

Credit Intelligence and First Source Services Terms and Conditions of Business

A company of Allianz 



EULER HERMES
Risk Services UK

Definitions

Agreement

means these terms and conditions including the schedules.

Approved Limit

means the credit limit issued to you by us on our credit limit endorsement form that is then covered under the Policy subject to acceptance by EHUK.

Credit Intelligence Services

means the service relevant to each application you make to us for an Approved Limit that includes the investigation, collation and analysis of relevant risk information and necessary administration involved to enable us to issue you with an Approved Limit and monitor positive Approved Limits. The Credit Intelligence Service in relation to each application you make and to each positive Approved Limit you continue to hold is a chargeable service payable by you to us. The Credit Intelligence Fees are set out in Schedule 1 of this Agreement.

Buyer

means the business to which you intend to sell or supply goods or provide services under a contract falling within the scope of the Policy.

Fees

means the fees chargeable to you and payable to us upon the submission of our invoice to you for the Services. Value Added tax (VAT) where applicable will be payable in addition to fees.

First Source Opinion

means the credit opinion we issue to you with respect to the Buyer, which may be one of three types:

agree in full; or

agree for a lesser amount; or

decline;

First Source Services

means the First Source Opinion and/or other First Source products and/or services that may be provided by us to you in the future. The First Source Service is a chargeable service payable by you to us. The fee rates are set out in the First Source Scale of Fees which means the published Fees for the First Source Services provided to you upon registration or as amended in writing.



| | page |
|--|------|
| 1. Incorporation of this Agreement | 2 |
| 2. Use of Our Credit Intelligence Services | 2 |
| 2.1 General | 2 |
| 2.2 Payment of Fees for Credit Intelligence Services | 2-3 |
| 3 Use of Our First Source Services | 3 |
| 3.1 General | 3 |
| 3.2 Exceptions to justification | 3 |
| 3.3 Payment of Fees for First Source Services | 4 |
| 4 Terms applicable to all Services. | 4 |
| 4.1 Your obligations to us | 4 |
| 4.2 Our obligations to you | 5 |
| 4.3 Cancellation of the Services | 5 |
| 4.4 Limitation of Liability | 5 |
| 4.5 Data Protection Act 1998 ("the Act") | 5-6 |
| 4.6 Law & jurisdiction | 6 |
| 4.7 Precedence of Policy | 6 |
| 4.8 Variation | 6 |

1. INCORPORATION OF THIS AGREEMENT

This Agreement will apply to the Services you receive from us. By completing and signing the Registration Form and/or by you making an application to us for the Services and/or continuing to hold any Approved Limits and/or First Source Opinions, you will be deemed to have unconditionally accepted this Agreement.

2. USE OF OUR CREDIT INTELLIGENCE SERVICES

2.1. General

- 2.1.1 We may provide you with Credit Intelligence Services which include the provision of Approved Limits that may be used to justify cover under the Policy.
- 2.1.2 The use of any Approved Limit you obtain from us is subject to all terms and conditions applicable to Approved Limits specified in the Policy.
- 2.1.3 When justifying any amount within your discretionary limit, any Permitted Limit can be justified only in accordance with the provisions relating to your discretionary limit in the Policy.

2.2. Payment of Fees for Credit Intelligence Services

- 2.2.1 You will be invoiced separately for the Credit Intelligence Services. The Fees payable will be as set out in Schedule 1, and you agree to pay them to us.
- 2.2.2 We will invoice you monthly in arrears in respect of any Approved Limit issued by us to you during that month. You must pay an application fee for each new Approved Limit when we have issued you with a limit endorsement, even if the endorsed decision is a nil or discretionary limit. We will not charge you if you are applying for an increase to an existing positive Approved Limit.
- 2.2.3 We will invoice you monthly in arrears for monitoring fees for any positive Approved Limit you hold on the last day of each month (excluding Nil Approved Limits and discretionary limits). We will not charge a monitoring fee for any specific Buyer during a month when you have paid a Credit Intelligence application fee for that Buyer.
- 2.2.4 If you have chosen to pay Fees by direct debit, we will collect payment from your account no earlier than 10 days after the date of our invoice;
- 2.2.5 The time for payment of all Fees is of the essence to the contract between you and us. If you fail to pay us any Fees on the date they are due, then you agree that we will be entitled, at our absolute discretion, to vary the terms of payment or suspend providing you with the Services and/or terminate this Agreement.
- 2.2.6 Fees are fixed for each period of the Policy as stated in Schedule 1 but we may give notice of amendment in respect of any subsequent period of the Policy or amendment to the current period of the Policy.

