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| ***SWICOFIL_NEU*** |  | *1.3/1****PASSION FOR*** *SUCCESS* |
|  |  *Swicofil AG* *CH-6021 Emmenbrücke Edition 28.06.16 11:45* |

**Financing of business**

**1. Validity**

For  **a l l** business done with SWICOFIL AG.

**2. Basic rules**

**Every customer is a highly valuable partner!**

Swicofil considers every customer from the first contact onwards as a partner. In a good partnership one sticks to the agreements and to the words given. This includes adhering to the agreed payment terms.

We judge a customer by his payment performance. Customers who pay in time or even before the due date always get our unconditional priority treatment and support.

Clients who drag the feet fulfilling their part of the entered obligations or who delay payments run the risk of loosing that support. We have set up a pre-due-date reminder system to ensure that every customer is able to pay in time. Therefore late payers expose themselves automatically to advance payment terms.

There are NO open credit terms at Swicofil AG unless we are covered by our credit insurance or by another 100 % safe financial tool - our all duty is to sell and to make sure we are paid in time. - top priority: money must be with us on due date! There are following two categories which can be applied:

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| **Atradius credit insurance** | **Other Securities** |
| Payment terms according to Atradius insurance policy | **Prepayment** |
| **CAD net** (only in well organized countries) |
| **L/C irrevocable + confirmed** (very costly) |
| **Bankguarantee by first class Swiss bank** |
| **Avalized bank draft by first class Swiss bank** |
| **ERG or BAWI coverage** (very costly) |

**Due date**

Our 'General terms of sale' - para 15 stipulates:

**The place of the execution of contract for buyer is always Emmenbrücke.**

This means that customers **obligation to pay** for the goods which we sent the place and the date of execution is Emmenbrücke - or in other words:

The **payment** must be **in our hands on the due date**.

and not that the payment must be effected on the due date by the customer at his place! **Delay interest** is always **EURO + 3 %**; currently 6 + 3 % = 9 % p.a. It is calculated from the due date.

These facts are described by the Swiss law of obligations, article 74 (which forms an integral part of all our business concluded). The same is internationally valid and is ruled by the rules of conciliation and arbitration of the International Chamber of Commerce (Paris).

**3. Atradius inquiries**

In order to facilitate fast Atradius inquiries we would like you to verify following points and transmit them to us. If you provide all information we get a credit line much faster:

A) Full address

B) Name of board of directors

C) Legal status of company

D) Turnover figures (last 2 or 3 years) giving also the breakdown of sales to local market and sales to which major export countries

E) Total number of employees

F) Your personal judgement of management and staff

G) Activity information such as production programme, tons or m2 produced, evolution of these activities in recent past

H) Industrial equipment
What kind of machines, age of them, integration of production line downstream, capacity

I) Information on what rawmaterial from whom is used

J) Analyzis of commercial organization
- equipment
- sales problems
- problems with façonneurs?
- market knowledge

K) Perspectives of the future
- capital investments
- changes of production programmes
- co-operations with partners

