Amount

You shall keep for your own account any portion of the **Debt** excluded from cover under article 1.2 or for which no indemnification is due by Us pursuant to article 3.2.1. Such portion may only be insured or covered separately by a third party with our prior written consent.

**Credit Limit** : type of Credit Decision set by Us, as per article 2.1. of the Special Terms.

**Debt**: amount of one or more invoices owed by the Buyer under a Sales Contract and which falls within the scope of our cover as defined in article 1.1.1 above.

## / ARTICLE 3: INDEMNIFICATION

### 3.1 Notification of Overdue Account and evidence of Debt

#### 3.1.1 Notification of Overdue Account

**a)** It is a condition precedent of cover that You notify Us through our online system and within the time limit for notification, any **Overdue Account** which exceeds the notification threshold and remains due at the date of your notification

**b)** In case of **Overdue Account**, You shall take all measures as may be considered necessary to prevent or minimise the consequences of the claim. You shall pursue diligently and in good time any rights You may have over the **Debt**, including rights to recover goods or to protect your or our rights or to secure the payment of the **Debt**.

#### 3.1.2 Evidence of Debt

Upon our request and within the waiting period, You shall send Us all written evidence of the **Debt**, of any **Security** obtained and if applicable, of the **Insolvency** of the **Buyer**.

### 3.2 Indemnification

Indemnity in respect of a **Buyer** can result in indemnification of a **Debt** and/or indemnification of **Collection Expenses**.

#### 3.2.1 Debt Indemnification

##### **a) Indemnification level - Net Debt**

Subject to a deductible as specified in the Special Terms, We shall pay the insured percentage of the **Net Debt** or of the **Positive Credit Decision** if the **Net Debt** exceeds the **Positive Credit Decision**.

The **Net Debt** shall correspond to the balance of the following loss account:

on the debit side:

the value of the invoices, covered under this **Contract**, including, as appropriate:

- the VAT, if this tax is covered under this Contract as specified in the Special Terms
- any interest payable up to the Due Date (excluding interest that accrues thereafter),
- the packing, transport and insurance costs and any taxes owed by the Buyer.

on the credit side:

- the amount of any **Recoveries** received by You or by Us up to the date of calculation of the **Net Debt**.

**Delivery: occurs:**

**> for domestic sales of goods:** when the goods are handed over or made available to the Buyer, or anyone acting on his behalf, at the place and pursuant to the terms specified in the Sales Contract. If it has been agreed between You and Your Buyer that the goods must be made available to the Buyer, the Sales Contract shall specify it expressly in writing.



### b) Date of payment

Provided that You have complied with all the terms of the **Contract**, We shall indemnify You within 30 days of (i) the receipt by Us of all the documents specified in article 3.1.2 in cases of **Insolvency** of the **Buyer** or (ii) - the expiration of the waiting period, in all other cases.

## 3.2.2 Indemnification of Collection Expenses

Unless stated otherwise in the Special Terms, in addition to indemnification of the **Net Debt**, We shall also indemnify the **Collection Expenses** (VAT excluded) in accordance with the following provisions:

### a) Indemnification level

Subject to a deductible as specified in the Special Terms, We shall pay You the covered **Collection Expenses** up to the insured percentage applicable to the concerned **Debts**.

The covered **Collection Expenses** shall correspond to the **Collection Expenses** up to the cover ratio defined below.

The cover ratio is the ratio where:

- the numerator is the lowest of the **Net Debt** or the **Credit Decision**
- the denominator is the amount of the **Debt**.

The cover ratio shall be calculated when indemnification is triggered. When the **Debt** is fully paid before indemnification, the cover ratio shall be equal to 1.

### b) Date of payment

- Collection Expenses** incurred before indemnification of the **Net Debt** shall be indemnified along with the indemnification of the **Net Debt**.
- Collection Expenses** incurred after indemnification of the **Net Debt** shall be indemnified within [30] days from our receipt of a copy of the relevant **Collection Expenses'** invoices.

> **for export sales of goods:** when the goods are handed over to a third party – generally a carrier – to take them to the place of delivery specified in the Sales Contract or, by absence of such a third party, when goods are handed over to the Buyer, or anyone acting on his behalf, at the place and pursuant to the terms specified in the Sales Contract.

