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Euler Hermes Credit Insurance

World Finance Policy - 1110

108 年 12 月 01 日裕利安宜 108 發字第 0173 號函備查

Definitions

For the purpose of these General Terms and Conditions for Comprehensive Cover, the following words and expressions shall have the following meanings:

Unless stated otherwise, the words “you” or “your” will have the same meaning as references in the **Policy** to Participating (Policyholder’s name).

The words “we”, “us” or “our” will have the same meaning as references in the **Policy** to the Participating Insurance Company and/or the Managing Insurer.

Applicable Country

Means the country where a **Buyer** is located.

Applicable Country List

Means the List of countries where **Buyers** are located classified by Country Group.

Where in any document related to the **Policy** we refer to Country List, we mean Applicable Country List.

Approved Limit

Means the maximum amount covered for a **Buyer** under the **Policy** as specified in the limit notification issued by us pursuant to Section 2.02 of these General Terms and Conditions.

Buyer

Means any customer of a **Supplier** where the receivables relating to that customer have been assigned to you under a **Receivables Purchase Agreement** and on which you have received an **Approved Limit**.

Combined Maximum Terms of Payment

Means the maximum period allowed under the **Policy** for the combined **Contractual Due Date** and **Extended Contractual Due Date**, as specified in Section 6 of the **Special Terms**.

Where in the **Policy** including limit notifications and non-payment notifications, there is reference to Maximum Terms of Payment or Maximum Extension Period, we mean **Combined Maximum Terms of Payment**

Contract

Means a legally valid and enforceable agreement for goods sold and **Despatched** and/or services **Provided** by a **Supplier** to a **Buyer**.

Contractual Due Date

Means the original due date specified in the invoice issued by the **Supplier** to the **Buyer**. If the **Contractual Due Date** is extended in accordance with **Section 2.06** (Postponement of Due Date), then for the purposes of this **Policy** the **Contractual Due Date** will be replaced by the **Extended Contractual Due Date**.

Date of Crystallisation

Means the earlier of:

- (a) the date the **Buyer** enters into a **State of Default**; and
- (b) the date we receive your Non-payment Notification pursuant to Section 2.07 of these General Terms and Conditions.

Debt

The amount owing by the **Buyer** to the **Supplier** under an invoice issued by the **Supplier** to the **Buyer** in respect of the goods or services under the **Receivables Purchase Agreement**.

Default

Default occurs for any reason on the non-payment by the **Buyer** on all or part of an **Undisputed Receivable** on expiry of the **Combined Maximum Terms of Payment**.

Despatch or Despatched

Means with respect to goods, that:

- (a) the goods have been passed from the **Supplier** to the first independent carrier for transport to the place where the **Buyer** is obliged to accept them; or
- (b) if there is no independent carrier, the goods have been deposited by the **Supplier** into the possession of the **Buyer** or a third party agent who agrees to hold the goods to the order of the **Buyer**.

Dispute

Means any unresolved, genuine and documented disagreement between the **Supplier** and the **Buyer** as to whether the **Buyer** has a contractual obligation to pay.

Event of Loss

Under the **Policy** there is an **Event of Loss** either on **Insolvency** of the **Buyer** or on expiry of the **Waiting Period** after the **Default** has occurred.

Excess

Means any deductible or threshold applicable to the **Policy** if any.

Extended Contractual Due Date

Means the date to which the **Contractual Due Date** is extended within the **Combined Maximum Terms of Payment** specified in the **Special Terms** as a result of you and/or the **Supplier** postponing the **Contractual Due Date** for payment of an **Insured Debt**.

Inception Date

Means the date specified in Section 1.a) of the **Special Terms** on which a **Policy** becomes effective.

Information Holders

Means the individuals employed by you involved in the origination, structuring, and / or administration of the receivables owing to you under the **Receivables Purchase Agreement**, which are covered under the **Policy**.

Insolvency

Insolvency means:

- I. a Receiver or Manager, Liquidator, Trustee, Administrator, or other similar official is appointed over a **Buyer**, whether or not the appointment has been made by a Court or other similar tribunal but excluding any appointment which does not affect your rights as a creditor of the **Buyer**; or
- II. a composition, scheme of arrangement, compromise or other similar arrangement has been approved and made binding on the **Buyer** and all the **Buyer's** creditors; or
- III circumstances exist that are equivalent to any of the above.

