

**ICICI LOMBARD  
Trade Credit Insurance  
POLICY WORDINGS**

GLOBALLIANCE CONTRACT

Credit Insurance

SCHEDULE
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Contract No :  
Insured :

This contract consists of this document, the Modules listed hereafter, the General Provisions [that are referred as GP.02] and of the Application Form that you have submitted relating to the insurance cover under this contract.

Please note that the terms in **heavy type** are defined in the General Provisions. The terms in *italics* have the value and meanings specified in this Schedule.

Through the contract we provide you with credit insurance cover and services. The contract applies to the sales you make in respect of the business activity insured in the countries listed below.

**1 - SCOPE OF THIS CONTRACT - INSURED PERCENTAGE-COST OF COVER AND SERVICES -**

**1.1 BUSINESS ACTIVITY INSURED**

(being understood that the services covered under the scope of this contract solely relates to the business activities mentioned here above in "business activities insured" and exclude services rendered that are of financial or consultancy in nature)

**1.2 COUNTRIES COVERED**

Countries:

- Insured percentage : 85% (GST excluded)
- Premium rate : 18 % applicable to the turnover (GST excluded) with a minimum of 10 buyers

**1.3 MINIMUM PREMIUM PAYMENT**

INR per insurance period (excluding service tax of 12.24 %)

**1.4 COST OF SERVICES**

see scale, module F1.02

**2 - MAXIMUM LIABILITY**

INR                    per insurance period.

**3 - MAXIMUM CREDIT PERIOD**

XX days (including credit extension) starting from the date when the goods sold or the services performed are invoiced.

**4 - MAXIMUM INVOICING PERIOD**

XX days, starting from the delivery date.

**5 - TIME LIMIT FOR NOTIFICATION OF OVERDUE ACCOUNT**

XX days starting from the date when the goods sold or the services performed are invoiced.

In case of extension of the **due date**, within the conditions set in article 2.2.3 of the General Provisions, the time limit is XX days after the agreed new **due date**.

**6 - CURRENCY OF THIS CONTRACT**

The currency of this contract is INR (Indian Rupees)

**7 - EXCHANGE RATE**

The exchange rate is the rate reported by the Reserve Bank of India.

**8 - DURATION OF THIS CONTRACT**

This contract comes into effect on                    and the initial insurance period will run until

This contract will then be renewed by tacit agreement for further insurance periods of one year unless either party notifies the other in writing not less than XX days prior to the end of an insurance period.

**9 - MODULES**

The following modules form part of this contract:

<u>Module</u>	<u>Reference</u>	<u>Remarks</u>
- Non-payment risk	A8.01	
- Credit Limits	B1.02	Free Credit Limit Facility is not applicable in this policy
- Binding Orders	B5.02	
- Full collection services	C1.02	
- Threshold	D1.01	Threshold is set at INR .

- Recoveries	E1.01	
- Tariff schedule	F1.02	<u>I) Contribution to Credit Limits &amp; @rating costs:</u> <ul style="list-style-type: none"><li>• INR 2,200.00 per buyer per annum for Indian buyers</li></ul> <u>II) Contribution to Recovery Costs :</u> <ul style="list-style-type: none"><li>• INR 4,800.00 per buyer per intervention.</li></ul>

- Premium on quarterly declaration F42.01

**10.** Notwithstanding clause 4 of the General Provisions, you may not assign your rights of payment of claims to any financial institution and you may not assign the debts to any financial institution)

## **11. JURISDICTION AND APPLICABLE LAW**

Any dispute arising in connection with this contract will be settled by the courts of Mumbai.

This contract will be governed by Indian law.

### **Note:**

1. The maximum indemnity limit will not exceed 80% of the trade receivables from each buyer or 90% of the cost incurred by the seller for previous year, whichever is lower.
2. This is a whole turnover policy covering all your buyers. No single risk/shipment policy would be covered.
3. You should have a minimum of 10 buyers to be eligible to get covered under this policy.
4. Warranted that the nature of Your business does not pertain to Banks/Financial Institutions
5. Warranted that You will not get more than one credit insurance policy for the same risk.

**MADE IN TWO ORIGINAL COPIES IN MUMBAI ON .**

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**THE INSURED**

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**THE INSURER  
ICICI LOMBARD GENERAL  
INSURANCE CO. LTD**

GENERAL PROVISIONS
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1 - THE CREDIT INSURANCE COVER

1.1 Commencement of cover

Provided that the delivery or the shipment of the goods, or the performance of the services, is carried out within the insurance period and that the corresponding invoices are sent to the buyer within the *maximum invoicing period*, the credit insurance cover we provide, for all undisputed debts to which the contract applies, will start as follows :

1) for sales of goods

- in your country : on delivery,
- for export : on shipment of the goods, or, if the goods are already abroad (on consignment, in bonded warehouse or exhibited at a trade fair) on delivery.

2) for services

- on performance of the services for which payment is due.

1.2 Exclusions

1.2.1 This contract does not cover any sales contract you make with a private individual or with an associated company.

1.2.2 This contract does not apply to any sales contract under which payment is to be received :

- i) before delivery in your country and before shipment for export sales,
- ii) by means of an irrevocable letter of credit confirmed by a bank registered in your country.

1.2.3 This contract does not cover any loss:

- i) which is in excess of the credit limit,
- ii) where you have not complied with any terms which may be attached to the credit limit,
- iii) relating to deliveries, shipments or performance of services made after we have refused or cancelled a credit limit,
- iv) relating to deliveries, shipments or performance of services made with :
  - a buyer for whom a notification of adverse information or overdue account has, or should have been given, if the debt remains unpaid,
  - at your knowledge, a buyer already declared insolvent,
- v) arising from a failure, by you or any one acting on your behalf, to fulfil your obligations under any clause or condition of the sales contract,
- vi) in the case of cash against documents sales, arising from the loss of control over the goods as a result of your failure to comply with any applicable rule or custom,
- vii) relating to deliveries, shipments or performance of services made without the necessary licence or, more generally, in violation of any applicable law or regulation,
- viii) arising directly or indirectly from :
  - nuclear explosion or contamination, whatever its origin,
  - a war, whether declared or not, between two or more of the following countries : France – People's Republic of China – Federation of Russia – The United Kingdom – The United States of America.
- ix) sustained on interest for late payment or any penalties or damages.

1.2.4 Moreover, concerning the sales contract made with buyers domiciled in your country, this contract does not cover any loss arising from :

- sales contract made with government departments and local authorities,
- consequences of a decision taken by the government of your country that hinder the execution of the sales contract or prevent the payment of the debt.

## 2 - RISK MANAGEMENT

### 2.1 General Principles

You must exercise due care in granting credit to your buyers, with regard to both the amount and the period of credit, and must 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 it not insured. You must also use all reasonable endeavours to preserve your rights against both your buyers and any third parties.

You must keep for your own account any portion of the risk not covered by us, unless we agree in writing.

### 2.2 Credit Period

2.2.1 The initial credit period you grant your buyers must not exceed the *maximum credit period*.

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

2.2.3 You must obtain agreement from us before you extend a due date :

- i) if the extended due date falls outside the *maximum credit period*,
- ii) for a buyer on whom we have cancelled a credit limit,
- iii) for a buyer for whom a notification of overdue account has, or should have, been made.

### 2.3 Notifications of Adverse Information or Overdue Account

You must notify us in writing :

- i) as soon as you become aware of any adverse information concerning a buyer,
- ii) as soon as you have information indicating that a buyer has become insolvent,
  - iii) of any overdue account which remains unpaid at *the time limit for notification of overdue account*. In the case of cash against document sales, you will send us a notification of overdue account within 30 days of the arrival of the documents and the goods at the place of delivery.
- iv) immediately of any sums you receive after you have notified us of an overdue account.