> **for performance of services:** on the date of performance of the services for which payment is due pursuant to the Sales Contract.

### 3.2.3 Maximum liability

The total amount of indemnity paid by Us with respect to the **Debts** and/or the **Collection Expenses** resulting from **Deliveries** made during a single insurance period shall not exceed *maximum liability*.

## 3.3 Subrogation

Upon payment of an indemnity, We shall become subrogated in all your rights and actions in relation to the principal and the interests of the covered **Debt** and to the **Security** attached to it. You shall give Us any documents or titles We may require to exercise this subrogation effectively and shall make any assignments or transfers required in our favour.

The subrogation shall not relieve You of your obligation to take such measures as may be deemed necessary to recover the **Debt** and to comply with our instructions.

## 3.4 Reimbursement of indemnity

We may require an indemnity to be returned to Us if it subsequently appears that such indemnity should not have been paid under the provisions of this **Contract** or if, in the case of **Insolvency** of the **Buyer**, the **Debt** is not admitted to rank.

## 3.5 Embargoes

Our cover may not apply and we will incur no liability to pay a claim insofar that the provision of such cover and/or payment of such claim would cause us or any member of our group to be exposed to any sanction or penalty (including extra territorial sanctions) originating out of or related to United Nation's resolutions or trade or economic sanctions, laws or regulations of the European union or of any State, whether these sanctions existed at the inception of the **Contract** or were implemented during the **Contract** period.

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**Dispute:** any disagreement regarding the amount of the Debt or the validity or enforceability of your rights, including any disagreement about setting off sums You may owe your Buyer involving setting off sums your Buyer claims You owe him under a Sales Contract or any other contractual arrangements between You and your Buyer.

**Due date:** the initial date when the Buyer must pay for his Debt according to the Sales Contract.

**Duty of fair representation:** it shall have the same meaning as given to it in the Marine Insurance Act 1906.

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## / ARTICLE 4: COLLECTION

- 4.1** After a Notification of **Overdue Account**, You shall place with the **Debt Collection Agency** the **Debts** covered by Us, whether in full or in part, for amicable and, if applicable, legal collection. Unless you have our prior written consent You shall not take over the collection of the **Debts** or instruct any debt collection provider other than the **Debt Collection Agency** to collect the **Debts**.
- 4.2** You shall co-operate and provide assistance as required to enable the **Debt Collection Agency** to collect the **Debts**. In particular, You shall provide upon the request of the **Debt Collection Agency** and within the prescribed time limit, all written evidence of the **Debts** and of the Securities if any, as well as any information, document or title required by the **Debt Collection Agency** to collect the **Debts**.
- 4.3** You hereby authorise Us to represent You with full powers before the **Debt Collection Agency** for the purpose of managing on your behalf the collection of the **Debts**. In particular, You hereby grant Us to this effect an irrevocable and exclusive mandate to:
- instruct the **Debt Collection Agency** to collect the **Debts** as soon as the Notification of **Overdue Account** is made;
  - forward to the **Debt Collection Agency** all invoices and other documents or information relating to the **Debts**, including information concerning **Recoveries** received by You;
  - receive from the **Debt Collection Agency** reporting items on the collection actions;
  - receive from the **Debt Collection Agency** any **Recoveries** and allocate such **Recoveries** according to article 5.2 below;
  - accept any debt settlement agreement with the **Buyer**, including but not limited to any payment plan, debt reduction or assignment of payment right to a third party;
  - decide whether or not to pursue legal proceedings and instruct accordingly the **Debt Collection Agency**.

You shall not intervene or liaise directly with the **Debt Collection Agency** without our consent.

**Insolvency:** [local definition] Natural Disaster: an environmental event such as but not limited to a volcanic eruption, earthquake, tidal wave, typhoon or flood.

**Net Debt:** the amount of loss calculated pursuant to article 3.2.1 above which may be indemnified according to the terms and conditions of this Contract.

## / ARTICLE 5: RECOVERIES

### 5.1 Notification of Recoveries

After the **Notification of Overdue Account**, You shall inform Us [through our online system] of any **Recoveries** received by You.

### 5.2 Allocation of Recoveries

**Recoveries** received before indemnification is triggered by Us are for your account and shall reduce the **Debt**. Such **Recoveries** shall be allocated in chronological order of the relevant **Due Dates**, any different allocation provided by third parties will not be binding on Us.