Insurance Period

Means a renewable twelve-month period starting from the Inception Date of the **Policy**.

Insured Debt

Means any Debt relating to **Undisputed Receivables** that have been assigned to you by the **Supplier** during the Insurance Period specified in the **Special Terms** in accordance with a **Receivables Purchase Agreement** between you and the **Supplier**. The **Insured Debt** is restricted to the amount of the actual loss to be suffered by you in accordance with the **Receivables Purchase Agreement** and in all cases is limited to the amount of the **Approved Limit**.

Insured Loss

Means the amount of an **Insured Debt** that was subject to a non-payment notification or its balance after taking into account the amounts listed in Section 3.01 (Calculation of the Insured Loss).

Insured Percentage

Means the percentage stated in Section 6 of the **Special Terms** which is applied to the **Insured Loss** for the calculation of the indemnity.

Knowledge

Means:

- any information, events or circumstances of which the **Information Holders** have actual knowledge of; or
- information, events or circumstances that are disclosed in writing to one of the **Information Holders** by a **Supplier regarding the Insured Debt**.

Policy

Means the General Terms and Conditions and the **Special Terms** (including the **Applicable Country List**) and any other documents and/or notifications and/or notices issued under or in connection with the **Policy**, including but not restricted to the limit notifications, executed in each **Applicable Territory**.

Provide or Provided

Means, with respect to services, that the **Supplier** has fulfilled its contractual obligation towards the **Buyer** in respect of: services to be carried out and invoicing on a regular basis.

Recoveries

Mean any:

- monies received;
- dividends received or payable out of the **Buyer's** insolvent estate;
- indemnities, guarantees or other securities obtained and realised;
- goods recovered;
- counter claims or set-off applied; and/or
- other advantages or rights of action held;

but exclude:

- recourse to the **Supplier** on the uninsured percentage;
- **Recoveries** directly attributable to any Excluded Indebtedness.

Receivables Purchase Agreement

Means any legally valid and enforceable **Receivables Purchase Agreement** at the date it is entered into between you and a **Supplier**.

State of Default

Means the situation of non-payment by a **Buyer** resulting either from the occurrence of **Insolvency** of the **Buyer** or **Default** by the **Buyer**

Supplier

Means any company that **Despatched** goods or **Provided** services to a **Buyer**.

Turnover

Turnover is the amount of **Insured Debt** owed by each **Buyer** that is outstanding on the last day of each calendar month.

Undisputed Receivable

Means at any time an **Insured Debt** if and to the extent that it is not, at that time, subject to a **Dispute**.

Waiting Period

Means the relevant period stated in the **Special Terms**, which runs from the **Contractual Due Date** or **Extended Contractual Due Date** for payment of the **Insured Debt**, as applicable.

Wherever used in these General Terms:

- a) the singular includes the plural and vice versa;
- b) any words following the terms including, include, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- c) section and appendix headings shall not affect the interpretation of these General Terms and Conditions;

Other words and expressions beginning with a capital letter that are not defined in these General Terms and Conditions will have the meaning assigned to them in the Master Agreement and **Special Terms** as the case may be.

1. SCOPE OF COVERAGE

- 1.01 What you are covered for
- 1.02 What you are not covered for

2. RISK MANAGEMENT

Setting and amending **Approved Limits**

- 2.01 Exercising care and prudence
- 2.02 Limit request
- 2.03 Risk Service
- 2.04 Amendment and withdrawal of cover
- 2.05 Your credit management obligations for receivables beyond Contractual Due Date
- 2.06 Postponement of Contractual Due Date
- 2.07 Non-payment Notification
- 2.08 Inconvertibility and restriction on currency transfer

3. INDEMNITY

- 3.01 Calculation of the Insured Loss
- 3.02 Calculation of the indemnity
- 3.03 Payment of the indemnity
- 3.04 Recoveries
- 3.05 Maximum Liability
- 3.06 Assignment
- 3.07 Shared risk

4. POLICY MANAGEMENT

- 4.01 Declaration of turnover
- 4.02 Calculation of Premium
- 4.03 Payment of Premium
- 4.04 Right of set-off

5. OTHER PROVISIONS

- 5.01 Obligation to provide information
- 5.02 Policy currency
- 5.03 Verifying your documents
- 5.04 Confidentiality
- 5.05 Policy duration
- 5.06 Breach of contract
- 5.07 Communication
- 5.08 Governing Law and Dispute Resolution

1. SCOPE OF COVERAGE

1.01 What you are covered for

We are the Insurer named in the **Special Terms**. We have issued this **Policy** to You, the Insured, named in the **Special Terms** in return for the Premium.