2.4 In case of overdue account you must take all measures as may be considered necessary, whether by you or by us, to prevent or minimise the consequences of the claim. You must pursue diligently and in good time any rights you may have over, including rights to recover goods or to protect your or our rights or to secure the payment of the debt.

### 3 - CLAIM PAYMENT

#### 3.1 Payment level

We will pay the insured percentage of the net debt or of the credit limit if the net debt exceeds the credit limit.

#### 3.2 Conditions of payment

The claim payment can only be made if you have duly complied with all the terms of this contract and have sent us all written evidence of the debt and the security possibly obtained and, if applicable, of the insolvency of the buyer.

#### 3.3 Subrogation

We shall have full rights of subrogation to all your rights and actions in relation to the principal and the interests of the insured debt and to the security attached to it. You will give us any documents or titles we may require to exercise this subrogation effectively and will make any assignments or transfers required in our favour.

The subrogation will not relieve you of your obligation to take any such measures as may be deemed necessary to recover the debt and to comply with our instructions.

#### 3.4 Disputed debts

In the event of a dispute arising in connection with the debt, cover is suspended in respect of a claim 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.

#### 3.5 Return of payment

We may require a claim payment to be returned to us if it subsequently appears that such a claim should not have been paid under the provisions of this contract and if, in the case of insolvency of the buyer, the debt is not subsequently admitted to rank.

#### 3.6 Maximum liability

The total amount paid in respect of the claims relating to debts arising from risks in a single *insurance period* will not exceed the *maximum liability*.

### 4 - ASSIGNMENT OF THE RIGHTS UNDER THIS CONTRACT - ASSIGNMENT OF DEBT



You may only assign your rights to payment of claims to a third party namely the Loss Payee with our prior written consent. Your obligations under this contract will remain unaffected. The loss payee will have no more rights to payment than you, and our rights under this contract shall continue to be exercisable notwithstanding the assignment.

## 5 - PAYMENTS

You will pay all amounts due from you under this contract as they fall due and will not be able to offset any payment you may consider we owe you, even if we recognise that a claim is payable.

The payment of the premium will not alone give us the obligation to pay for a loss, as the loss will in any case be subject to the terms of this contract.

## 6 - CURRENCY

If the invoices are issued in a currency other than the currency provided for in the Schedule, the receipts will be converted into the *currency of this contract*, as follows:

◆ for calculating the net debt :

at the *exchange rate* in force on the last working day of the month that the relevant invoice was issued with any payments received in respect of that invoice being converted at the same rate.

◆ for the amounts recovered after payment of claim :

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.

## 7 - ADVISING US OF CHANGES

You must inform us within 10 days of any substantial change in the information given in the application form, particularly in the nature or the scope of your activities or in your legal status.

We reserve the right, if your company is in state of insolvency or in case you cease your business activity, to terminate this contract with effect from the relevant event.

## 8 - RIGHT OF DISCOVERY

You undertake to allow us to exercise the right of discovery, and particularly you will provide us with any documents and/or certified copies relating to your sales contracts and will 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.

## 9 - OBSERVANCE OF THE TERMS OF THIS CONTRACT

9.1 If you do not pay the premium, in whole or in part, within fifteen days of receiving a registered reminder from us, cover will be suspended for all of the debts. Cover will not be valid again until the full amount of the premium and the applicable interests and costs have been paid. We also reserve the right to terminate this contract.

9.2 We have the right to terminate this contract, refuse to pay any claim and require any claim payment to be returned to us if any statement you made to us was false or incomplete especially when you applied for this contract, when you made a request for a credit limit or when a cause of loss occurs.

9.3 Any other failure to fulfil your obligations under this contract will forfeit your right to cover for the debts concerned and if a claim payment has already been made for this debt, you undertake to reimburse us for such payment.

9.4 In the event of the cover is, due to the non-observance of the terms specified in this contract, forfeited, suspended or in case of termination of this contract, no return of premium will be made by us and all premium payable will be immediately due.

## 10 - DEFINITIONS

### ADVERSE INFORMATION

Any event you may become aware of which has led or may lead to a deterioration of your buyer's financial situation.

### ASSOCIATED COMPANY

Any company directly or indirectly controlled by you, or which controls you directly or indirectly or is controlled directly or indirectly by the same company as controls you.

### CASH AGAINST DOCUMENTS SALES

Sales where the applicable terms of payment provide that you will keep title to the goods until full payment has been made to the body responsible for handing the documents of title over to the buyer.

### DEBT

Amount of one or more invoices owed by the buyer under a sales contract and falling within the scope of this contract.

### DELIVERY

The goods are considered delivered when they have been made available to the buyer or any person acting on his behalf, at the place and on the terms specified in the sales contract.

In the case of cash against documents sales, delivery occurs when the goods and documents of title arrive at the place of delivery.

#### DISPUTE

Any disagreement regarding the amount of a debt or the validity of your rights or debts, including any disagreement about setting off sums you may owe your buyer.

#### DUE DATE

Date when the buyer must pay for his debt according to the sales contract.

#### INSOLVENCY

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

- i) Where the Buyer is unincorporated, the Buyer has been declared bankrupt,
- ii) Where the Buyer is an incorporated company :
  - (a) a resolution is passed by the Buyer company to wind it up,
  - (b) an order for the winding up of the buyer has been made by a Court of Law on the ground that he is insolvent,
  - (c) an order for Administration of the Buyer's affairs has been made by a Court of Law for the benefit of all its creditors,
  - (d) a Receiver is appointed on behalf of debenture holders or other creditors of the Buyer.
- iii) Where the buyer is unincorporated or incorporated :
  - (a) in the course of execution of a judgement obtained against the Buyer, the levy of executive has not satisfied the debt either in full or in part,
  - (b) the Buyer has made a valid assignment, or composition or other arrangement for the benefit of all his creditors generally,
  - (c) such conditions exist as are, by any other system of law, substantially equivalent in effect to any of the foregoing conditions.

#### NET DEBT

Corresponds to the balance of a loss account including :

on the debit side :

- the amount of the invoices, covered under this contract, issued for the goods sold or services performed, including, as appropriate :
- ◆ the GST, if this tax is covered under this contract,
- ◆ any interest payable up to the due date, but none that accrues thereafter,
- ◆ the packing, transport, insurance costs and any taxes owed by the buyer, with the exclusion of any interests for late payment and any penalties or damages ;

on the credit side :

- the amount of any recoveries received by you or by us up to the date of drawing up of the loss account and the total amount of the expenses that you did not have to pay as a result of the loss.

#### 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.

#### NOTICE / NOTIFICATION

The date you or we receive a written notice from us or you at your or our administrative address by mail, telex or fax.

#### OVERDUE ACCOUNT

When a debt to which this contract relates has not been paid on the date, in the currency and in the place specified in the sales contract.

#### PRIVATE INDIVIDUAL

Refers to a person who buys goods or services for a purpose other than the purpose of his professional activity.

#### RECOVERIES

Any amounts received from the buyer or a third party, whether before or after the claim payment has been paid, including :

- ◆ any interest you or we receive on late payment,
- ◆ any security you or we realise,

- ◆ 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. Where goods have or could have been recovered or kept the value of the proceeds is the actual value you have obtained or 50 % of the invoice value - unless other percentage specified - where that is greater.

#### SALES CONTRACT

Any agreement in any form which is legally binding upon the buyer and the seller and which is for the sale of goods or services against payment of a price.

Sales made on approval and consignment sales are not considered as sales contracts.

#### SECURITY

Any mortgage, charge, pledge, lien, personal guarantee or other encumbrance securing any obligation of a buyer.

#### SHIPMENT

Goods are considered shipped when they are handed over to a third party - generally a carrier - to take them to the place of delivery specified in the sales contract.

CAUSE OF LOSS MODULE
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**INSOLVENCY RISK**

**1 - RISK COVERED**

This contract covers any outstanding **debts**, where the **non-payment** results directly and solely from the **insolvency** of your buyer.