- 2.2.7 The fee rates specified in Schedule 1 to this Agreement are in sterling. If the Policy is not issued in sterling, the value of the Fees charged to you will be converted into the Policy currency for the purpose of each invoice. The exchange rate we will use will be the spot rate of exchange ruling in the London foreign exchange market at the close of business on the last Friday of the month of invoice or the last Thursday if the date of invoice falls on a Friday, Saturday or Sunday.
- 2.2.8 Your invoice for the Credit Intelligence Services will provide a summary of our Fees. A detailed breakdown of the Services charged on the invoice will be provided on our EOLIS system or you can request it by writing to us.

3. USE OF OUR FIRST SOURCE SERVICES

3.1 General

- 3.1.1 We may provide you with First Source Services that include the provision of First Source Opinions which may be used to justify cover under the Policy.
- 3.1.2 When justifying any amount within your discretionary limit, any Permitted Limit can be justified only in accordance with the provisions relating to your discretionary limit in the Policy.
- 3.1.3 We will notify you in writing, having made such investigations as we at our sole discretion see fit, if we have been unable to trace the Buyer.
- 3.1.4 The First Source Opinion or other First Source product(s) that you obtain from us is (unless otherwise specified in writing by us):
- 3.1.4.1 valid for 12 months from the date on which the First Source Opinion or other First Source product is issued by us; and
 - 3.1.4.2 a method of justifying, under the provisions relating to your discretionary limit in the Policy, the credit that you intend or propose to grant to the Buyer; and
 - 3.1.4.3 used to justify an amount of credit extended to the Buyer up to either: the amount set out in the First Source Opinion or other First Source product; or the maximum amount specified for your discretionary limit in the Policy; whichever is the lesser amount.

3.2 Exceptions to justification

- 3.2.1 If we or EHUK give you written notice under the Policy and endorse a Nil Approved Limit or cancel the Approved Limit including the discretionary limit on any Buyer, then any opinion given through the First Source Services whether issued before or after the date of the notice will be void. You may not use it as justification for granting further credit to the Buyer concerned.

3.3 Payment of Fees for First Source Services

- 3.3.1 You will be invoiced separately for the First Source Services. The Fees payable will be as specified in the First Source Scale of Fees issued when we first provide the First Source Service to you, and you agree to pay them to us.
- 3.3.2 We will invoice you monthly in arrears for the First Source Services we provide.
- 3.3.3 If you have chosen to pay Fees by direct debit, we will collect payment from your account no earlier than 10 days after the date of our invoice;
- 3.3.4 The time for payment of all Fees is of the essence to the contract between you and us. If you fail to pay us any Fees on the date they are due, then you agree that we will be entitled, at our absolute discretion, to vary the terms of payment or suspend providing you with the Services and/or terminate this Agreement.
- 3.3.5 Our invoice will contain a detailed breakdown of the Services provided and charged.