The receivables covered under the **Policy** are limited to :

- Receivables assigned to you under a **Receivable Purchase Agreement** that relate to sales by **Suppliers or services provided to Buyers** located in countries having a Euler Hermes Grade AA to D (inclusive) at the date such receivables are assigned to you under a **Receivables Purchase Agreement**, and in respect of which you have submitted a limit request to us or the Service Providing Company if specified in the **Special Terms**; and
- an individual **Approved Limit** as issued by us on each **Buyer**

(the "**Covered Receivables**").

All receivables other than the Covered Receivables are excluded under the Policy.

You and we further agree that we will not have any liability under the **Policy** in respect of any receivables owing to you by a **Buyer** under a **Receivables Purchase Agreement** unless all Covered Receivables owing by that **Buyer** in respect of goods **Despatched** and/or services **Provided** to the **Supplier** with whom you have entered into a **Receivables Purchase Agreement**, have been declared to us under the **Policy** and the resultant premium has been paid under the **Policy**.

Subject to the terms and conditions of the **Policy** we will indemnify you in accordance with Section 3 (Indemnity) below if you fail to receive payment of an **Insured Debt** as a result of the **Buyer's** failure to pay an **Undisputed Receivable or Insolvency**.

1.02 What you are not covered for

We have no liability for losses that result directly from:

- a. the failure of the **Supplier** (or any party acting on behalf of the **Supplier**) to comply with contractual obligations owed to the **Buyer** or with any relevant laws or regulations in force in the relevant countries or any sanction clause as specified in the **Receivables Purchase Agreement**; or
- b. any phenomenon of nuclear origin, or a natural disaster; or
- c. your transfer of the payment obligation from the **Buyer** to a third party without our prior agreement; or
- d. exchange rate fluctuations and/or currency devaluations except in the case specified in Section 2.08 (Currency deposit) if the **Buyer** is unable to pay the additional amount corresponding to the depreciation of the local currency; or
- e. events occurring in a third country where: goods are to be **Despatched** and/or services are to be **Provided** to that third country; or payment is to be made from that third country, insofar as and to the extent that you were aware of those arrangements before the date the receivables have been assigned to you by the **Supplier**, unless in respect of goods **Despatched** and/or services **Provided** to that third country, that third country is in a Euler Hermes Country Group AA, A, BB, B, C or D, or as otherwise previously agreed in writing by us.

The following are excluded from the **Policy** cover:

- f. Transactions with private individuals acting in a personal capacity.
- g. Transactions for which payment is made by confirmed and irrevocable or confirmed, irrevocable and renewable letter of credit.

- h. Receivables having payment conditions that are in excess of the **Combined Maximum Terms of Payment** specified in the **Special Terms**.
- i. Transactions relating to any **Buyer** located in an **Applicable Country** that is either not mentioned in the **Applicable Country List** or that we have excluded from cover, provided that the Insured was notified of the relevant **Applicable Country** being excluded from cover prior to the date of the Transaction subject to clause 2.04c).
- j. Transactions relating to any **Buyer**:
 - over which you or the **Supplier** have significant control, by participation in its management, administration or capital; or
 - which has similar control over you or the **Supplier**; or
 - which is part of the same group as you or the Supplier.
- k. Transactions relating to any **Buyer** for whom we have not granted, we have refused or withdrawn cover, before the date the receivables have been assigned to you under a **Receivables Purchase Agreement**, provided that you were notified of such refusal or withdrawal by us prior to the date of purchase of those receivables.
- l. Receivables purchased by you under a **Receivables Purchase Agreement** after the day the **Buyer** enters in a **State of Default**.
- m. Interest for late payment beyond that accrued during the Waiting Period or any contractual or legal damages.
- n. Any loss resulting from a failure by the **Buyer** to pay the **Insured Debt** (i) under the obligations of the **Receivables Purchase Agreement**, where such payment obligations are not valid and enforceable according to the relevant laws in your country and/or the **Supplier's** country; or (ii) under the obligations of the **Contract**, where such payment obligations are not valid at the date of purchase of receivables and enforceable according to the relevant laws in the **Buyer's** country and/or the **Supplier's** country.
- o. The **Insured Debt** relates to **Undisputed Receivables** which are the result of a fraudulent set up of the Participating (policyholder's name), the Supplier or their employees.