**2 - EXCLUDED RISKS**

In addition to the exclusions described in the General Provisions, this contract does not cover any loss caused directly or indirectly by:

- a war (including civil war), revolution or riot,
- any general moratorium declared by the authorities of your buyer's country or the authorities of any other country,
- any measure or decision by the authorities of your buyer's country or your country or any other country,
- any political events or economic difficulties, any legislative or administrative measures which prevent or delay the transfer of the sums paid by your buyer or its guarantor,
- and generally any act or event of a similar nature.

**3 - OCCURRENCE OF LOSS**

The loss will be ascertained under this contract, as soon as you notify us that a case of **insolvency** has occurred.

The claim payment will be made within 30 days of your **notification** of **overdue account** and of the receipt by us of all the documents establishing the **debt** and proving the **insolvency** of your buyer.

GLOBALLIANCE CONTRACT

Credit Insurance

A08.01

CAUSE OF LOSS MODULE
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NON-PAYMENT RISK

**1 - RISK COVERED**

This contract covers the risk of **non-payment** of your **debts**.

**2 - CLAIM PAYMENT**

If your buyer is **insolvent**, the claim is paid within 30 days of our receipt of the written evidence of the **insolvency** and all the documents establishing the **debt**.

For other reasons of **non-payment** of your debt, the claim payment is calculated at the end of a five-month period after we have received your **notification of overdue account** with request for intervention. Claim payment is made within 30 days of this period provided that you have sent us all written evidence of the **debt**.



CAUSE OF LOSS MODULE

SALES CONTRACTS WITH ASSOCIATED COMPANIES

Notwithstanding Article 1.2.1. of the General Provisions, our cover shall apply to losses relating to the **sales contracts** you make with **associated companies** abroad resulting directly from any of the following events :

- a) the occurrence in a covered country of war (including civil war), hostilities, rebellion, insurrection, revolution, or riot or civil commotion, subject to the exclusions specified in the General Provisions,
- b) any general moratorium declared by the government of the buyer's country or by another country, if covered, through which payment must be effected,
- c) any other measure or decision of the government of a covered country which prevents performance of a **sales contract**, excluding any currency devaluation declared by any such government,
- d) political events or economic difficulties arising in a covered country, or legislative or administrative measures taken in a covered country, which prevent or delay the transfer of payments or deposits due in respect of a **sales contract** or any related guarantee,
- e) natural disaster such as a cyclone, flood, earthquake, volcanic eruption, tidal wave.

As we do not cover losses due to financial difficulties of an **associated company**, there is no cover if the **associated company** has not paid its debt locally or fulfilled all necessary formalities in order to transfer the amounts paid within 30 days from the end of the *maximum credit period*, except in the case where the **non-payment** or the non-fulfilment of the formalities result directly from any of the events mentioned above.

RISK MODULE

CREDIT LIMITS

The credit limit is determined by us in the following conditions:

1. - Providing that you have subscribed to our on-line system, you have to consult us to know the @rating we grant to your buyer. Then you will be covered up to the amount of the @rating as per the *scale* and the *insured percentage* fixed in the Schedule, except if the @rating is X.

2.- If you have not subscribed to our on-line system, or if the amount of the @rating we grant does not suit you regarding the credit limit you are expecting, or if we have not yet granted an @rating for your Buyer, you have to request a credit limit. This credit limit sets the maximum amount covered and any specific conditions as may be applicable to it.

If our credit limit is subject to your obtaining a **security**, this **security** must be valid and enforceable.

Our credit limits are confidential: you undertake not to disclose the contents of our credit limits to any third party that is not noted in this contract. For the persons who are noted in this contract, you undertake that they will keep them confidential.

3. - When requesting an initial or revised @rating or credit limit, you must advise us of any **adverse information** and of any **overdue account** for which, at the date of the request, the *maximum credit period* has expired.

4. - For each buyer on which we have granted either an @rating or a credit limit, we will provide a monitoring service. Unless otherwise specified on the credit limit **notice** in the case of credit limits, our decisions regarding @rating or credit limits will become effective

on the date we receive your request and they are not limited in time and remain valid for the amount granted unless we give you **notice** of reduction or cancellation of cover. We have the right to refuse, reduce or cancel an @rating or a credit limit at any time and should we do so, then the refusal, reduction or cancellation will become effective for deliveries, shipments or performance of services made from the date of our **notice**.

### VARIABLES ASSOCIATED TO THE RISK MODULE\* / CREDIT LIMITS

#### 1 – @rating scale :

- . @rating X : no cover
- . @rating NR : INR 448,000
- . @rating R : INR 640,000
- . @rating @ : INR 1, 280,000
- . @rating @@ : INR 3, 200,000
- . @rating @@@ : INR 6, 400,000
- . @rating @@@@ : INR 6, 400,000

Insured percentage: 90 % of the **net debt** [and 100 % in case your buyer has been granted an @rating quality label].

If your buyer is rated @@@@, we can cover, within the framework of a credit limit request, an outstanding balance higher than INR 6, 400,000. In that case, the insured percentage is the normal insured percentage provided for in this contract for the buyers approved by us.

In case of a loss, the amount of the @rating we have granted to your buyer will be converted in the currency of the present contract at the *exchange rate* on the date you have notified us of an **overdue account**.

GLOBALLIANCE CONTRACT

Credit Insurance

B05.05

RISK MODULE

**BINDING ORDERS**

If we reduce or cancel a credit limit or an @rating limit for a buyer, our cover will be maintained for the **deliveries, shipments** or services that you are obliged to make or perform during the three months which follow the date of our **notice**.

Our cover is subject to the conditions specified below:

1. These **deliveries, shipments** or services must correspond to a **sales contract** concluded less than six months before the date of our **notice** or relate to a schedule of supplies agreed upon with the buyer which you will have to prove in case of claim.
2. The buyer concerned cannot be subject to a **notification of overdue account** or **insolvency** that has or should have been sent.

It is your responsibility to determine whether you are contractually committed.

This means that in the event you fail to make or perform such deliveries, shipments or services, your buyer would be entitled to take action against you for breach of contract or seek other legal redress. However, if your **sales contract** entitles you to cease **deliveries, shipments** or services in permitted circumstances and those circumstances apply, then you are not contractually committed.

In the event of a claim we require a copy of your **sales contract**, purchase orders and acknowledgment orders and any other documentation we may deem necessary in conjunction with the standard claim documentation you are required to submit.

**RISK MODULE**

**EXTENSION OF THE COVER TO ONE OR MORE COMPANIES**

Cover is extended to the **sales contracts** entered into by the additional companies, hereafter referred to as " the extended party " , which are specified in the Schedule, as described below:

- 1 We understand and recognise that the extended party carries on the same business activity as the one described in the Schedule.
- 2 You will remain solely responsible for the operation of this Contract just as if you were the only beneficiary, in particular for the maximum outstanding balance covered, the obligations of declaration and the payment of premiums and handling fees, and more generally of any amounts owed to us.
- 3 You undertake to keep confidential the contents of the present extension, as well as the contents of the credit limits granted on the extended party's buyers, and the information on any action we may initiate, and not to disclose them to any third party that is not noted in the Contract.  
  
For the persons who are noted in this Contract, namely the extended party itself, you undertake that they will keep them confidential. You shall be considered liable for any financial consequences due to any non-compliance with this requirement.
- 4 In the event that a buyer owes you and a extended party, the total outstanding balance so owing shall not exceed the credit limit granted by us.
- 5 The claim payments will be made to you or to any loss payee, even if they wholly or partly concern the losses sustained by an extended party.
- 6 Any recoveries received by the extended party after payment of a claim, shall be treated as recoveries received by you.
- 7 If the extended party has been declared **insolvent**, you must inform us as soon as you become aware of such insolvency. In any case, the extension of this Contract will cease to apply to this extended party on the date of the party being declared **insolvent**.

