

## Credit limit with discretionary limit facility

The credit limit is determined either by you within the discretionary limit, or us.

### 1 Discretionary limit

You may set the credit limit for your buyers if the credit limit you require does not exceed the *discretionary limit* value. The *insured percentage* applicable to this facility is specified in the schedule. The following conditions apply:

- 1.1 Your buyer must be domiciled in a *country* listed for this facility.
- 1.2 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*.
- 1.3 Prior to **shipment** or **delivery** of goods or performance of services, you must either;
  - a) obtain an information report from an *approved source*. The report must be no older than 6 months; must not be adverse in any way; nor include any reservation or qualification concerning the buyer. You may set a credit limit up to the value that the information report recommends.
  - or
  - b) be able to evidence satisfactory trading experience with the buyer in the 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%.

### 2 Above the discretionary limit

Above the *discretionary limit*, or if the buyer is domiciled in a *country* other than one listed for this facility, the credit limit will be set by us, as specified below:

## Risk Module

- 2.1 You may request the @rating we attribute to your buyer. You will then be covered up to the value of the @rating as per the @rating scale and the *insured percentage*.
- 2.2 If the @rating we attribute is insufficient, or if we have not yet attributed an @rating to your buyer you must 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 and @ratings are confidential: you undertake not to disclose the contents of our credit limits or @ratings to any third party that is not noted in these contracts. For the persons who are noted in these contracts, 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 either attributed an @rating or agreed a credit limit, we will provide a monitoring service.

Unless otherwise specified on the credit limit **notice**, our decisions regarding @ratings or credit limits will become effective on the date we receive your request, 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