

OUR BOND - YOUR SAFETY

Why choose Euler Hermes and not the bank?

A bond from Euler Hermes is equal to a bank guarantee but does not affect your banking facilities. With regular bank guarantees there is a risk that new contracts challenge the liquidity of your company. But with a bond from Euler Hermes you remove the pressure on your credit limits in the bank and make room for your business to develop.

Our bonds are accepted by both public authorities and the private business community just like guarantees from the large banks. However, as opposed to the banks Euler Hermes does usually not demand any security etc. as long as your company is financially stable. At the same time we relieve the pressure on your banking facilities contributing to the strengthening of your company's liquidity.

Large and small projects

Euler Hermes has issued bonds since 1917 and is today an important and essential bond issuer to sectors such as the manufacturing, building and construction and public authorities. As part of Allianz we have a solid financial strength and therefore have a significant bonding capacity.

Examples of bonded projects

- The Øresund Bridge in Denmark
- JAS 39 Gripen (the Swedish fighter plane)
- The cruise ship Norwegian Pearl



My Bonding Portal - eases administration

Often your overall need for bonding is divided into a number of small bonds and the administration is resource demanding. Therefore we have developed My Bonding Portal - a secure and user-friendly online solution for administering existing bonds and requesting new ones:

- Same day responses to your inquiries
- Transfer files to your own IT environment*
- Secure data protection via SSL encryption
- Located on Euler Hermes web servers

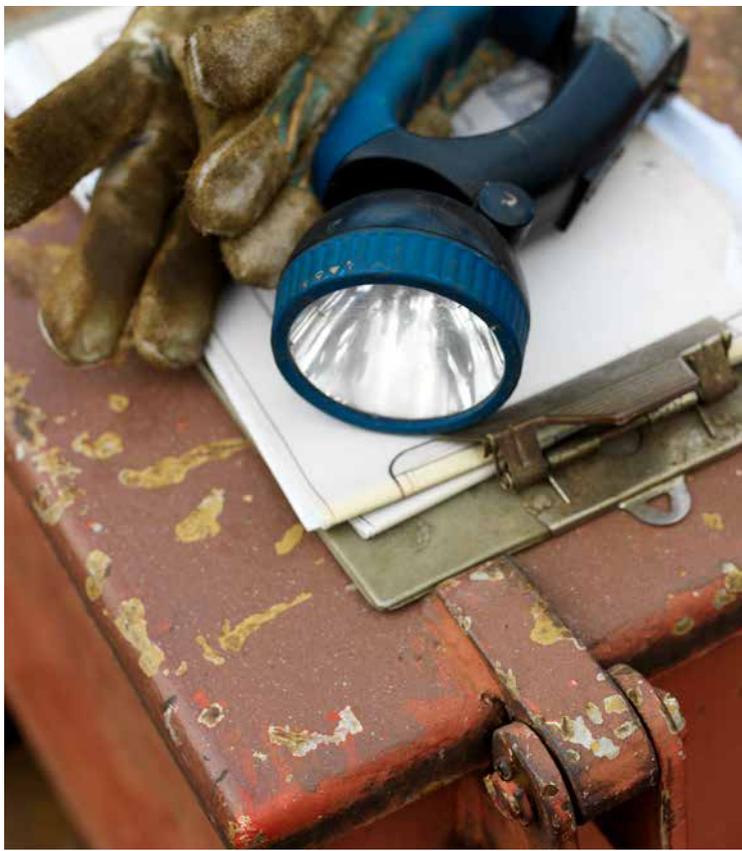
A flexible and international alternative

Euler Hermes is recognised as a professional, international bond issuer and as part of Allianz we can offer the best bonding solutions worldwide.

Security from a local bond issuer is often demanded when you operate in markets outside Europe. We have the option of letting our local Euler Hermes office or business partner issue the bond to create additional security.

* Euler Hermes complies with the very strict security requirements for online systems devised by Allianz. Allianz Security Policies guarantee our customers secure transmission of data.





OUR BONDS PROVIDE THE SAFEST PATH

Bid Bond

Bid bonds are issued to the employer who wishes to ensure that the contractor sticks to his offer when the contract is about to be signed. The bid bond is also a guarantee that the contractor can provide the necessary bonds at the signing of the contract and thereby avoid unnecessary negotiation for the employer. The bond amount is usually 1-5% of the quoted contract price and is valid during the quotation period. After the contract is signed the bid bond is replaced by other bonds.

Performance Bond

Performance bonds are issued to the employer and the main contractor as security against losses if the contractor does not fulfil his contractual obligations. Examples of this can be:

- The work does not meet the agreed quality level
- Deadline for delivery is exceeded by contractor
- Later appearances of defects and deficiencies

The bond amount is usually 15% of the contract value. The bond is reduced to 10% when the work is handed over and again to 2% one year after handover. It remains valid for 4 more years. For civil engineering work the bond often expires 1 year after handover.

Payment Bond

Payment bonds are issued as security for the supplier in case the buyer is wholly or partly incapable of paying for the agreed deliveries or services. Payment bonds are used both in the manufacturing industry and the building and construction sector.

Advance Payment Bond

Advance payment bonds secure a company's customers who have made prepayments for products or deliveries. The bond guarantees that the customer will be indemnified if the supplier/contractor does not deliver according to the contract. The bond amount usually equals the prepayment which generally amounts to 10-30% of the contract value.

Bond for Supply of Goods and Services

This bond is used in industries where a company's customer wishes to secure themselves against non-supply or deficient delivery. In case of deficient delivery or defects the bond usually covers completion and/or repair of defects up to 1 year after delivery. The bond amount usually amounts to 10-20% of the contract value.

EU Bond

EU bonds are issued to the local Agrifish Agency and cover the company's obligations according to EU market agreements. The bond comes into effect if, for example, the company is incapable of paying for goods bought from EU intervention stocks or is ordered to return prepaid subsidies.



Would you like more information on how we can act as surety for your projects? Find contact details on your local Euler Hermes office below.

Denmark, Faroe Islands, Greenland and Iceland
Euler Hermes Danmark
Tel. +45 88 33 33 88
contact.dk@eulerhermes.com
www.eulerhermes.dk

Norway
Euler Hermes Norge
Tel: +47 2325 6000
contact.no@eulerhermes.com
www.eulerhermes.no

Finland, Estonia, Latvia and Lithuania
Euler Hermes Suomi
Tel: +358 (0) 10 850 8500
contact.fi@eulerhermes.com
www.eulerhermes.fi

Sweden
Euler Hermes Sverige
Tel: +46 08 555 136 00
contact.se@eulerhermes.com
www.eulerhermes.se