COLLECTION MODULE
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FULL COLLECTION SERVICES

- 1 - We will provide you with collection services for the **debts** to which this contract applies.
- 2 - For the purpose of these services you will send us - within the period specified in the Schedule- a **notification of overdue account** with request for intervention and, upon our request, any written evidence of the **debt** and of the **security** you may have obtained.
- 3 - Within the framework of these services, we will have full power to exercise your rights in relation to your **debts** and especially power to compound, whether these **debts** are covered in whole or in part. You will support any decision we may make in this respect and you will give us an irrevocable mandate, and any documents or titles we may require to provide the collection services, it being understood that we will pursue cases according to our own judgement of the merit of so doing and will decide what resource to apply.  
  
If we do not perform the collection services ourselves, you will take any such measures - in agreement with us or according to our instructions - as may be deemed necessary to protect your rights and to secure the payment of the **debt**, which may imply reselling the goods.
- 4 - We will bear the full costs of the pre-legal and legal recovery actions we take or you take - in agreement with us or according to our instructions - subject to the provisions applicable to **recoveries**. You will pay for any collection actions you undertake yourself at your own initiative.
- 5 - These services are not available for **debts** which are subject to a **dispute**.

CLAIM PAYMENT MODULE

THRESHOLD

You will keep for your own account **debts** that do not exceed the *threshold*.

The **debts** that are less than the *threshold* do not need to be notified to us and we will not provide pre-legal or legal collection services for such **debts**.



**CLAIM PAYMENT MODULE**

**EACH AND EVERY LOSS**

You will keep for your own account the *Each and Every Loss*. This sum will be deducted from each claim payment.

The **debts** that are less than the *Each and Every Loss* do not need to be notified to us and we will not provide pre-legal or legal collection services for such **debts**.

**CLAIM PAYMENT MODULE**

**AGGREGATE FIRST LOSS**

You will keep for your own account an *aggregate first loss*.

Accordingly, no claim payment will be made as long as the total amount of indemnities due for all the claims relating to **debts** arising in an *insurance period* does not exceed the *aggregate first loss*.

**CLAIM PAYMENT MODULE**

**SMALL CLAIMS**

**Debts** falling below the *small claims level* are subject to the provisions below:

**1 - OCCURRENCE OF THE LOSS**

The loss is ascertained two months after you notify us of an **overdue account**.

**2 - RECOVERIES RECEIVED AFTER CLAIM PAYMENT**

Any **recoveries** received after payment of a claim will be for our account, even if the amount recovered exceeds the claim paid.

RECOVERIES MODULE

RECOVERIES

Recoveries are subject to the following provisions:

- 1 - You must let us know immediately of any **recoveries** you receive after you have notified us of an **overdue account**.
- 2 - **Recoveries** received before payment of a claim will be applied to the balance of the outstanding account and will be applied to the earliest invoices first.
- 3 - Any **recoveries** received after the payment of a claim will be for our account within the limit of the claim paid.

Should the total amount of **recoveries** exceed the claim paid, the portion of **recoveries** exceeding the claim paid will be for your account.

However, should the total amount of **recoveries** exceed the amount of the **debt** at the date when the claim was paid (excluding any interest for late payment), the excess would be for your account after deduction of recovery costs.

<b>INVOICING MODULE</b>
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**TARIFF SCHEDULE**

**I - FIXED CONTRIBUTION TO CREDIT LIMITS**

- ♦ ..... (per buyer per annum) for countries of Group 1 – OECD Countries.
- ♦ ..... (per buyer per annum) for countries of Group 2 – Non-OECD Countries.

Costs are calculated every quarter, on the basis of the credit limits in force at the end of each quarter.

At any time, you may withdraw the credit limits on those of your buyers with whom you are no longer in contact.

**II - CONTRIBUTION TO RECOVERY COSTS:**

This contribution is payable for each initial notification of overdue account you send to us. It is included in the detailed account of credit limit costs.

**INVOICING MODULE**

**NO CLAIMS BONUS**

If, at the end of an *insurance period*, no claim payment is made or to be made, if this contract is renewed for a further *insurance period*, you will have the right to a no claims bonus.

This no claims bonus will be calculated as a percentage -set in the Schedule - of the premium received by us for the *insurance period*.

This no claims bonus will be paid at the end of the *insurance period*, within 30 days of your request, provided you confirm us that all the risks insured for that same period are extinguished.

INVOICING MODULE

ANTICIPATED NO CLAIMS BONUS

If, at the end of an insurance period, no claim payment is made or to be made, and if this contract is renewed for a further *insurance period*, you will have the right to a no claim bonus.

This no claims bonus will be calculated as a percentage – specified the Schedule – of the premium received by us for the insurance period.

This no claims bonus will be paid provisionally at the beginning of the insurance period.

Should we subsequently make any claim payment, you will have to pay back to us this no claims bonus.

This no claims bonus will be definitively cleared after closing of the insurance period.

INVOICING MODULE

PREMIUM ON QUARTERLY TURNOVER DECLARATION

The premium is calculated by applying the *premium rate* stated in the Schedule to the value of all the sales to which this contract applies, subject to the *minimum premium*.

**1 - TURNOVER DECLARATION**

You must notify us, in the form agreed and within the first 15 days of each quarter, of the turnover made within the *scope of this contract* during the preceding quarter. If the invoices are issued in a currency other than the currency provided for in the schedule, you will have to convert the amounts into the *currency of this contract* at the *Exchange Rate* in force the last day of the month the invoices are drawn up.

In case of non-renewal of this contract, you still have to declare the turnover relating to the last quarter.

If you fail to send us a declaration within the allocated time and despite our written reminder or if you fail to declare the all turnover falling within the *scope of this contract*, cover will cease to apply to the **debts** not declared, but you will still have to pay us for the corresponding premium. We also reserve all rights to terminate this contract.

**2 - PREMIUM**

2.1. The *minimum premium* will be made upon execution of this contract.

2.2. The possible balancing payment owed by you according to the contract minimum payment already made, will be invoiced to you upon receipt of the last turnover declaration for the *insurance period* concerned

2.3. The amounts owed by you will be paid within the period specified on the invoices.



INVOICING MODULE

PREMIUM ON TURNOVER DECLARATION

The premium is calculated by applying the *premium rate* stated in the Schedule to the value of all the sales to which this contract applies, subject to the *minimum premium*.

1 - TURNOVER DECLARATION

You must notify us, in the agreed form and until expiring of the *declaration period*, of the turnover - including VAT if applicable - made within the *scope of this contract* during the preceding *reporting period*.

If the invoices are issued in a currency other than the currency provided for in the Schedule, you will have to convert the amounts into the *currency of this contract* at the *Exchange Rate* in force the last working day of the month the invoices are drawn up.

In case of non renewal of this contract, you still have to notify the turnover relating to the last *reporting period*.

If you fail to send us a declaration within the allocated time and despite our written reminder or if you fail to declare all the turnover falling within the *scope of this contract*, cover will cease to apply to the **debts** not declared, but you will still have to pay us for the corresponding premium.

We also reserve all rights to terminate this contract.

## 2 - PREMIUM

- 2.1. The *minimum premium* is payable in *instalments or deposits*. The first *instalment* / deposit will be made upon execution of this contract.
- 2.2. The possible balancing payment owed by you according to the contractual *minimum premium* payment already made, will be invoiced to you upon receipt of the last turnover declaration for the *insurance period* concerned.
- 2.3. All the amounts specified in this contract in respect of premium are amounts before any tax or duty is added. All amounts (including – if applicable – taxes and duties) will be paid within the period specified on the invoices.