**Recoveries** received after indemnification is triggered by Us are for our account up to the amount of the indemnity paid with respect to the **Debt**, and the balance will be for your account up to the amount of the **Debt**.

Should the total amount of **Recoveries** received before or after indemnification is triggered by Us exceed the total amount of the **Debt**, the excess shall be allocated between You and Us to set off the **Collection Expenses** incurred respectively by You and Us.

The trigger date indemnification by Us shall be set forth in the statement of indemnification sent to You.

**Non-Payment:** non-payment of the Debt by the Buyer on the date, in the currency and in the place specified in the Sales Contract.

**Notification of Overdue Account:** notification of the Overdue Account pursuant to article 3.1.1 above.

## / ARTICLE 6: ACTIVITY DECLARATION, PREMIUM AND FEES

### 6.1 Activity declaration based on Turnover

It is a condition precedent of cover that you declare to Us the Turnover of your activity for each reporting period, through our online system within the declaration period.

In case of non-renewal of this **Contract**, you remain obligated to declare to Us your Turnover relating to the last reporting period..

### 6.2 Premium

The premium shall be calculated by applying the premium rate to the amount of Turnover, subject to the minimum premium. It is a condition precedent of cover that You pay Us the premium amount as it falls due pursuant to the Special Terms..

### 6.3 Fees

#### 6.3.1 Service Fees

It is a condition precedent of cover that You pay to the Information Service Provider and the **Debt Collection** Agency the fees due pursuant to the Special Terms.

#### 6.3.2 Management fee due to Us

You shall pay Us pursuant to the Special Terms a management fee for each Notification of **Overdue Account**.

### 6.4 Taxes and duties

All amounts specified in this **Contract** in respect of premium and fees are exclusive of taxes and duties.

### 6.5 Set-off

You shall not be entitled to apply any set-off against any payments You may consider We owe You, even if We recognise that We shall indemnify You with respect to a **Debt**.

**Outstanding:** the total amount - including VAT if applicable - calculated at any time, which is due or to be due by a Buyer to the extent that such amount falls within the scope of cover defined in article 1.1.1 above and is not excluded from cover pursuant to articles 1.2.1a),b)i),ii), iii), iv),c)i) and 3.5 above.

**Overdue Account:** the amount of the Debt remaining unpaid.

## / ARTICLE 7: DURATION

### 7.1 Duration

This **Contract** shall be in force from the inception date and remain in force for the contract period.

### 7.2 Condition Precedent to the coming into force of the Contract

Our obligations under this **Contract** shall be subject to the receipt by Us on the inception date of the deposit [if applicable].

### 7.3 Early termination

We reserve the right to notify you of the termination of this **Contract** by registered letter at any time if You are subject to **Insolvency** or You cease your business activity.

If We exercise our right to terminate the **Contract** it shall terminate on the date of the relevant event and the premium shall be due on a pro-rata basis according to the effective duration of the **Contract**.

## / ARTICLE 8: CURRENCY

If invoices are issued in a currency other than the currency of the Contract, they shall be converted into the currency of the Contract, as follows:

- a) for calculating the **Net Debt**: at the exchange rate in force on the last working day of the month that the relevant invoices were issued with any payments received in respect of these invoices being converted at the same rate.
- b) for the **Recoveries** received after indemnification: at the actual rate when You or We collected such amounts, or failing such rate, the exchange rate on the value date mentioned on the bank credit note.
- c) for the activity declaration referred to in article 6.1 above: at the exchange rate in force on the last working day of the month that the relevant invoices were issued.

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**Personal Data:** means data which relate to a natural person (the "Data subject") who is or can be identified from the data or from a conjunction of data into our possession (e.g. name, ID card number, etc.).

## / ARTICLE 9: COMMUNICATION

**9.1** 9.1 Except where expressly provided otherwise in this **Contract**, any notice, notification and more generally any communication made under or in relation to the **Contract** shall be validly made at the addresses set out in the Special Terms (i) by facsimile, (ii) by recorded delivery post with advice of receipt, (iii) by express courier delivery service via an internationally known courier company, (iv) by electronic messaging (e-mail) or through our online system, (v) by sending the document via a file transfer platform; or to any other persons, addresses, fax numbers or e-mail addresses notified subsequently in accordance with this article.

