

TCITS GOVERNMENT SCHEME

The Department for Business Innovation and Skills announced today (20th August 2009) further changes to the TCITS Scheme. The main changes introduced are:

- A reduction in the price from 2% to 1%.
- The removal of the minimum application value. Previously the Scheme was only available to companies that held an Approved Limit of at least £20,000.
- An increase in the maximum application value to £2m. Previously the Scheme had a maximum limit of £1m.

The Scheme Guide, also available from this webpage, is amended as follows:

TCITS Premium

Section 7- page 7 – amended to;

1% of the value of the Top-Up Limit issued.

This is a non- negotiable fixed rate for all Top-Up Limits issued under the scheme and provides for the 6 month period of cover. Premium is subject to the Refund of Premium entitlement outlined in Section 9 of this guideline.

EHUK Administration Fee

Section 7- page 7 – amended to;

£60 or 0.3%, whichever is the higher, of the value of the Top-Up Limit issued.

This is EHUK's fee for setting up and administering the scheme for your benefit. This fee is fixed and non-refundable.

Additional Premium

Section 7- page 7 – amended to;

(Value of Top-Up increase x 1%) X $\frac{\text{(Remaining Top-Up period (days))}}{180 \text{ days}}$

Plus applicable EHUK administration fee & IPT.

Refund of Premium entitlement

Section 9 – page 8 – calculation amended to;

First scenario - $((\text{Top-Up Limit A} - \text{Top-Up Limit B}) \times 1\%) \times 0.33334$

Eligibility for Top-Up Cover

Section 1 – page 2 – Initial cover Gap

This section is now obsolete.

Level of Top Up Cover available

Section 2 – page 3 – amended to;

Maximum amount you are entitled to apply for under the scheme (per buyer)

The lesser of :

- £2m, or
- the amount of the cover gap between the Approved Limit pre-reduction or cancellation and the new reduced or re-instated Approved Limit, or
- an equivalent amount to the reduced or re-instated EHUK Approved Limit, or
- an amount requested by you.

All reference to a minimum application value is now removed.

Please read this notice in conjunction with all the other Scheme documentation which can be found on this website - www.eulerhermes.co.uk.

We trust that the above is self explanatory but should you have any queries please do not hesitate to contact the TCITS Administration Team on 020 7860 2600 or email on topup@eulerhermes.com.

20th August 2009