**INVOICING MODULE**

**BONUS CLAUSE**

At the end of each insurance period, you will have the right to a possible Bonus of this period calculated as follows:

- a) Upon settlement of the last claim for the said period, we will open an account. We will enter on the credit side the premiums paid by you for this period, and enter on the debit side a percentage of those premiums - specified in the Schedule – and the net claim payments for this same period.
- b) Should this account show a credit balance, we will refund to you a percentage of this credit balance, as specified in the Schedule
- c) Should this account show a debit balance, this debit balance will be automatically entered on the debit side of the account for the following insurance period.
- d) The payment of the bonus is subject to the renewal of the contract at the expiration date.
- e) Your request for payment of the Bonus shall constitute a waiver of your rights to payment of any subsequent claims relating to the insurance period for which the bonus is paid.

INVOICING MODULE
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**ADDITIONAL COSTS**

**1. Credit Limit and @rating costs:**

A fixed contribution to the costs incurred by the credit limit or @rating requests and to the monitoring of your buyers portfolio will be invoiced on a quarterly basis according to the tariff schedule in force. This invoicing includes:

- With regards to the enquiry or @rating costs, all the decisions we have taken within the quarter.
- With regards to the monitoring costs, all the credit limits or @rating in force at the end of each month.

In the event of a credit limit requested following up an @rating request, the discrepancy between the enquiry and the @rating costs will be invoiced only.

The enquiry or the @rating costs are not increased if you make several enquiries concerning the same buyer, for example, to obtain an increase of the credit limit or to check if the @rating has not changed.

At any time you may withdraw a credit limit or an @rating on those of your buyers with whom you are no longer in contact; you can thus avoid paying continued costs on the buyers in question.

If you subsequently envisage re-entering into business with these buyers, you must apply for a new credit limits or @ratings and, of course, contribute once again to enquiry or @rating costs. When you ask for a previously cancelled limit or an @rating level "X", either on your request or by our decision, to be reactivated, further enquiry or @rating costs are not payable if this request is made within 12 months of cancellation.

**2. Contribution to the recovery costs**

This contribution is payable in quarterly payments as per the tariff schedule in force.

**3. Date of Payment**

The amounts owed by you (including – if applicable – taxes and duties) will be paid within the period specified on the invoices.

RISK MODULE

CREDIT LIMITS

The credit limit is determined:

- Either by you within the discretionary zone,
- Or by us within the underwriting zone.

## 1 - DISCRETIONARY ZONE

1.1. - You may set the credit limit applicable to your buyers yourself if the credit limit does not exceed the *Underwriting level* fixed in the schedule, according to the following conditions:

- your Buyer must be located in a *country* listed for this facility in the Schedule. We reserve the right to modify the list of *countries* concerned during the *insurance period*,
- all **debts** under any **sales contract** you may have had with your buyer in the 12 months prior to delivery , shipment or performance of services must have been paid for within the *maximum credit period*.
- the *specific insured percentage* applicable to this facility is set out in the Schedule.

Prior to shipment or delivery of goods or performance of services, you must either;

(a) have obtained an information report. This report must be no older than 6 months old and must be from information sources as specified in the

Schedule. The report must not be adverse in any way nor include any reserve or qualification concerning the buyer. You are then able to set a Credit Limit yourself to the value that the information report recommends.

or

(b) You may set a credit limit yourself within the discretionary zone based upon satisfactory trading experience with the buyer provided a minimum of two (2) transactions were cleared within the last 12 months preceding the shipment or delivery of goods or performance of services. In such instances you may set the Credit Limit as the highest balance cleared during the last 12 months plus 25%.

1.2. - Providing that you have subscribed to our on-line system, you can consult us within this zone to know the @rating we grant to your buyer. If we have not yet granted an @rating for your buyer, you can ask us for a credit limit, according to the conditions specified in article 2 below.

Then you will be covered, except if the @rating is X or if we refuse a credit limit, up to the *underwriting level*, or respectively, if it is more favourable for you:

- either up to the amount of the @rating we grant to your Buyer, according to the *scale* fixed in the Schedule,
- or up to the credit limit,

and you will then benefit from the *insured percentage* provided for in the Schedule for the buyers approved by us,

## 2 - UNDERWRITING ZONE

Above the *Underwriting level*, or if the buyer is located in any others countries but not the ones mentioned in article 1.1. of the Schedule, the credit limit will be set by us, as specified below:

2.1. - Providing that you have subscribed to our on-line system, you have to consult us to know the @rating we grant to your buyer. Then you will be covered up to the amount of the @rating as per the *scale* and the *insured percentage* fixed in the Schedule, except if the @rating is X.

2.2.- If you have not subscribed to our on line system, or if the amount of the @rating we grant does not suit you regarding the credit limit you are expecting, or if we have not yet granted an @rating for your Buyer, you have to request a credit limit. This credit limit sets the maximum amount covered and any specific conditions as may be applicable to it.

If our credit limit is subject to your obtaining a **security**, this **security** must be valid and enforceable.

Our credit limits are confidential: you undertake not to disclose the contents of our credit limits to any third party that is not noted in this contract. For the persons who are noted in this contract, you undertake that they will keep them confidential.

2.3. When requesting an initial or revised @rating or credit limit, you must advise us of any **adverse information** and of any **overdue account** for which, at the date of the request, the *maximum credit period* has expired.

### 3 - VALIDITY AND CHANGE OF COVER

For each buyer on which we have granted either an @rating or a credit limit, we will provide a monitoring service. Unless otherwise specified on the credit limit **notice** in the case of credit limits, our decisions regarding @rating or credit limits will become effective on the date we receive your request and they are not limited in time and remain valid for the amount granted unless we give you **notice** of reduction or cancellation of cover. We have the right to refuse, reduce or cancel an @rating or a credit limit at any time and should we do so, then the refusal, reduction or cancellation will become effective for deliveries, shipments or performance of services made from the date of our **notice**.



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VARIABLES ASSOCIATED TO THE RISK MODULE\* / CREDIT LIMITS

1 – @rating scale :

- . @rating X : no cover
- . @rating NR : INR 448,000
- . @rating R : INR 640,000
- . @rating @ : INR 1, 280,000
- . @rating @@ : INR 3, 200,000
- . @rating @@@ : INR 6, 400,000
- . @rating @@@@ : INR 6, 400,000

Insured percentage: 90 % of the **net debt** [and 100 % in case your buyer has been granted an @rating quality label].

If your buyer is rated @@@@, we can cover, within the framework of a credit limit request, an outstanding balance higher than INR 6, 400,000. In that case, the insured percentage is the normal insured percentage provided for in this contract for the buyers approved by us.

In case of a loss, the amount of the @rating we have granted to your buyer will be converted in the currency of the present contract at the *exchange rate* on the date you have notified us of an **overdue account**.

2 - Discretionary zone :

Fall into this zone, all outstanding balances less or equal to the *Underwriting level* fixed at.....

- Countries: .....
- Specific insured percentage: .... %

\* to be included in the Schedule

RISK MODULE
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CREDIT LIMITS

The credit limit is determined:

- either by you within the discretionary zone,
- or by us within the underwriting zone.

**1 - DISCRETIONARY ZONE**

1.1 You may set the credit limit applicable to your buyers yourself if the credit limit does not exceed the *Underwriting level* fixed in the schedule, according to the following conditions:

- your Buyer must be located in a *country* listed for this facility in the Schedule. We reserve the right to modify the list of *countries* concerned during the *insurance period*,
- when setting the credit limit, under the responsibility of the *Credit Manager* designated in the Schedule , you must comply with the rules of your *Credit Management Procedure*, also specified in the Schedule. Any change of the *Credit Manager* or the *Credit Management Procedure* must be submitted to us for written approval.
- the *specific insured percentage* applicable to this facility is set out in the Schedule.

- 1.2 Providing that you have subscribed to our on-line system, you can consult us within this zone to know the @rating we grant to your buyer. If we have not yet granted an @rating for your buyer, you can ask us for a credit limit, according to the conditions specified in article 2 below.