You shall inform Us of any change to the addresses set out in the Special Terms.

**9.2** You acknowledge that any exchanges having taken place in electronic format have the same legal value as hard copy documents.

**9.3** Communications shall take effect upon receipt and shall be deemed to have been received

- (i) in the case of sending by facsimile, on the date shown on the transmission report,
- (ii) in the case of notification by recorded delivery post with advice of receipt, on the date of first presentation,
- (iii) in the case of delivery by express courier service, at the time of receipt,
- (iv) in the case of sending by electronic message or through our online system, at the time the message is transmitted to the intended recipient's server and thus is capable of being read by the addressee,
- (v) in the case of sending via a document transfer platform, as soon as You are notified by e-mail that there is a document on the platform for uploading.

**Political Event:** any of the following events which occurs in case of export transactions:

- a war, declared or not involving the Buyer's country,
- a riot, civil war, rebellion, act of terrorism, revolution or any similar event in the Buyer's country,
- any legislative or administrative measure in your country that prevents the export, or
- any governmental measure preventing the import, the transfer of the funds or exempting the Buyer from the payment.

## / ARTICLE 10: DATA PROTECTION

Coface group is committed to the protection of **Personal Data** as provided for in the European directives on personal data. As part of Coface group, We are concerned to apply the protective rules related to **Personal Data** for Your benefit. In view of the above, You are informed of the following protection rules regarding **Personal Data** You provide to Us for the establishment and the management of Your **Contract**.

**10.1 Personal Data** provided by You under the **Contract** may be used for the management of the **Contract**, the needs of our insurance activities and our credit assessment, credit management and financing activities. They may be transferred for these purposes to our reinsurers, to the **Debt Collection** Agency, to the Information Service Provider, or to any other members of the Coface group or to Coface partners, some of whom may be located outside the European Union.

**10.2 Data subjects** shall be entitled, under the conditions provided for by English law, to access their **Personal Data** and to ask for their modification, erasure or blocking by contacting our service in charge of **Personal Data** protection at the following address: The Data Controller, Coface, Egale 1, 80 St. Albans Road, Watford, WD17 1RP or on the following phone number: +44 (0)1923 478157.

**10.3** We may use **Personal Data** provided by You to inform You about our new products or those of our affiliates and about any changes to the existing products. Your **Personal Data** will not be sold to any third party for marketing campaigns. In addition, **Data subjects** shall have the right to object to the use of their **Personal Data** for marketing reasons at any time by contacting the service referred to in paragraph 10.2.

**10.4** You shall provide **Data subjects** with the information referred to in paragraphs 10.1, 10.2 and 10.3.

**Positive Credit Decision:** Credit Decision which is not a Refusal or a Cancellation including Credit Decision We grant partially compared to the requested amount.

**Private Individual:** a person who buys goods or services for a purpose other than the purpose of his professional activity.

**Protracted Default:** failure of the Buyer to pay fully the Debt at the expiration of the waiting period, provided that such failure is not due to Insolvency, a Political Event or a Natural Disaster.



## / ARTICLE 11: ASSIGNMENT

You may not assign your rights to indemnification and/or the **Debts** to a third party without our prior written consent, such consent being materialised through the execution of an endorsement to this **Contract** to this effect.

## / ARTICLE 12: INFORMATION AND CONTROL

### 12.1 Advising Us of changes

You have a duty to give a fair representation of the risk for which You are seeking cover. You will be in breach of this condition if You provide false or incomplete statements (especially when You applied for this **Contract** or made a request for a **Credit Decision**, an amendment or when a cause of loss occurred). You will be in breach of this condition if you fail to comply with Your obligations pursuant to this article 12.1.

**Consequences of such a failure are set out in article 13.3.**

This **Contract** has been made on the basis of the information submitted by You in the Questionnaire. You shall inform Us within 10 days of any substantial change in the information given in the Questionnaire, particularly in the nature or the scope of your activities or in your legal status.

### 12.2 Right of discovery

You undertake to allow Us to exercise the right of discovery, and particularly You shall provide Us with any documents and/or certified copies relating to your **Sales Contracts** and shall allow Us to make any check, including verifying whether You have fulfilled your obligations and made your declarations in a complete, exact and truthful manner.

