

Credit Protection Terms and Conditions (Ireland)

1. What are the Credit Protection Terms and Conditions?

In these terms, you'll find the terms that apply if you've selected our credit protection product.

Where we refer to "this agreement" or "the agreement" throughout these terms, we don't just mean the Credit Protection Terms and Conditions, but also all the terms and conditions that apply to the product(s) that you have with us. This includes the following:

General Terms and Conditions	This contains the general terms covering our relationship with you. You can obtain a copy from our website at business.hsbc.uk/products/invoice-discounting .
Debt Purchase Terms and Conditions	The terms governing the debt purchase facility we are providing to you. You can obtain a copy from our website business.hsbc.uk/products/invoice-discounting .
Credit Protection Terms and Conditions	These terms and conditions.
Commercial Terms	The commercial terms for the debt purchase product(s) that you've signed.
Additional Terms and Conditions	Any additional terms and conditions that may be given to you for any debt purchase product(s) or other products that you've taken out with us.

These Credit Protection Terms will always take priority over the Debt Purchase Terms and Conditions if there's ever a conflict.

The Commercial Terms and/or the Additional Terms and Conditions will always take priority over the Credit Protection Terms and Conditions if there is ever a conflict.

2. Credit Protection Debts

If a Credit Protection Debt (other than an Existing Debt):

- a.** remains outstanding 120 days past its due date (or such other period we notify you of); or
- b.** is payable by a customer that is subject to any insolvency proceedings,

we'll credit the Discounting Account with an amount calculated by applying the Credit Protection Percentage (as set out in your Commercial Terms) to the part of the Debt that is a Credit Protection Debt (**Credit Protection Payment**). We won't do this if you've breached this agreement or if you haven't given us all the information we have reasonably requested.

If we make a Credit Protection Payment because the Credit Protection Debt remains outstanding 120 past its due date (or such other period we notify you of), we may make such payment inclusive of VAT. We can then make any necessary account adjustments at a later date.

If a Credit Protection Debt is later determined by us to be an Unprotected Debt, we'll reverse any credit made to the Discounting Account.

We'll pay the balance of the amount we receive in payment of a Credit Protection Debt and/or the amount of any Credit Protection Payment (once we have deducted any Payments made to you, our Discounting Charge applicable to the relevant Credit Protection Debt and any currency conversion costs) into your Current Account.

Credit Protection Debt is a Debt which is not:

- a.** in excess of any Automatic Credit Protection Limit (as set out in your Commercial Terms) or any other limit we set in relation to a customer (**Credit Protection Limit**);
- b.** the subject of a breach of any warranty or undertaking under this agreement;
- c.** a disputed Debt;
- d.** in respect of interest;
- e.** the part of the Debt which is the First Loss (as set out in your Commercial Terms or another amount we notify you of);
- f.** an Existing Debt which is 60 days or more past due date;
- g.** not paid due to Force Majeure (unless agreed otherwise);
- h.** outstanding on the date of termination of this agreement or these Credit Protection Terms and Conditions;

- i. the part of the Debt applicable to VAT;
- j. created on payment terms not agreed by us in writing; or
- k. subject to third party credit cover (**Third Party Credit Cover**) taken by you to insure against the insolvency of one of your customers after notifying us that you want to cancel your facility or your credit protection.

We'll determine which Debts are Credit Protection Debts by taking Debts in the order they become due for payment.

Unprotected Debt is a Debt which is not a Credit Protection Debt.

3. Credit Protection Limits

We can establish, amend or cancel a Credit Protection Limit immediately by notice. You can also ask us to establish, amend or cancel a Credit Protection Limit. If we do this it won't affect any existing Credit Protection Debts.

4. Notification and collection of a Credit Protection Debt

If we're not providing you with credit management and a Credit Protection Debt remains outstanding 60 days or more past its due date or 120 days or more after the date of the invoice (or for such other period as we tell you in writing), you'll:

- a. within 7 days, notify the relevant customer that all its Debts have been assigned to us; and
- b. within 15 days, comply with our instructions to collect the Debt(s) and provide us with all information relating to this attempted collection.

If you don't do this, all Credit Protection Debts of that customer will immediately become Unprotected Debts.

5. Overdue Customers

If a Credit Protection Debt applicable to a customer remains outstanding 120 days past its due date, you may not (without our written consent), contract with that customer (or any successor business) until the Credit Protection Debt is fully discharged.

6. VAT bad debt relief

If VAT bad debt relief has been applied to a Credit Protection Debt, we'll reassign the Debt and/or prove in the insolvency of the insolvent customer in your name.

7. Dividends

If you receive a dividend in relation to an insolvent customer, it will be allocated between us in proportion to the value of the Credit Protection Debt(s) and Unprotected Debt(s) owing by that customer at the date it became insolvent.

8. Costs and expenses

If we incur any costs in collecting any Debt which we can't recover, these costs will be allocated between us in proportion to the value of the Credit Protection Debt(s) and the Unprotected Debt(s).

9. Termination

You can cancel your credit protection at any time by giving us at least one month's notice (**Credit Protection Cancellation Notice**). If we don't accept this notice, you can cancel your Facilities and you only have to give us one month's notice.

If you deliver a Credit Protection Cancellation Notice to us, or if you give us notice to terminate this agreement, any Credit Protection Debts which have been notified and which are Credit Protection Debts will remain Credit Protection Debts until the date of the termination of this product/the Facilities (as applicable).

If there's a Termination Event, we'll designate all Credit Protection Debts as Unprotected Debts.

Accessibility

If you need any of this information in a different format, please let us know. **This includes large print, braille, or audio.** You can speak to us using the live chat service on our website, by visiting one of our branches, or by giving us a call.

There are also lots of other options available to help you communicate with us. Some of these are provided by third parties who are responsible for the service. These include a Text Relay Service and a British Sign Language (BSL) Video Relay Service. To find out more, please get in touch. You can also visit business.hsbc.uk/accessibility or business.hsbc.uk/contact-us.