Then you will be covered, except if the @rating is X or if we refuse a credit limit, up to the *underwriting level*, or respectively, if it is more favourable for you:

- either up to the amount of the @rating we grant to your Buyer, according to the *scale* fixed in the Schedule,
- or up to the credit limit, and you will then benefit from the *insured percentage* provided for in the Schedule for the buyers approved by us,

## 2 - UNDERWRITING ZONE

Above the *Underwriting level*, or if the buyer is located in any other countries but not the ones mentioned in article 1.1., the credit limit will be set by us, as specified below:

- 2.1 Providing that you have subscribed to our on-line system, you have to consult us to know the @rating we grant to your buyer. Then you will be covered up to the amount of the @rating as per the *scale* and the *insured percentage* fixed in the Schedule, except if the @rating is X.
- 2.2 If you have not subscribed to our on line system, or if the amount of the @rating we grant does not suit you regarding the credit limit you are expecting, or if we have not yet granted an @rating for your Buyer, you have to request a credit limit. This credit limit sets the maximum amount covered and any specific conditions as may be applicable to it.

If our credit limit is subject to your obtaining a **security**, this **security** must be valid and enforceable.

Our credit limits are confidential: you undertake not to disclose the contents of our credit limits to any third party that is not noted in this contract. For the persons who are noted in this contract, you undertake that they will keep them confidential.

- 2.3 When requesting an initial or revised @rating or credit limit, you must advise us of any **adverse information** and of any **overdue account** for which, at the date of the request, the *maximum credit period* has expired.

### 3 - VALIDITY AND CHANGE OF COVER

For each buyer on which we have granted either an @rating or a credit limit, we will provide a monitoring service. Unless otherwise specified on the credit limit **notice** in the case of credit limits, our decisions regarding @rating or credit limits will become effective on the date we receive your request and they are not limited in time and remain valid for the amount granted unless we give you **notice** of reduction or cancellation of cover. We have the right to refuse, reduce or cancel an @rating or a credit limit at any time and should we do so, then the refusal, reduction or cancellation will become effective for deliveries, shipments or performance services made from the day of our notice.

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**VARIABLES ASSOCIATED TO THE RISK MODULE\* / CREDIT LIMITS**

**1 – @rating scale :**

- . @rating X : no cover
- . @rating NR : INR 448,000
- . @rating R : INR 640,000
- . @rating @ : INR 1, 280,000
- . @rating @@ : INR 3, 200,000
- . @rating @@@ : INR 6, 400,000
- . @rating @@@@ : INR 6, 400,000

Insured percentage: 90 % of the **net debt** [and 100 % in case your buyer has been granted an @rating quality label].

If your buyer is rated @@@@, we can cover, within the framework of a credit limit request, an outstanding balance higher than INR 6, 400,000. In that case, the insured percentage is the normal insured percentage provided for in this contract for the buyers approved by us.

In case of a loss, the amount of the @rating we have granted to your buyer will be converted in the currency of the present contract at the *exchange rate* on the date you have notified us of an **overdue account**.

**2 - Discretionary zone:**

Fall into this zone, all outstanding balances less or equal to the *Underwriting level* fixed at.....

- Countries: .....
- Specific insured percentage: .... %
  
- Credit Management procedure dated: .....
- Name of the Credit Manager: ....

*\* to be included in the Schedule*

RISK MODULE

CREDIT LIMITS

The credit limit is determined:

- Either by you within the discretionary zone,
- Or by us within the underwriting zone.

## 1 - DISCRETIONARY ZONE

1.1. - You may set the credit limit applicable to your buyers yourself if the credit limit does not exceed the *Underwriting level* fixed in the schedule, according to the following conditions:

- Your Buyer must be located in a *country* listed for this facility in the Schedule. We reserve the right to modify the list of *countries* concerned during the *insurance period*,
- All **debts** under any **sales contracts** you may have had with your buyer before must have been paid for within the *maximum credit period*.
- The *specific insured percentage* applicable to this facility is set out in the Schedule.

1.2. - Providing that you have subscribed to our on-line system, you can consult us within this zone to know the @rating we grant to your buyer. If we have not yet granted an @rating for your buyer, you can ask us for a credit limit, according to the conditions specified in article 2 below.

Then you will be covered, except if the @rating is X or if we refuse a credit limit, up to the *underwriting level*, or respectively, if it is more favourable for you:

- either up to the amount of the @rating we grant to your Buyer, according to the *scale* fixed in the Schedule,
- or up to the credit limit,

And you will then benefit from the *insured percentage* provided for in the Schedule for the buyers approved by us,

## 2 - UNDERWRITING ZONE

Above the *Underwriting level*, or if the buyer is located in any others countries but not the ones mentioned in article 1.1., the credit limit will be set by us, as specified below:

- 2.1. - Providing that you have subscribed to our on-line system, you have to consult us to know the @rating we grant to your buyer. Then you will be covered up to the amount of the @rating as per the *scale* and the *insured percentage* fixed in the Schedule, except if the @rating is X.
- 2.2.- If you have not subscribed to our on line system, or if the amount of the @rating we grant does not suit you regarding the credit limit you are expecting, or if we have not yet granted an @rating for your Buyer, you have to request a credit limit. This credit limit sets the maximum amount covered and any specific conditions as may be applicable to it.

If our credit limit is subject to your obtaining a **security**, this **security** must be valid and enforceable.

Our credit limits are confidential: you undertake not to disclose the contents of our credit limits to any third party that is not noted in this contract. For the persons who are noted in this contract, you undertake that they will keep them confidential.

- 2.3. When requesting an initial or revised @rating or credit limit, you must advise us of any **adverse information** and of any **overdue account** for which, at the date of the request, the *maximum credit period* has expired.

## 3 - VALIDITY AND CHANGE OF COVER

For each buyer on which we have granted either an @rating or a credit limit, we will provide a monitoring service. Unless otherwise specified on the credit limit **notice** in the

case of credit limits, our decisions regarding @rating or credit limits will become effective on the date we receive your request and they are not limited in time and remain valid for the amount granted unless we give you **notice** of reduction or cancellation of cover. We have the right to refuse, reduce or cancel an @rating or a credit limit at any time and should we do so, then the refusal, reduction or cancellation will become effective for deliveries, shipments or performance of services made from the date of our **notice**.



**CLAIM PAYMENT MODULE**

**NOTIFICATION LEVEL FOR OVERDUE ACCOUNT**

In case that a **debt**, i.e. the amount of an invoice, does not exceed the notification level you are exempted from the obligation of **notification of overdue account** as mentioned in article 2.3 c) of the General Provisions and the termination of cover for **debts** arising from forthcoming supplies and services due to an **overdue account** as mentioned in Article 1.2.3 d) of the General Provisions does not come into effect.

If for an **overdue account** a **notification** has not been made due to paragraph 1 above

we do not start with any pre-legal or legal collection procedure for the **debt** concerned (as far as **debt** collection by us has been agreed upon in this contract)

insurance cover for the **debt** concerned is limited to a loss arising only from the **insolvency** of the buyer provided you have notified us as mentioned in Article 2.3 b) of the General Provisions.

INVOICING MODULE

PREMIUM SURCHARGE IN THE EVENT OF CLAIMS

After completion of each *insurance period*, we will have the right to invoice a possible additional premium surcharge subject to the following terms and conditions:

- a) Basis for the calculation of the premium surcharge is the premium of an *insurance period*.
- b) Claim payments made for **debts** of this *insurance period* including claim reserves made for **debts** of this *insurance period* are being set into relation to the premium of the according *insurance period* (claim ratio).
- c) If the claim ratio is higher than the *claim level 1*, we shall invoice you with a premium surcharge according to the *premium surcharge level 1* stipulated in the Schedule after completion of this insurance period.
- d) If the claim ratio is higher than the *claim level 2*, we shall invoice you with a premium surcharge according to the *premium surcharge level 2* stipulated in the Schedule after completion of this *insurance period*.
- e) The settlement of the premium surcharge will be processed upon the time of settlement stipulated in the Schedule.