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**Public Buyer:** Buyer which is a (i) central government authority, (ii) a regional or local authority, or (iii) a department or agency thereof.

**Reduction:** Credit Decision whereby We reduce the amount set in a previous Credit decision.

**Refusal:** Credit Decision whereby We refuse a cover in respect of a Buyer.

**Sales Contract:** any agreement in any form which is legally binding upon You and your Buyer and which is for the sale of goods or the provisions of services against payment of a price.

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## / ARTICLE 13: BREACH OF OBLIGATIONS

### 13.1 Lack of complete activity declaration

In case of lack of declaration, incomplete declaration or late declaration of your Turnover, We may forfeit cover for the **Debts** not declared in due time, but You shall still pay Us the premium on the basis of the Turnover taking into account the **Debts** not declared or declared late. We also reserve the right to terminate the **Contract**.

### 13.2 Non-payment of premium or fees

**a) In case of non-payment of the premium or fees**, in whole or in part, within the prescribed time, or if You do not comply with any other conditions precedent in this **Contract** We may cancel the cover, declare the cover void, change the terms of the cover or refuse to deal with whole or part of any **Debt** (or other claim).

**b) We shall also be entitled to invoice You** (i) late payment interest at the rate of four per cent (4%) per annum above the Bank of England base rate in force on the due date and (ii) a fixed penalty of GBP500 for each of our invoices not fully paid on the due date to cover our collection costs. We also reserve the right to deduct the amounts due from the deposit and/or terminate the **Contract**.

### 13.3 False or incomplete statements

- a)** If You fail to make a fair presentation of the risks deliberately or recklessly we may void your cover and retain the premium (we may treat the **Contract** as if it had never existed and we will not return your premium).
- b)** If You fail to make a fair presentation of the risks and it is not deliberate or reckless and, had We known about the risks, We would not have provided cover We may elect to void the cover and return Your premium.
- c)** If the failure to make a fair presentation of the risks and it is not deliberate and reckless and, We would have issued cover on different terms had we known about the risks, We may:
  - reduce the amount of cover proportionately to the premium (i.e. We would pay out a reduced amount reduced by the same percentage as the premium would have increased had We known of the risks) and/or
  - treat the cover as if extra or different terms were included in the **Contract** had We known of the risks.

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**Recoveries:** any amounts received, whether before or after indemnification, from the Buyer or a third party in relation to the **Debts** arisen before the Insolvency of the Buyer, including:

- any interest You or We receive on late payment
- any Security You or We realize,
- VAT if this tax is covered by Us under this Contract,
- any credit note that You raise,
- any value arising from the exercise of any set-off,
- any proceeds of goods You have, or could have, recovered or kept.

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### 13.4 Other failures

Any other failure to fulfil your obligations under the **Contract**, including article 3.1.2 above, shall until such time as such obligation is remedied, forfeit your right for cover for the **Debts** (or other claims) concerned and if indemnification has already been paid for this **Debt**, You shall reimburse Us for such payment.

### 13.5 Consequences of forfeiture of cover or termination of this Contract

In case of forfeiture of the cover or termination of this **Contract** for non-observance of the terms of the **Contract**, no return of premium shall be made by Us and all premium payable shall become immediately due.

## / ARTICLE 14: CONFIDENTIALITY

You shall keep confidential and not disclose to any third party, including your **Buyers**, the **Credit Decisions** (including any conditions attached to them), except with our prior written consent.

**Security:** any mortgage, charge, pledge, lien, personal guarantee or other encumbrance securing any obligation of a Buyer.

**Turnover:** the total amount - including VAT if applicable - of all the **Debts** less the **Debts** excluded from cover pursuant to articles 1.2.1a),b)i),ii),iii),iv),c)i) and 3.5 above.

## / ARTICLE 15: DEFINITIONS

**Adverse Information:** any event You may become aware of and which could indicate that the **Buyer** may not be able to pay the **Debt**, such as but not limited to, **Insolvency** of the **Buyer** or of an Associated Company of the **Buyer**, cashflow difficulties or deterioration of the reputation of the **Buyer**, substantial change or termination of your exclusive or long-lasting business relationship with the **Buyer**, legal action against the **Buyer** [local examples may be added subject to Group validation].