2. RISK MANAGEMENT

Setting and amending **Approved Limits**

2.01 Exercising care and prudence

You must exercise all reasonable care and prudence in granting and withholding credit from a **Buyer** and you should act as if you were not insured. The Information Holders must disclose to us as soon as reasonably practicable in writing any **Knowledge** that could, in the reasonable opinion of a prudent and careful uninsured, be interpreted as material deterioration of the payment risk on the **Buyer**.

In addition you should:

- take all reasonable measures to prevent any loss arising to you or us, and
- take all reasonable steps to reduce losses and maximise **Recoveries**.

2.02 Limit request

For you to be covered under the **Policy** with respect to a **Buyer**, you must have an **Approved Limit**.

For each **Buyer** you must submit a limit request to us or the Service Providing Company if specified in the **Special Terms**.

If we issue an **Approved Limit** subject to special conditions, you will have a claim under the **Policy** in respect of the **Buyer** concerned only if such special conditions have been complied with.

Unless specified otherwise in the limit notification:

Approved Limits are effective from the start date specified. If no start date is specified, **Approved Limits** are retrospective from the Inception Date of the **Policy** provided that:

- (a) there are no amounts outstanding beyond the expiry of the **Combined Maximum Terms of Payment** or other **Knowledge** about the **Buyer**; and

- (b) the **Contractual Due Date** of any debt to be covered under the **Policy** is after the date of receipt of your limit request; and
- (c) only initial Approved Limits will have retrospective effect. Subsequent variations to such limits will not have retrospective effect.

2.03 Risk Service

By accepting this **Policy**, you agree:

- that the Risk Service Providing Company named in the **Special Terms** will provide you with services related to this **Policy** ; and
- to pay the fees it charges you.

2.04 Amendment and withdrawal of cover

- (a) At any time you may apply for a higher **Approved Limit**.
- (b) We may (a) withdraw, vary or reduce the cover relating to one or more **Buyers** or one or more countries or any category of business or (b) amend the **Applicable Country List**, provided that prior to implementing the actions in (a) or (b), we give you written notice ("**Notice**") using the approved means of communication specified in the **Special Terms**. Such Notice will not take effect until expiry of a certain period (the "Delayed Effect Period"). Unless specified otherwise in our **Special Terms**, the Delayed Effect Period expires 90 days from the date of receipt of the Notice.
- (c) Any withdrawal or reduction of an **Approved Limit** or a change in Country Group, will only apply to any receivable purchased by you under a **Receivables Purchase Agreement** after the date you receive our Notice and the expiry of the Delayed Effect Period as specified in section 2.04 (b) above, and will not affect the cover in place for receivables already purchased by you before the expiry of the Delayed Effect Period.
- (d) Cover is automatically cancelled for new receivables purchased by you under a **Receivables Purchase Agreement** which relate to a **Buyer** after the day you are aware or have been notified that such **Buyer** enters into a **State of Default**
- (e) Cover will be reinstated on the **Buyer** when all amounts outstanding beyond the **Combined Maximum Terms of Payment** have been paid provided that:
 - the **Approved Limit** for the **Buyer** has not already been withdrawn by us; and
 - either **Insolvency** of the **Buyer** or **Default** by the **Buyer** have not occurred.

2.05 Your credit management obligations for receivables beyond Contractual Due Date

You must apply your credit management procedures continuously and consistently.

You must comply with any reasonable instructions we may give you.

In addition, you must obtain our prior written agreement to grant approval (whether as part of an out-of-court settlement, or a court order) for:

- (a) a repayment plan or other form of rescheduling in respect of all or part of the debt beyond the **Combined Maximum Extension Period**, or
- (b) an assignment or pledge of all or part of the debt, or
- (c) a waiver of all or part of the debt; or
- (d) the giving up of any of your rights or guarantees in respect of all or part of the debt.