This settlement is provisional, if at the time of settlement debts for the according *insurance period*, for which no claim payments are to be made or claim reserves have been made, are still outstanding.

A final settlement of the premium surcharge will be made, after all debts of the according *insurance period* have been paid, respectively the claim settlements for these debts has been finalised.

GLOBALLIANCE CONTRACT

Credit Insurance

B05.04

CAUSE OF LOSS MODULE
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**BINDING ORDERS**

If we reduce or cancel a credit limit or an @rating for a buyer, our cover will be maintained, subject to our approval, for the **deliveries, shipments** or services that you are obliged to make or perform during the period indicated in the Schedule which follow the date of our **notice** under the conditions specified below:

1. You must request our approval for all such **deliveries, shipments** or performance of services within 8 days of the date of our **notice**.
2. These **deliveries, shipments** or services must correspond to a **sales contract** concluded less than six months before the date of our **notice**.
3. The buyer concerned cannot be subject to a **notification of adverse information, overdue account or insolvency** that has or should have been sent.
4. At the date of your request, the buyer cannot be subject to a Past Due Notification that has or should have been sent.

If we do not accept to maintain our cover and subject to the conditions specified in articles 2, 3 and 4 above, we will cover the loss you may sustain in reselling the goods manufactured and ready to **shipment** or **delivery** at the date of our decision, up to a maximum of 50% of their invoice value - unless other percentage specified - and within the limit of the balance available on the outstanding balance previously granted.

In any case we will have no liability for the **deliveries, shipments** or services made by you after the termination of your contract.

<b>RISK MODULE</b>
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**CREDITS EXCEEDING 4 MONTHS**

**1 PURPOSE**

Subject to our prior approval, cover may be extended to **sales contract** with a credit period from 4 to 24 months.

**2 OPERATION**

You must obtain a credit limit on each buyer concerned, irrespective of the outstanding balance you wish to obtain. When making the credit limit request, you must indicate the outstanding balance and the credit period required, followed by the statement: "See Module B46".

**3 NOTIFICATION OF OVERDUE ACCOUNT**

The time-limit to notify the overdue account is fixed at 30 days from the expiration of the maximum credit period.

**4 PREMIUM RATE – TURNOVER DECLARATION**

The rates fixed in the contract for non-payment cover depending of the country where the buyer is located are increased according to the following coefficients:

<b>Credit period</b>	<b>Coefficient</b>
From 4 to 6 months	1
From 7 to 9 months	1.75
From 10 to 12 months	2.00
From 13 to 15 months	2.25
From 16 to 18 months	2.50
From 19 to 21 months	2.75
From 22 to 24 months	3.00

GLOBALLIANCE CONTRACT

Credit Insurance

B01.03

RISK MODULE

CREDIT LIMITS WITH DISCRETIONARY CREDIT LIMIT FACILITY

The credit limit is determined:

- either by you, under the Free Credit Limit Facility,
- or by us.

1 - FREE CREDIT LIMIT FACILITY

1 - DISCRETIONARY LIMIT

You may set the credit limit applicable to your buyers yourself, within the *discretionary limit* per buyer fixed in the Schedule, according to the following conditions:

**1.1.1** At the time of **shipment** or **delivery** of goods or performance of services, as the case may be, the information you must have obtained over the last six months from sources approved by us must not be adverse in any way or include any particular reserves (**securities**, etc.) concerning the buyer.

The credit limit may also be based upon your trading experience with the buyer provided a minimum of two transactions were cleared within the last twelve months preceding the invoicing of any goods or services and all were paid within the *maximum credit period*.

**1.1.2** In case of trading experience, the credit limit may be set as the highest balance cleared during the last twelve months plus 25%. Without trading

experience, it will not exceed the limit which the information source has recommended.

**1.1.3** The buyers concerned must be private and located in a country listed for this facility in the Schedule.

**1.1.4** The *insured percentage* applicable to this facility is set out in the Schedule.

**1.1.5** You may, according to the conditions below, still ask us for a credit limit on the buyer for an outstanding balance lower than the amount mentioned in article 1.2 above. However, if we refuse to agree or cancel a credit limit on a buyer, then that buyer is not covered from the date of our **notice**.

## **2 - CREDIT LIMIT APPROVED BY US**

Above the maximum outstanding balance mentioned in the previous article, the credit limit will be set by us, as specified below:

**2.1** Following your requests, for initial or revised credit limits, we will agree a credit limit for each one of your buyers. This credit limit sets the maximum outstanding balance covered and any specific conditions as may be applicable to it. Our decision shall become effective on the date we receive your request, unless otherwise specified on the credit limit **notice**. We may also refuse to cover a buyer.

**2.2** If the credit limit is subject to your obtaining a **security**, this **security** must be valid and enforceable.

**2.3** We may reduce or cancel a credit limit at any time. In this case, the reduction or cancellation will come into force on the date of our **notice**.

- 2.4** Unless otherwise specified, our credit limit is not limited in time and remains valid for the amount granted unless we give you **notice** of a limit reduction or cancellation.
- 2.5** When requesting an initial or revised credit limit, you must advise us of **any adverse information** and of any **overdue account** for which, at the date of the request, the *maximum credit period* has expired.
- 2.6** Our credit limits are confidential: you undertake not to disclose our credit limits to any third party that is not noted in this policy. For the persons who are noted in this policy, you undertake that they will keep them confidential.

CLAIM PAYMENT MODULE

AGGREGATE FIRST LOSS

You will keep for your own account an *aggregate first loss*.

Accordingly, no claim payment will be made as long as the total amount of indemnities due for all the claims relating to **debts** arising in an *insurance period* does not exceed the *aggregate first loss*.

Annual Claim calculation:

At the end of each *insurance period*, we will examine all the claims likely to lead to a claim payment (occurrence of a buyer's **insolvency** or expiry of the waiting period provided for in case of non-payment of the buyer).

The claims will be the subject of one or more payments depending on whether they are assignable to one or more insurance periods.

Every payment is to be considered as provisional until all the risk relating to the insurance period concerned are extinguished.

As soon as, for one insurance period, the total amount of the covered losses, once the *insurance percentage* provided for in the contract has been applied, exceeds the *aggregate first loss*, the surplus is paid to you within a 45 day period.

Notwithstanding the above annual claim calculation rule, any claim in respect of **insolvency**, the amount of which exceeds the *aggregate first loss*, will be examined and possibly paid for in advance without having to wait for the end of the current insurance period.

Recoveries:



As soon as we pay for a claim, after the *aggregate first loss* has been filled, any **recoveries** obtained by you or by us, relating to any one of the **debts** claimed during the insurance period concerned, whether or not they have been paid for by us, are by priority for our account up to the amount of the claim we have paid for.

Should the total amount of **recoveries** exceed the total amount of the **debts** claimed, excluding interest for late payment, the excess would be kept by us as reimbursement of the recovery expenses incurred, the possible surplus being for your account.

GLOBALLIANCE CONTRACT

Credit Insurance

F26.02

INVOICING MODULE

NO CLAIM BONUS

If no claim payment has been made or is to be made for the **debts** of an *insurance period* you will have the right to a no claims bonus.

This no claims bonus will be calculated as a *percentage* -set in the Schedule - of the premium received by us for the according *insurance period*.

The no claims bonus shall be credited after expiry and full settlement of the respective *insurance period*. However, if afterwards an indemnification is to be paid or expected to be paid by us for **debts** of the respective *insurance period*, the no claims bonus already granted for this *insurance period* shall be repealed with retroactive effect. The no claims bonus already granted for this *insurance period* will then be set off against the indemnification payable by us. If the indemnification is lower than the amount of the no claims bonus already granted for the respective *insurance period*, we shall be entitled to immediate reimbursement of the still unbalanced remaining part of the no claims bonus.