**Associated Company:** any company which (i) is controlled directly or indirectly by You, or (ii) controls directly or indirectly You, or (iii) is controlled directly or indirectly by the same company as controls You, where “control” means significant influence by participation in the management, administration or capital.

**Buyer:** a business entity which is legally responsible for paying a **Debt** due to You under a **Sales Contract**.

**Buyer in Default:** a **Buyer** for whom You have or should have sent Us a Notification of **Overdue Account**.

**Cancellation:** **Credit Decision** whereby We cancel a **Positive Credit Decision** previously granted in respect of a **Buyer**.

**Cash Against Documents Sales:** sales where the applicable terms of payment provide that You shall keep title to and control over the goods until full payment has been made to the third party responsible for handing the documents of title over to the **Buyer**.

**Collection Expenses:** any justified and documented expenses incurred by You in accordance with this **Contract** in order to avoid or mitigate the loss and secure the payment of the **Debts** covered by Us, including expenses related to pre-legal and legal collection of the covered **Debts** and actions related to the realisation of Securities. Any expenses incurred by You in connection with the settlement of any Dispute shall not be regarded as **Collection Expenses**.

**Contract:** the credit-insurance **Contract** concluded between the legal entities identified herein as **Contracting** Parties and which includes these General Terms, the Special Terms, the Questionnaire and any additional document listed in the Special Terms.

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**Recoveries:** any amounts received, whether before or after indemnification, from the Buyer or a third party in relation to the **Debts** arisen before the Insolvency of the Buyer, including:

- any interest You or We receive on late payment
- any Security You or We realize,
- VAT if this tax is covered by Us under this Contract,
- any credit note that You raise,
- any value arising from the exercise of any set-off,
- any proceeds of goods You have, or could have, recovered or kept.

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**Credit Decision:** decision which is set pursuant to the Special Terms and determines the maximum covered amount of your Outstanding in respect of a given **Buyer**, if any.

**Credit Limit:** type of **Credit Decision** set by Us, as per article 2.1. of the Special Terms.

**Debt:** amount of one or more invoices owed by the **Buyer** under a **Sales Contract** and which falls within the scope of our cover as defined in article 1.1.1 above.

**Delivery:** occurs: - for domestic sales of goods: when the goods are handed over or made available to the **Buyer**, or anyone acting on his behalf, at the place and pursuant to the terms specified in the **Sales Contract**. If it has been agreed between You and Your **Buyer** that the goods must be made available to the **Buyer**, the **Sales Contract** shall specify it expressly in writing.

- for export sales of goods: when the goods are handed over to a third party – generally a carrier – to take them to the place of delivery specified in the **Sales Contract** or, by absence of such a third party, when goods are handed over to the **Buyer**, or anyone acting on his behalf, at the place and pursuant to the terms specified in the **Sales Contract**.

- for performance of services: on the date of performance of the services for which payment is due pursuant to the **Sales Contract**.

**Dispute:** any disagreement regarding the amount of the **Debt** or the validity or enforceability of your rights, including any disagreement about setting off sums You may owe your **Buyer** involving setting off sums your **Buyer** claims You owe him under a **Sales Contract** or any other **Contractual** arrangements between You and your **Buyer**.

**Due date:** the initial date when the **Buyer** must pay for his **Debt** according to the **Sales Contract**.

**Security:** any mortgage, charge, pledge, lien, personal guarantee or other encumbrance securing any obligation of a **Buyer**.

**Turnover:** the total amount - including VAT if applicable - of all the **Debts** less the **Debts** excluded from cover pursuant to articles 1.2.1a),b)i),ii),iii),iv),c)i) and 3.5 above.

**Duty of fair representation:** it shall have the same meaning as given to it in the Marine Insurance Act 1906.

**Insolvency** shall be deemed to occur in any of the following cases:

- (i.) The **Buyer** has been declared bankrupt;
- (ii.) A resolution is passed to wind the **Buyer** up;
- (iii.) An order for the winding up of the **Buyer** has been made on the ground that heit is insolvent;
- (iv.) An order for administration of the **Buyer's** affairs has been made by a court for the benefit of his creditors;
- (v.) The **Buyer** has made a valid assignment, or composition or other arrangement for the benefit of his creditors generally;
- (vi.) In the course of execution of a judgement obtained against the **Buyer**, the levy of execution has not satisfied the **Debt**;
- (vii.) A receiver is appointed on behalf of debenture holders or other creditors or the **Buyer**;
- (viii.) Such conditions exist as are, by any other system of law, substantially equivalent in effect to any of the foregoing conditions.

