

37. CREDIT PROTECTION MODULE

If we have offered you Credit Protection in respect of any Debts, the following will apply:

- 37.1 You must apply to us for a Credit Protection Limit in respect of each Debtor. We shall not be under any obligation to set a Credit Protection Limit in respect of any Debtor and we may set a Credit Protection Limit of zero. All Credit Protection Limits will be reviewed and, where appropriate, renewed, at least annually. We shall debit your Current Account with our fee for each Credit Protection Limit application and renewal.
- 37.2 Only Approved Debts will be considered for Credit Protection. Such Debts shall be Credit Approved Debts in addition to being Approved Debts. If any Approved Debt becomes Disapproved for any reason, then such Debt shall also cease to be a Credit Approved Debt. We shall debit your Current Account with our Credit Protection Fee in relation to each Credit Approved Debt.
- 37.3 We may cancel or vary any Credit Protection Limit with immediate effect by giving notice to you. Subject to condition 32.2 of the Debt Purchase Module forming part of this Agreement, no cancellation or reduction of any Credit Protection Limit shall affect any Debt which:
- a. shall have arisen from Goods Delivered before the time of such notice being given to you; and
 - b. before such notice was within a Credit Protection Limit.
- 37.4 Any Outstanding Debt which:
- a. is created prior to the facility pay out date; or
 - b. is the subject of a credit insurance policy not in our name; or
- c. had its credit period extended and remains Outstanding beyond 90 days from its original due date for payment, shall not be a Credit Approved Debt, unless we otherwise agree in writing.
- 37.5 All Credit Protection Limits shall be automatically cancelled upon termination of this Agreement and upon notice to terminate this Agreement being given by you to us. We may also cancel all and any Credit Protection Limits upon us becoming entitled to immediately terminate this Agreement. Following cancellation of any Credit Protection Limit in any of these circumstances, no Debts of the relevant Debtor shall qualify for us giving you credit for the relevant Protected Amount. No failure or delay in us removing any or all Credit Protection Limits shall neither constitute a waiver of the terms of this condition nor be a representation to that effect.
- 37.6 You acknowledge that we are neither an insurer nor a credit reference agency. We shall not be obliged to disclose to you any reason for the establishment, failure to establish, cancellation, variation or withdrawal of any Credit Protection Limit. You shall not disclose to any third party the amount of or absence of any Credit Protection Limit (unless required so to do by express statutory provision or by due process of law) and you undertake to indemnify us against all loss, costs and expenses suffered or incurred by us as a result of any breach of this provision.
- 37.7 For the purpose of determining which Debts due from a Debtor (when aggregated with all other Debts owing by the same Debtor) fall within any Credit Protection Limit or Credit Limit, the Debts shall be treated in the order in which they arose.
- 37.8 Without prejudice to any other term of this Agreement, where any Credit Approved

Debt due from a Debtor becomes overdue, all subsequent Approved Debts of such Debtor shall not be Credit Approved Debts. Thereafter, if all overdue Credit Approved Debts are paid by the Debtor, we may thereafter confirm whether all or any Approved Debts then in existence and created thereafter may become Credit Approved Debts.

- 37.9 You will immediately notify us upon your becoming aware of the Insolvency or Prolonged Non-Payment of any Debtor. You will submit a request for us to give you credit for the relevant Protected Amount in such form as we may specify from time to time, together with such supporting documents that we may require, and deliver these to us within the time period that we specify.
- 37.10 Subject to the terms of this Agreement and provided that our insurers have paid the relevant Protected Amount to us, we will credit the relevant Protected Amount to the Current Account (and if appropriate debiting the Sales Ledger Account) in satisfaction of our obligation to pay the Purchase Price of the relevant Debt.
- 37.11 Any payment received by you from any source in or towards payment of a Credit Approved Debt in respect of which we have given you credit for the Protected Amount, shall be immediately paid to us and shall be applied firstly in repaying the sums paid to you by us and secondly for your benefit.