Such approval should not be unreasonably withheld.

2.06 Postponement of Contractual Due Date

You may agree to one or more postponements of the **Contractual Due Date** for payment of the **Insured Debt**. However, the additional credit period granted must not exceed the **Combined Maximum Terms of Payment**, as set in the **Special Terms**. Unless we agree otherwise in accordance with Section 2.05 (a) of these General Terms and Conditions, the **Policy** will not cover any debt you have agreed to postpone beyond the **Combined Maximum Terms of Payment**. Unless you obtain our prior written agreement, you must not grant any postponement of the **Contractual Due Date** if:

- (a) the initial methods of payment are promissory note or bill of exchange; or
- (b) the **Buyer** is in a **State of Default**.

2.07 Non-payment Notification

The Information Holders may notify us of any unpaid debt at any time after the **Combined Maximum Terms of Payment (the "Non-payment Notification")**. Unless specified otherwise in the **Special Terms**, the Non-payment Notification must be received by us 30 days from the end of the month during which the **Buyer** is in **Default**, or from the date we have been made aware of an Insolvency of the **Buyer**. The **Non-payment Notification** shall be in the form **set out** in Exhibit A of this General Terms and Conditions.

The following are the documents we require when you submit to us a Non-payment Notification:

- (a) signed and completed **Non-payment Notification**, and
- (b) statement of account in respect of the Receivables Purchase Agreement (to include outstanding balances, due dates, etc.).

The following are the additional documents that you must submit to us in accordance with Section 3.03 (c) of these General Terms and Conditions before we make claim payment, provided that such documents must be submitted to us not later than 60 days from receipt of the relevant **Non-payment Notification**:

- (a) copies of outstanding invoices and copies of the relevant transaction documents: transport documents, drafts, and other similar documents (to the extent that they are held by you), and
- (b) copies of the relevant correspondence concerning the overdue payment of the **Insured Debt** which is the subject of this Non-payment Notification.

For the avoidance of any doubt, the mere submission by you of any of the documentation requested under this Section 2.07 is in no way to be interpreted as our waiver of any of the exclusions applicable under the **Policy**.

2.08 Inconvertibility and restriction on currency transfer

In the event of inconvertibility and restrictions on currency transfers, your indemnity will not be adjusted (at the date the inconvertibility and restrictions on currency transfer cease) for any shortfall in the value of your **Insured Debt** due to currency depreciation unless you instruct the **Buyer** to:

- make a deposit in your favour at a bank in the Applicable Country for the equivalent sum in local currency for the total invoiced amount, and
- confirm in writing i) that the payment in local currency does not in any way discharge him from his contractual obligations and ii) take all possible and formal steps in order to get the local currency converted and transferred to you, and
- undertake in writing to pay you on demand any shortfall between the value of the local currency deposit at the date of that deposit and the value of the payment you receive.

The demand that you and/or the **Supplier** on your behalf must make to the **Buyer** under this Section must be made within reasonable time from due date for payment or you becoming aware of the restrictions.

You will have satisfied your obligations under this Section if you (or the **Supplier** on your behalf) have instructed the **Buyer**, whether or not the **Buyer** complies with the instructions.

3. INDEMNITY

3.01 Calculation of the Insured Loss

- (a) The **Insured Loss** is to be calculated as being the **Insured Debt**:
- after taking into account the actual proceeds of **Recoveries, if any**; and
 - after taking into account the amount of any **Excess**, if applicable, as specified in the **Special Terms**.
- b) Invoices in a currency other than the **Policy** currency will be converted in accordance with Section 5.02 (Policy currency).

For the purposes of establishing which Debts constitute the **Insured Debt**, Debts owed by a **Buyer** which have been purchased under a **Receivables Purchase Agreement** will be taken in the order of the invoice dates up to the amount of the **Approved Limit**. Debts above the **Approved Limit** are covered under the **Policy** only if and when older Debts that are covered under the **Policy** have been paid. This subsequent cover of previously uninsured debts does not apply after the **Date of Crystallisation**.

3.02 Calculation of the indemnity

Subject always to Section 3.05 (Maximum liability), the maximum indemnity under the **Policy** in respect of any claim will be the **Insured Percentage** of the **Insured Loss**.