And references to the **Buyer** being insolvent shall be construed accordingly.

**Natural Disaster:** an environmental event such as but not limited to a volcanic eruption, earthquake, tidal wave, typhoon or flood.

**Net Debt:** the amount of loss calculated pursuant to article 3.2.1 above which may be indemnified according to the terms and conditions of this **Contract**.

**Non-Payment:** non-payment of the **Debt** by the **Buyer** on the date, in the currency and in the place specified in the **Sales Contract**.

**Notification of Overdue Account:** notification of the **Overdue Account** pursuant to article 3.1.1 above.

**Outstanding:** the total amount - including VAT if applicable - calculated at any time, which is due or to be due by a **Buyer** to the extent that such amount falls within the scope of cover defined in article 1.1.1 above and is not excluded from cover pursuant to articles 1.2.1a),b)i),ii), iii), iv),c)i) and 3.5 above.

**Recoveries:** any amounts received, whether before or after indemnification, from the **Buyer** or a third party in relation to the **Debts** arisen before the **Insolvency** of the **Buyer**, including:

- any interest You or We receive on late payment
- any **Security** You or We realize,
- VAT if this tax is covered by Us under this **Contract**,
- any credit note that You raise,
- any value arising from the exercise of any set-off,
- any proceeds of goods You have, or could have, recovered or kept.

**Overdue Account:** the amount of the **Debt** remaining unpaid.

**Personal Data:** means data which relate to a natural person (the “Data subject”) who is or can be identified from the data or from a conjunction of data in our possession (e.g. name, ID card number, etc.).

**Political Event:** any of the following events which occurs in case of export transactions:

- a war, declared or not involving the **Buyer's** country,
- a riot, civil war, rebellion, act of terrorism, revolution or any similar event in the **Buyer's** country,
- any legislative or administrative measure in your country that prevents the export,
- any governmental measure preventing the import, the transfer of the funds or exempting the **Buyer** from the payment, or
- any currency devaluation.

**Positive Credit Decision:** **Credit Decision** which is not a Refusal or a **Cancellation** including **Credit Decision** We grant partially compared to the requested amount.

**Private Individual:** a person who buys goods or services for a purpose other than the purpose of his professional activity.

**Protracted Default:** failure of the **Buyer** to fully pay the **Debt** at the expiration of the waiting period, provided that such failure is not due to **Insolvency**, a Political Event or a Natural Disaster.

**Public Buyer:** Buyer which is a (i) central government authority, (ii) a regional or local authority, or (iii) a department or agency thereof.

**Reduction:** Credit Decision whereby We reduce the amount set in a previous Credit decision.

**Refusal:** Credit Decision whereby We refuse cover in respect of a **Buyer**.

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**Security:** any mortgage, charge, pledge, lien, personal guarantee or other encumbrance securing any obligation of a **Buyer**.

**Turnover:** the total amount - including VAT if applicable - of all the **Debts** less the **Debts** excluded from cover pursuant to articles 1.2.1a),b)i),ii),iii),iv),c)i) and 3.5 above.

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**Recoveries:** any amounts received, whether before or after indemnification, from the **Buyer** or a third party in relation to the **Debts** having arisen before the **Insolvency** of the **Buyer**, including:

- any interest You or We receive on late payment
- any **Security** You or We realise,
- VAT (including credit or refund received from the fiscal authorities when the **Debt** was covered VAT included)
- any credit note that You raise,
- any value arising from the exercise of any set-off,
- any proceeds of goods You have, or could have, recovered or kept.

**Sales Contract:** any agreement in any form which is legally binding upon You and your **Buyer** and which is for the sale of goods or the provisions of services against payment of a price.

**Security:** any mortgage, charge, pledge, lien, personal guarantee or other encumbrance securing any obligation of a **Buyer**.

**Turnover:** the total amount - including VAT if applicable - of all the **Debts** less the **Debts** excluded from cover pursuant to articles 1.2.1a),b)i),ii),iii),iv),c)i) and 3.5 above.





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