L) Possibilities/potential for SWICOFIL AG

**Atradius** is ready to check for customers in **following countries** if credit line can be accorded:

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| **Category 1** | **Category 2** | **Category 3** | **Category 4** | **Category 5** |
| Countries with **no general** restriction - open payment terms are possible provided Atradius **approves** single customer | Countries with **a general** restriction – max 120 days open payment terms are possible provided Atradius **approves** single customer | Countries **with general** restriction on payment terms to be at least accepted drafts. | Countries **with limited** **credit lines and general** restriction on payment terms to be at least accepted drafts. | No insurance possible |
| Andorra | Argentina | Colombia | Bangladesh | Afghanistan |
| Australia | Bahrain | Guatemala | Belize | Albania |
| Austria | Barbados | Honduras | Benin | Algeria |
| Bahamas | Brazil | Peru | Bolivia | Angola |
| Belgium | Brunei | Venezuela | Djibouti | Bosnia |
| Canada | Bulgaria |  | Ecuador | Burkina Faso |
| Denmark | Chile |  | Gambia | Cameroun |
| Finland | Costa Rica |  | Madagascar | China |
| France | Croatia |  | Mauretania | Cuba |
| Germany | Cyprus (Greek part) |  | Nicaragua | Ghana |
| Great Britain | Czeckia |  |  | Indonesia |
| Greece | Egypt |  |  | Iran |
| Hong Kong | El Salvador |  |  | Iraq |
| Hungary | Estland |  |  | Kazakhstan |
| Iceland | India |  |  | Kenya |
| Ireland | Israël |  |  | Korea North |
| Italy | Ivory Coast |  |  | Libya |
| Japan | Jordan |  |  | Mali |
| Korea South | Kuwait |  |  | Mongolia |
| Lebanon | Latvia |  |  | Mozambique |
| Liechtenstein | Lithuania |  |  | Myanmar (Birma) |
| Luxemburg | Morocco |  |  | Niger |
| Malaysia | Namibia |  |  | Nigeria |
| Malta | Nepal |  |  | Pakistan |
| Mauritius | Oman |  |  | Russia |
| Mexico | Panama | These lists may vary – please check with us |  | Serbia |
| Monaco | Paraguay |  |  | Syria |
| Netherlands | Philippines |  |  | Tanzania |
| New Zealand | Qatar |  |  | Togo |
| Norway | Romania |  |  | Vietnam |
| Poland | Saudi Arabia |  |  | Yemen |
| Portugal | Senegal |  |  | Zambia |
| Puerto Rico | Slovakia |  |  |  |
| San Marino | Sri Lanka |  |  |  |
| Singapore | Thailand |  |  |  |
| Slovenia | Tunisia |  |  |  |
| South Africa | Turkey |  |  |  |
| Spain | U.A.E. |  |  |  |
| Sweden | Uganda |  |  |  |
| Switzerland | Uruguay |  |  |  |
| Taiwan | Zimbabwe |  |  |  |
| U.S.A. |  |  |  |  |
| Vatican City |  |  |  |  |

It is selfunderstood that once Atradius has refused to cover a customer we can only supply to this customer at ***safe payment terms*** (L/C, B/G, prepayment etc)

Our BLUEBOOK prices (are based on **cash payment.** They do **not include exhorbitant banking fees.** When you quote from BLUEBOOK please take into consideration:

**a) Costs for delayed payments**

Rule: For every month credit you should add 0,75 % per month (EURO p.a. plus 3 %)

**b) Costs for sure and safe payments (Atradius credit line, L/C, B/G, CAD etc)

1) Atradius credit line**
The fees for eventual credit coverage are very reasonable and are included in the BLUEBOOK prices - **no surcharge is necessary**!

**2) Letter of Credit**This way of insuring the payment is **ok for orders** which are **higher than CHF 50'000.--.** The absolute minimum fees are CHF 1000.-- per L/C, normal is CHF 1400.-- and more.

 For an L/C of CHF 10'000.-- this means banking fees of 10 % - for an L/C CHF 20'000.-- this is 5 % fees. You certainly understand that such charges are not included in the BLUE BOOK prices. Therefore please consider below rule for all future business:

Rule: For business below the counter value of CHF 50'000.-- you should find alternative payment terms (unless you add the L/C costs in the price) which are equally safe. Whereever possible we shall try to get Atradius cover to avoid prepayments etc.

 **3) Cash against documents**
Costs are acceptable in those countries where CAD works well. However we only accept to supply CAD if you as our agent are sure and you guarantee that there is no risk of long storage at the customs. Often customers want to play with customs warehouse as convenient and cheap store for them. We do not support such a behaviour. Storage charges are never included in our prices and are always at customers account. You have a moral obligation to make sure that such cases do not happen.

 If amount of a CAD supply is below the equivalent of CHF 10'000.-- you should add 5 % on the prices. In such a case prepayment is easier and more favorable.