The no claims bonus will also be granted for an *insurance period*, when the sum of claims payments made or expected for **debts** of the according *insurance period* is below the *limit of impact*. Is the *limit of impact* however exceeded, the no claims bonus for the according *insurance period* forfeits.

INVOICING MODULE

PREMIUM AND DECLARATION OF QUARTERLY CREDIT LIMITS

The premium is calculated by applying the *premium rate* specified in the Schedule to the total value of credit limits in place as at the last working day of each quarter. Only buyers that fall within the *scope of this contract* will be included in this calculation; subject to the *minimum premium* as specified in the Schedule.

You are required to pay premium from the quarter of the granting of the credit limit until either the withdrawal or cancellation of the credit limit or an "occurrence of loss" (the date of **insolvency** or 5 months after receipt of the notification) takes place.

You must notify us, in the form agreed, of all credit limits that are set by yourselves within the Discretionary Facility provided.

We will produce a listing of credit limits written by us and this, together with your declaration of limits within your discretionary facility, will form the basis of the quarterly calculation.

If a Credit Limit is reduced or cancelled during the quarter then premium will be charged for the full quarter.

Should you fail to send us a declaration within the specified time and despite our written reminder or if you fail to declare properly and completely all Credit Limits falling within the *scope of this contract* (without good and proper reason) cover will cease to apply to the Credit Limits not declared. Irrespective of which you will still have to pay us for the corresponding premium. In the above instances we also reserve all rights to terminate this contract.

Upon inception of this contract you will make a *deposit* (plus any taxes and duties that may be applicable). This *deposit* will be applied to the quarterly premium invoiced as determined under the above calculation. Once this *deposit* is exhausted, premium payments will be due upon receipt of the quarterly invoice.

Should the total of the quarterly premium invoiced as determined above for an *insurance period* be less than the *minimum premium*, a balancing payment owed by you will be invoiced upon receipt of your last declaration of credit limits for the *insurance period* concerned.

All amounts owed by you in respect of premium, including the *minimum premium*, are amounts before any tax or duty is added. All amounts (including any applicable tax or duty) will be paid within the period specified on the invoices.

**VARIABLES ASSOCIATED TO THIS MODULE:**

The declaration period is: [15 days] starting from the end of each month.

The deposit is: [INR .....].

GLOBALLIANCE CONTRACT

Credit Insurance

B06.06

RISK MODULE

PENDING ORDERS

If we reduce a credit limit or an @rating limit on a buyer, our cover will be maintained for the **deliveries, shipments** or services that you are obliged to make or perform for a period of time following the date of our **notice**. The period of time will be determined by the @rating score in place immediately prior to the reduction.

We will maintain cover following the date of our **notice** for;

- three months on buyers having had a score of 6 or above;
- one month on buyers having had a score of 4 or 5

This cover is subject to the following conditions:

1. The **deliveries, shipments** or services must correspond to a **sales contract** concluded less than six months before the date of our **notice**, or relate to a schedule of **deliveries, shipments** or services which have been agreed upon with the buyer less than six months before the date of our **notice**.
2. The buyer concerned cannot be subject to a **notification of overdue account** or **insolvency** that has, or should have been, sent.
3. In the event of a claim we require a copy of your sales contract, purchase orders and acknowledgement orders and any other documentation we may deem necessary in conjunction with the standard claim documentation you are required to submit.

We will not maintain cover following the date of our **notice** for buyers where;

- we cancel the credit limit or @rating limit, or;
- they had a score of 1, 2 or 3 immediately prior to our **notice**

RISK MODULE
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CREDIT LIMITS

The credit limit is determined :

- ♦ either by you within the discretionary or consultation zone,
- ♦ or by us within the underwriting zone.

## 1 DISCRETIONARY ZONE

You may set the credit limit applicable to your buyers yourself if the credit limit does not exceed the *Consultation level* fixed in the Schedule, according to the following conditions :

- ♦ your buyer must be located in a *country* listed for this facility in the Schedule. We reserve the right to modify the list of *countries* concerned during the *insurance period*,
- ♦ all **debts** under any **sales contracts** you may have had with your buyer before must have been paid for within the *maximum credit period*,
- ♦ the *specific insured percentage* applicable to this facility is set out in the Schedule.

## 2 CONSULTATION ZONE

If the credit limit you intend to set :

- ♦ is higher than the *Consultation level* for buyers located in a *country* mentioned in article 1 and lower than or equal to the *Underwriting level*,
- ♦ is lower than or equal to the *Underwriting level*, for buyers located in any other *countries*,

you may set yourself the credit limit, providing the following conditions :

- when setting the credit limit, under the responsibility of the Credit Manager designated in the Schedule, you must comply with the rules of your Credit Management Procedure, also specified in the Schedule. Any change of the Credit Manager or the Credit Management Procedure must be submitted to us for written approval.
- and you must consult us via Cofanet (Web), with an @rating request. If the @rating is NR or we have not yet granted an @rating for your buyer or if you have not subscribed to Cofanet (Web), you have to consult us by requesting a credit limit according to the provisions fixed in article 3.

Then you will be covered – according to the *insured percentage* applicable to the buyers approved by us – in the following conditions :

- ♦ if the amount of the @rating or if our credit limit is lower than or equal to the *Consultation level*, the credit limit is equal to the *Consultation level*,
- ♦ if the amount of the @rating or if our credit limit is higher than the *Consultation level*, the credit limit is equal to the *Underwriting level*,
- ♦ if the @rating is X or if we refuse a credit limit, the buyer is excluded from cover. However, **deliveries, shipments** or services made before our **notification** are covered within the conditions fixed in the “discretionary zone” clause if the buyer is located in the countries listed in this clause.

### 3 UNDERWRITING ZONE

Above the *Underwriting level*, the credit limit will be set by us, as specified below :

3.1 Providing that you have subscribed to Cofanet (Web), you have to ask us to know the @rating we grant to your buyer. Then you will be covered up to the amount of the @rating as per the *scale* and the *insured percentage* fixed in the Schedule, except if the @rating is X.

3.2 If you have not subscribed to Cofanet (Web), or if the amount of the @rating we grant does not suit you regarding the credit limit you are expecting, or if we have not yet granted an @rating for your buyer, you have to request a credit limit. This credit limit

sets the maximum amount covered and any specific conditions as may be applicable to it.

If our credit limit is subject to your obtaining a **security**, this **security** must be valid and enforceable.

Our credit limits are confidential : you undertake not to disclose the contents of our credit limits to any third party that is not noted in this contract. For the persons who are noted in this contract, you undertake that they will keep them confidential.

3.3 When requesting an initial or revised @rating or credit limit, you must advise us of any **adverse information** and of any **overdue account** for which, at the date of the request, the *maximum credit period* has expired.

3.4 If the @rating is X or if we refuse a credit limit, the buyer is excluded from cover. However, **deliveries, shipments** or services made before our **notification** are covered within the conditions fixed in the "discretionary zone" clause if the buyer is located in the countries listed in this clause.

#### 4 VALIDITY AND CHANGE OF COVER

For each buyer on which we have granted either an @rating or a credit limit, we will provide a monitoring service. Unless otherwise specified on the credit limit **notice** in the case of credit limits, our decisions regarding @rating or credit limits will become effective on the date we receive your request and they are not limited in time and remain valid for the amount granted unless we give you **notice** of reduction or cancellation of cover. We have the right to refuse, reduce or cancel an @rating or a credit limit at any time and should we do so, then the refusal, reduction or cancellation will become effective for **deliveries, shipments** or performance of services made from the date of our **notice**, except in case of application of the rules concerning pending orders. The provisions above also apply to @rating and credit limits granted within a consultation as provided for in articles 1 and 2 above.