3.03 Payment of the indemnity

- (a) We have no liability in respect of any **Insured Debt** or claim unless we have received the Non-payment Notification from the Information Holders in accordance with Section 2.07 (Non-payment Notification).
- (b) If the **Insured Debt** (or any part of it) is subject to a **Dispute**, we will have no liability in respect of the disputed amount unless and until and then only to the extent that by virtue of a settlement or judicial determination the outcome of the **Dispute** is that the disputed amount (or part of it) is payable to you by the **Buyer**. We are not liable for any costs incurred in the **Dispute** resolution.
- (c) We will pay your claim within 30 days from the later of:
- the date of the occurrence of the **Event of Loss**; and
 - the date we receive the Non-payment Notification and all documents and information that we require in accordance with the Non-payment Notification pursuant to Section 2.07 (Non-payment Notification) .
 - to the extent the **Insured Debt** was subject to a **Dispute** that has subsequently been resolved in your favour, or in favour of the **Supplier** as the case may be, the expiry of an additional period of 30 days following resolution of the **Dispute**.
- (d) The indemnity is payable in the **Policy** currency (Section 5.02 - Policy currency).
- (e) If you receive an indemnity from us to which you are not entitled under the **Policy**, you must reimburse it to us within 14 days of our request or of you becoming aware that you are not entitled to it.

3.04 Recoveries

- (a) (i) All **Recoveries** realised before the **Date of Crystallisation** must be used to reduce the amount of the **Undisputed Receivables** owed to you in the chronological order of the **Contractual Due Dates** relating to those receivables.
- (ii) For the calculation of the **Insured Loss**, all **Recoveries** realised after the **Date of Crystallisation** will be shared between you and us pro rata based on the ratio between the **Insured Debt** and your total **Debt** assigned to you by the **Supplier** under the Receivables Purchase Agreement at the **Due Date**. Our share will be calculated in accordance with the following formula:

Recoveries X $\frac{\text{Insured Percentage of Insured Debt}}{\text{total indebtedness}}$ at the **Date of Crystallisation**

- (b) On payment of the indemnity, we shall be subrogated to your rights or actions (to the proportionate extent of the amount of the indemnity paid in relation to the overall amount of **Insured Loss**). Our share of any **Recoveries** you receive after you have been indemnified under the **Policy** must be reimbursed to us within 14 days of their receipt. **Recoveries** realised in a currency other than the **Policy** currency are converted in accordance with Section 5.02 (Policy currency).
- (c) You and we agree that in respect of receivables that relate to indebtedness entirely excluded from cover under the **Policy** by the application of Section 1.02 (What you are not covered for) (the “Excluded Receivables”);

notwithstanding the foregoing:

- (i) We will relinquish any share of the value of any **Recoveries** which are directly and wholly attributable to such Excluded Indebtedness and to which we would otherwise have been entitled to under the provisions of the **Policy**; and
- (ii) Any monies received by you or on your behalf in respect of the Excluded Indebtedness will be applied for the purposes of the **Policy** to reduce that Excluded Indebtedness.

3.05 Maximum liability

Regardless of the amount of any individual **Approved Limit** or the aggregate value of all **Approved Limits** and the number of beneficiaries under the **Group Policies**, we will have no further liability at all for an Insurance Period when the amount paid to the Insureds under the **Group Policies** as indemnity first reaches the Group Maximum liability shown in the **Special Terms** (Section 9).

Your obligations under the **Policy** will be maintained, including your obligations to pay us Premium and to account to us for our share of any **Recoveries**.

The Insurers of the **Group Policies** will determine which claims contribute to the Group Maximum Liability in chronological order of the date when the Insurers accept liability for the claim.

For the purposes of establishing if the Group Maximum Liability has been exceeded, any amounts relating to premium and losses will be converted into the Currency of the Master Agreement.

3.06 Assignment

You may wish to transfer any benefits under the **Policy** to a third party. Any assignment of the benefits payable under the **Policy** requires our prior approval and an amendment being made to the **Policy** noting the assignment.

