

Policy Number:

GLOBALLIANCE CONTRACT
Credit Insurance

SCHEDULE

Policy No : xxxxxxxxxxxx

Insured : xxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxx

INSURER : **IFFCO TOKIO GENERAL INSURANCE COMPANY LIMITED**
IFFCO Tower,
Plot no. 3, Sector – 29
Gurgaon – 122 001

This contract consists of this document, the Modules listed hereafter, the General Provisions [that are referred as Globalliance Version 4] 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.

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

1.1 BUSINESS ACTIVITY INSURED

XXXX

1.2 COUNTRIES COVERED

- Countries covered : XXX
- Insured percentage : **XX %** (GST/VAT included)
- Premium rate : XX % applicable to the turnover (GST/VAT included)

1.3 MINIMUM PREMIUM PAYMENT

INR XXX per insurance period. (Excluding tax as applicable).

1.4 Cost of Services

See Scale, Module F01.02

2 - MAXIMUM LIABILITY

XX times premium paid per insurance period.

3 - MAXIMUM CREDIT PERIOD

- ◆ Domestic sales: XX days (initial credit period including extension)

No further deliveries or shipments to be made if the oldest invoice remains outstanding for more than XX days after the initial due date or Maximum credit period whichever is earlier.

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 or from the actual performance of the services for which the payment is due.

5 - TIME LIMIT FOR NOTIFICATION OF OVERDUE ACCOUNT WITH REQUEST FOR INTERVENTION

- ◆ Domestic sales: XX days (initial credit period including extension)

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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 30 days after the agreed new **due date**.

6 - CURRENCY OF THIS CONTRACT

The currency of this contract is in INR (Indian Rupees).

7 - EXCHANGE RATE

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

8 - DURATION OF THIS CONTRACT

This contract comes into effect on the XXXXXXXX and the insurance period will run until XXXXX.

9- MODULES

The following modules form part of this contract:

Reference	Module
A08.01	Non Payment Risk
	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
	Insured percentage: XX % of the net debt
	In case of a loss, the amount of the @rating we have granted to your buyer

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	will be converted in the currency of the present contract at the <i>exchange rate</i> on the date you have notified us of an overdue account .
C01.02	Full Collection Service
D01.01	Threshold - The amount of the Threshold is INR XXX
E01.02	Recoveries
F01.02	Tariff Schedule I) Contribution to Credit Limits & @rating costs: INR XXXX per buyer per annum. The costs corresponding to the credit limits & @rating costs will be collected in full at the end of the first quarter and settlement (if any) to be done at the end of the policy period. II) Contribution to Recovery costs: INR XXXX per buyer per intervention.
F03.05	Premium on Turnover Declarations The reporting period is : XXX The installments are : XXX The turnover declaration period is: XX days Notwithstanding the provisions of this module, the following article is modified to : You must notify us, in the form agreed and within the XX days of each <i>reporting period</i> , of the turnover made within the scope of this contract, during the preceding <i>reporting period</i> .

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10 – JURISDICTION AND APPLICABLE LAW

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

This contract will be governed by Indian law.

- 11 -** Notwithstanding clause 4 of the General Provisions, you cannot assign your rights of payment of claims to any financial institution and you cannot assign the debts to any financial institution.

12 – Grievance Clause

For resolution of any query or grievance, Insured may contact the respective branch office of the Company or may call at xxxxxxxx or may write an e-mail at xxxxxx. In case the insured is not satisfied with the response of the office, insured may contact the Grievance Officer of the Company at xxxxxxxx.

MADE IN ORIGINAL IN xxxx ON xxx.

THE INSURER

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A08.01

CAUSE OF LOSS MODULE

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**.

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B15.04

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

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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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C01.02

COLLECTION MODULE

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.

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5 - These services are not available for **debts** which are subject to a **dispute**.

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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**.

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E01.02

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 (including any interest for late payment), the excess would be for your account after deduction of the recovery costs.

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INVOICING MODULE

TARIFF SCHEDULE

I - FIXED CONTRIBUTION TO CREDIT LIMITS

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.

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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.

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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.

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GENERAL PROVISIONS

Policy No : **xxx**

Insured : **xxx**
xxx

Please note that in this contract:

- i) Terms in **heavy type** are defined on pages 08 to 11,
- ii) Values corresponding to the terms in *italics* are specified in the Schedule.

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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,
- if the goods are 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 :

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- 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.

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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

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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*.

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3.7 Embargo

We shall not be deemed to provide cover and/or be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America."

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.

You may assign the **debts** to the financial institution acting as the loss payee, provided that you have assigned the right to payment of claims as described above.

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.

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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.

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- 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 - DATA PROTECTION

- 10.1** Data (including personal data) provided by you under this contract will be used for the management of your credit insurance contract and for the needs of our insurance activities and, **as the case may be**, our credit assessment and credit management activities. They may be transferred for these purposes to our Reinsurers, to Coface, its affiliates or Credit Alliance partners.

- 10.2** Regarding personal data, data subjects will be entitled to ask us for information on their personal data, the purposes of their processing and on the recipients or categories of recipients. They will have the right to ask for the modification, erasure or blocking of data which are inaccurate or incomplete or to object to the processing on compelling legitimate grounds, by contacting our service in charge of personal data protection at the following email address: xxxxxx on the following phone number: xxxxxx

- 10.3** We may use personal data provided by you for marketing reasons, for example to inform you about our new products or those of our affiliates and about any changes to the existing products. Data subjects will have at any moment the right to object to the use of their personal data for marketing reasons by contacting the service referred to in paragraph 2.

- 10.4** You undertake to provide the data subjects with the information referred to in paragraphs 1, 2 and 3 here above.

11 - DEFINITIONS

Policy Number:

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: -

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- 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 execution 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 :

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- ◆ the VAT, 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

Written notice received by you or us or you at your or our administrative address by mail, fax or by such electronic means as agreed upon by you and us in writing.

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,

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- ◆ 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**.