4. TERMS APPLICABLE TO ALL SERVICES

4.1 Your obligations to us

- 4.1.1 To enable us to provide you with the Services, you agree to:
 - 4.1.1.1 give us all the information we may ask for; and
 - 4.1.1.2 pay us the Fees in accordance with the conditions set out in this Agreement and the Schedules; and
 - 4.1.1.3 keep all information contained in or concerning the Services in strict confidence and not disclose it, whether in writing or verbally or any other way, to the Buyer or any other third party; and
 - 4.1.1.4 indemnify us for any claims, costs, demands, liabilities or losses we may suffer or incur whether directly or indirectly caused by or arising out of any breach of your obligations to us under this clause.
- 4.1.2 You must exercise reasonable care and prudence as if you were uninsured in the granting and/or withholding of credit. Further, if you know of any circumstances which could, in the reasonable opinion of a prudent uninsured, give grounds for believing that the Buyer may not (or may be unable to) comply with its obligations to you under a contract of sale and/or a contract to provide services, then this adverse information may nullify any Services we provide to you and all other justification for granting credit.

4.2. Our obligations to you

- 4.2.1 After your request for any of the Services, we will:
- 4.2.1.1 provide you with the Services with reasonable skill and care;
 - 4.2.1.2 upon your reasonable request provide you with any further information you may require.

4.3. Cancellation of the Services

- 4.3.1 We are entitled to cancel your registration with us if you:
- 4.3.1.1 breach any of the obligations in Clause 4.1.; or
 - 4.3.1.2 fail to pay the Fees; or
 - 4.3.1.3 no longer hold a Policy for any reason.

4.4. Limitation of liability

- 4.4.1 In relation to the Services neither we or EHUK warrant the accuracy of the information made available to you, nor do we or EHUK warrant or represent that the Buyer will be able to pay any credit or comply with any credit terms that you may extend to or allow the Buyer whether in the amount of the First Source Opinion, the Approved Limit or otherwise. If you extend credit to the Buyer, you do so at your exclusive risk and you must satisfy yourself of the Buyer's credit-worthiness.
- 4.4.2 In no circumstances are we or EHUK liable to any Buyer or other third party who may become aware of the information in, or concerning, the Services. In any event you agree to indemnify us in accordance with Clause 4.1.1.4.
- 4.4.3 Despite Clause 4.4.2, if liability can be imposed on us, our cumulative liability will not exceed the total Fees you have paid us for providing you with the Services on that particular Buyer.

4.5. Data Protection Act 1998 ("the Act")

Words shown in italics in this clause are as defined in the Act.

- 4.5.1 If you provide us with *personal data* (or *sensitive personal data*, if applicable) ("Data"), the Data will be *processed* in accordance with the Act and for the purpose of carrying out our credit risk assessment and associated credit insurance activities ("Activities").
- 4.5.2 If you provide Data on a partner, director, employee or other officer of your business ("Individual"), you warrant that you have obtained the Individual's consent to our processing the Data as set out in this clause.
- 4.5.3 We may need to share the data with another member in the Euler Hermes group (for example Euler Hermes UK plc) or with a credit reference agency or other responsible third party situated within or outside the European Economic Area where this is necessary to enable us to perform our Activities.

4.5.4 If you use EHUK's on-line service system ("EOLIS") or any similar automated equipment facility that may be introduced from time to time to process the Data provided to us or on our behalf, then you agree that you will act upon our sole instructions and those from EHUK (where applicable) in any such processing. You warrant that you have in place appropriate technical, secure and organisational measures against any unauthorised or unlawful processing of Data and against loss or destruction of, or damage to, the Data.

4.6. Law and jurisdiction

Our agreement with you is governed by English law. Any disputes are subject to the exclusive jurisdiction of the Courts of England and Wales.

4.7. Precedence of Policy

If there is any conflict between this Agreement and the Policy, the Policy and any instructions issued to you under the Policy prevail.

4.8. Variation

We may vary your payment terms or the terms of this Agreement by giving you written notice of them.

Policy

means the credit insurance policy (including the policy schedule) issued to you by Euler Hermes UK plc ("EHUK"), the underwriters of any Approved Limit.

Permitted Limit

means the Approved Limit, or where no Approved Limit has been issued, the discretionary limit.

Registration Form

means the First Source registration form.

Services

means both the First Source Services and the Credit Intelligence Services collectively.

We or us or our

means Euler Hermes Risk Services UK Limited.

You or your or yourself

means an insured, registered as a client with us and who has applied for products and services from us under this Agreement.

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