 **4) Bank guarantee**
Costs may vary depending on country and bank. All arising banking charges have to be born by the customer.

 However there is a very **interesting** way to do business on B/G basis. A customer opens a **standing bank guarantee (perfomance bond)** to us (i.e. for the period of **1 year**) - we will **keep** the B/G in our **safe** as **security** and regularly supply goods within this amount. Since we do not use the B/G it works as if we had a credit line. Important is in this method that **customer pays on time** (latest at the due date) by an ordinary SWIFT bank transfer.

**Swicofil AG Banking connections**

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| Bank: | UBS Switzerland AG, Bahnhofstr. 2, Postfach, CH – 6002 Luzern / SwitzerlandKontakt: André Köchli E-Mail: andre.koechli@ubs.com  Tel. 0041 / 41 / 208 24 13 Fax: 0041 / 41 / 208 22 06 |
| Accounts: | UBS Switzerland AG, Sonnenplatz, Postfach, CH – 6021 Emmenbrücke / Switzerland **IBAN No. CH31 0028 8288 4808 886A B EuroIBAN No. CH96 0028 8288 4808 8801 X CHFIBAN No. CH97 0028 8288 4808 8861 T USDIBAN No. CH80 0028 8288 4808 8870 H CADSWIFT address: UBSW CH ZH 80 A**Letter of Credits to be opened only through:**Credit Suisse First Boston, Trade Finance Service Center, P.O. Box 357, CH-6301 Zug/SwitzerlandTelefon: 0041/41/727 92 83 Telefax: 0041/41/727 92 99** **Telex 865 404 cs chSWIFT No. : CRESCHZZ63A** |
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**Letter of credit instructions**

In order to avoid any amendments of credit conditions we ask all customers to consider the following points when opening an L/C:

1) The L/C must be ***irrevocable*** and ***confirmed*** by any prime Swiss Bank, preferably Credit Suisse First Boston.

2) The L/C must be payable at sight + available at the counters of the advising Swiss bank.

3) L/C amount **and** Quantity to read ***about***

4) Expiry date of L/C should be at least 1 month ***after*** last shipment date. No latest date for shipment to be mentioned.

5) Goods description to be kept very ***simple***

6) Partial shipment and transshipment must be always ***allowed***

7) ***Only*** original documents to be legalized (only if absolutely necessary) - Legalizations are extremely costly!

8) Delivery dates ***never*** to be included in the L/C

9) All our prices are cash prices. For secured facilities of upto a maximum of 90 days please add EURO interest rate plus 3 % margin p.a. on top of price

10) All charges and commissions should be paid by ***applicant***

 Your co-operation is greatly appreciated.

**NO FURTHER CONDITIONS TO BE INCLUDED**

**Letter of Indemnity**  example

quote

You concluded Contract No. ...... with Swicofil AG, on .... for the supply of ....... at a price of ..... . As security for the payment of the merchandise, an indemnity by a bank shall be furnished.

At the request of ....... we, the Union Bank of Switzerland, hereby irrevocably undertake to pay you on first demand, irrespective of the validity and the effects of the above mentioned contract and waiving all rights of objection and defense arising from said contract, any amounts up to

**........................**

upon receipt of your written and duly signed request for payment and your written confirmation that

 a) You have delivered the merchandise in conformity with the contract and that

 b) You have not received payment at maturity for the sum claimed under
 this letter of indemnity.

The total amount of this indemnity will be reduced by any payment effected by us hereunder.

For the purpose of identification, your request for payment and your confirmation hereunder have to be presented through the intermediary of a first rate bank confirming that the signatures thereon are binding for your firm.

Our undertaking is valid until

**........................**

and expires in full and automatically if your written request for payment and your written confirmation, together with a first rate bank's verification of your signatures, are not in our possession on or before that date.

This indemnity is governed by Swiss Law, place of jurisdication is Zürich

unquote