3.07 Shared risk

You, any other Insured under the **Policy** must remain solely responsible for any portion of the Debt covered under the **Policy** that is retained by you under the **Policy**. This must not be assigned wholly or partly to any third party or insured with another company but does not prevent you from having recourse to the **Supplier** in respect of the uninsured percentage.

4. POLICY MANAGEMENT

4.01 Declaration of Turnover

For each calendar month and for each **Applicable Country** specified in the **Special Terms**, you must declare to us using our forms the **Turnover** for each **Buyer** within 30 days (unless specified otherwise in the **Special Terms**) after the end of the month.

The value of receivables that you have been assigned to you that are denominated in currencies other than the **Policy** currency, must be converted into the **Policy** currency in accordance with Section 5.02 (Policy currency).

You must not exclude from your **Turnover** the value of any receivables assigned to you under a **Receivables Purchase Agreement** which relate to a **Buyer** on which there was a valid **Approved Limit** and the **Buyer** was located in a country having a Euler Hermes Buyer Grade AA to D (inclusive) and/or had a Euler Buyer Grade between 1 to 8 (inclusive) at the time when receivables have been purchased by you under a **Receivables Purchase Agreement**, where that limit has subsequently been withdrawn or the Country Group of the country where the **Buyer** is located has subsequently been downgraded or where the Euler Hermes Buyer Grade subsequently ceases to be Grade 1 to 8.

You may exclude from your **Turnover** the value of any:

- (a) value added tax (or any similar tax) unless we agree otherwise, and
- (b) receivables expressly excluded from cover under the **Policy**.

If cover continues after the reduction or withdrawal of an **Approved Limit** pursuant to Section 2.04 c) of these General Terms and Conditions or after the termination of the **Policy** you must continue to declare to us the **Insured Debt** for the calculation of the premium until payment is effected by the Buyer or an event of loss occurs.

4.02 Calculation of Premium

Premium will be calculated on the basis of the declared monthly **Turnover** multiplied by the relevant Premium rate set in the **Special Terms**.

Insurance taxes will be added to the Premium according to the tax legislation in your country.

4.03 Payment of Premium

Following receipt of an invoice from us, you must pay the Premium to us strictly in accordance with the terms of that invoice which, for the avoidance of doubt, shall contain the amounts shown in the **Special Terms**.

Unless stated otherwise in the **Special Terms**, you must undertake that the Premium will be paid to us within 60 days from the date of the invoice issued by us ("**Premium Payment Date**").

If the Premium due hereunder has not been paid to us on or before the Premium Payment Date, we shall have the right to suspend or cancel the relevant Buyer Limit(s) by notifying you in writing. In the event of cancellation, Premium is due to us on a pro rata basis for the period that we are on risk.

We agree to give you not less than 15 days prior notice of suspension or cancellation. If the Premium is paid in full to us before the notice period expires, notice of cancellation shall be automatically revoked. If not the Buyer Limit(s) to which the Premium relates shall be suspended or terminated at the end of this notice period.

4.04 Right of set-off

Subject to obtaining your prior consent, we may set off any Premium or other amounts you owe us against any sums payable by us to you under the **Policy**, regardless of the Insurance Period.

5. OTHER PROVISIONS

5.01 Obligation to provide information

We acknowledge that your duty of disclosure under this Policy shall be limited to the following information provided to us by the Information Holders prior to the Inception Date:

- (a) certain financial information and trading experience regarding certain **Buyers**; and
- (b) estimated **Turnover** for the Insurance Period specified in the **Special Terms**.

The Information Holders are only required during the course of this **Policy** to provide us with the information referred to in Section 2.01 (Exercising care and prudence) and 4.01 (Declaration of Turnover)

5.02 Policy currency

The **Policy** currency is indicated in the **Special Terms**. It will be used for **Turnover** declarations, Premium payments and other charges, calculation of any **Insured Loss** and any indemnity payments. [If a receivable is denominated in any other currency, all amounts in relation to the receivable, including with respect to the calculation of the **Insured Loss, Recoveries** received prior to the date of indemnification and **Turnover** declarations, will be converted into the **Policy** currency using the exchange rate in the **Special Terms** ruling on the date specified in the **Special Terms**. Any **Recoveries** in any other currency which are received after the date of indemnification will be converted into the **Policy** currency using the exchange rate in the **Special Terms** ruling on the date the **Recoveries** are converted.

5.03 Verifying your documents

Upon reasonable request by us, and to the extent legally and contractually possible, you will use reasonable endeavours to provide us with access to any documents (i) in your possession or control; (ii) held by a third party, provided always that such documents relate directly to any Insured Debt under the Policy.

5.04 Confidentiality

- a) The Master Agreement, the **Policy**, any amendment to it and any document produced pursuant to the Policy (including any correspondence from us or notifications) are strictly confidential (the "**Confidential Information**") and shall not, subject to Section 5.04(b), be disclosed to any third parties.
- b) The Parties shall not disclose Confidential Information to any third party other than:
 - i. companies of the Allianz Group;
 - ii. companies of the (Name of Policyholder's group).;
 - iii. companies participating in this World Program from time to time;
 - iv. any broker or insurance intermediary participating in the World Program;
 - v. the Supplier;
 - vi. professional, financial, insurance and legal advisers for each party; and
 - vii. any legal, governmental, judicial, regulatory or administrative authority or securities exchange.

5.05 Policy duration

- (a) The Inception Date is shown in the **Special Terms**.
- (b) The Insurance Period and, where applicable, any subsequent renewable Insurance Periods are shown in the **Special Terms**.
- (c) At the end of each Insurance Period, the **Policy** will automatically continue for another Insurance Period of the same length, unless you or we gave written termination notice at least 1 month (unless specified otherwise in the **Special Terms**) before the end of the Insurance Period.
- (d) Termination by the Insurer:

(本保險單以英文條款為主，中文條款僅供參考，若中英文條款不一致時，以英文條款為主)

Notwithstanding Section 5.05(c) above, we may terminate the **Policy** by giving you written notice in the following circumstances:

- (i) In the event of a breach of the **Policy** as stated in Section 5.06 (Breach of contract), in which case you must immediately pay us the Premium.
- (ii) If you become subject to insolvency proceedings, which shall amount to the occurrence of any of the following:
 - (1.1) a receiver or manager, liquidator, trustee, administrator, or other similar official is appointed over you, whether or not the appointment has been made by a court or other similar tribunal but excluding any appointment which does not affect your rights as a creditor of the Supplier and/or Buyer (as applicable); or
 - (1.2) a composition, scheme of arrangement, compromise or other similar arrangement has been approved and made binding on the Buyer and all the Buyer's creditors; or
 - (1.3) circumstances exist that are equivalent to any of the above.
- (e) Termination by the Insured:

You may terminate the Policy in the event that (i) our financial strength rating falls below Standard & Poor's (a division of the McGraw-Hill Companies Inc.), A- (A minus) or if not or no longer rated by Standard & Poor's a comparable credit rating provided by either Fitch Ratings Ltd or Moody's Investor Service Inc; or (ii) if we cease underwriting the type of insurance provided under this Policy.

5.06 Breach of contract

Notwithstanding Section 5.05(c) above, we may terminate:

- (a) the relevant Approved Limit in relation to a Receivables Purchase Agreement in the event of a fraudulent set up of the Supplier or its employees; or
- (b) the **Policy** in the event of :
 - fraudulent set up of the Participating (Policyholder's name) or their employees; or
 - non-payment of premium, including non-declaration of **Turnover**

You and we agree that you have 30 calendar days upon your receipt of our notification by registered mail of the breach (the "**Remedy Period**"), to remedy the breach before the termination of the relevant Buyer Approved Limit or Policy takes effect. If you still do not remedy the breach within the Remedy Period, we may terminate the relevant Buyer Approved Limit or Policy with effect from the date of expiry of the Remedy Period.

We do not waive any breach by you of any term or condition of the **Policy** unless we have agreed to the waiver expressly in writing.

5.07 Communication

For the purpose of the **Policy**, any agreed means of communication and any special conditions applying may be specified in the **Special Terms**.

5.08 Governing Law and Dispute Resolution

The **Policy** is governed by and construed in accordance with the applicable law specified in the **Special Terms**.

All disputes arising under or in connection with the **Policy** will be settled by the relevant courts specified in the **Special Terms**.

The language of the **Policy** is stated in the **Special Terms**. If there are any differences in the meaning or effect of the documents that comprise the **Policy**, then the text in the language of the specified **Policy** will always prevail over any translation.