



Growing together

EHI EULER HERMES
Guarantee

A company of the Allianz Group

A reputation for providing a first class service to companies in a wide variety of business sectors



Euler Hermes Guarantee Plc commenced underwriting in 1957 and in nearly fifty years of business has grown to be a leading provider of surety bonds in the United Kingdom and Ireland. Through the extensive international network of the Allianz Group we are able to issue bonds on behalf of our clients throughout the world. Our expertise and experienced underwriting skills enable us to issue bonds for almost all sectors of industry and commerce.

Our immediate parent company is Euler Hermes Kreditversicherungs-AG of Hamburg, which is a leading surety company in Europe. The intermediate holding company is Euler Hermes SA, which was formed following the merger of Hermes Kreditversicherungs-AG of Hamburg and Euler SA of Paris. Euler Hermes Group is the world's leader in the provision of credit insurance and has an established and growing international surety business. The group employs some 6,000 people worldwide and has a presence in 35 countries. The ultimate ownership lies with Allianz AG, one of the largest insurance companies in the world.

Advance/Stage
Payments Bonds

Contract
Performance Bond

Custom Bonds

Outsourcing
Bonds

Pension Bonds

Restoration
Bonds

Retention/
Maintenance Bonds

Road and
Sewer Bonds

Rural Payments
Agency
Guarantees

Travel Bonds

Quality and Service



We never forget that good service and high quality is what our clients expect. It is vital in a business such as ours that we can meet their requirements when the need arises. Our business has been built on this mission. Many clients have been with us for twenty years and some for even longer. This is the solid base upon which we thrive and upon which we shall continue to succeed.

A bond facility enables a company to maintain its bank credit lines intact

By arranging a facility with us our client has the advantage of being able to tender for a contract knowing that a bond will be available within the underwriting criteria, which has been agreed, and that credit lines with their bank are not affected. This means that borrowing facilities and working capital are safeguarded enabling our client to plan ahead in the confident knowledge that they have the capability to carry out the contract and provide the bond – a distinct advantage over a competitor who does not have this type of facility.

A facility from Euler Hermes Guarantee is normally underwritten without the necessity of additional security such as cash collateral, charges over assets or personal guarantees.



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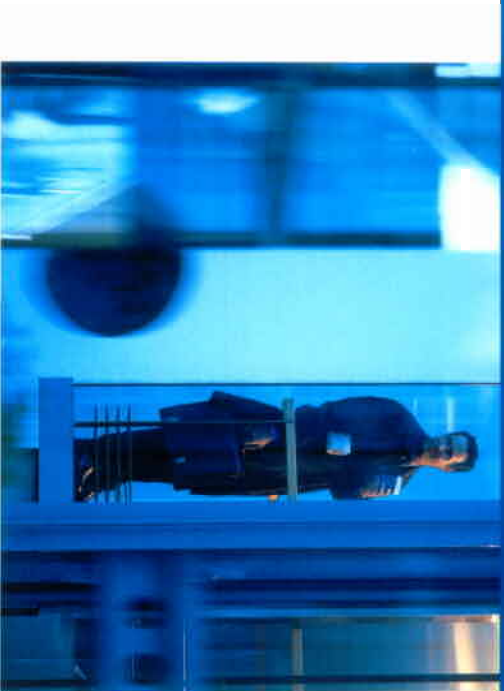
Our greatest strength is our personnel

Our ability to underwrite successfully in our specialist market is entirely dependent upon the ability and skills of our people. The wealth of knowledge and expertise in our underwriting teams that has been accumulated over many years ensures that they understand the clients needs, their contractual obligations and the specialist know how that is required when providing surety bonds. The benefit of this knowledge is always available to help the smooth and successful completion of contract negotiations.



Euler Hermes Guarantee is a leading provider of surety bonds





Advance/Stage Payments Bonds

In particularly large contracts, advance or stage payments are often required to assist with the contractors mobilisation costs or the cost of raw materials. In exchange, the contractor will arrange for their surety to provide an Advance Payment Bond that will protect the customer in the event of the contractor defaulting under the terms of the contract. These bonds are mostly required in the engineering sector.

Contract Performance Bond

A Performance Bond covers the damages suffered by the customer in the event of non-performance of the contract by the contractor. They may be required for statutory, contractual or marketing purposes across a wide range of commercial situations. With the aid of a Performance Bond the customer is safe in the knowledge that they are able to obtain satisfactory completion of the contract. These bonds are an essential part of the construction industry as well as many other sectors.

Custom Bonds

Although we offer a wide range of different customs bonds, Duty Deferment Guarantees are the most common in this sector. Duty payable on goods imported from outside the EU is payable immediately upon their arrival into the U.K. With a Duty Deferment Guarantee the company has the flexibility of deferring payment for up to 45 days. This period gives a very real cash flow advantage for the company. These bonds are usually required by importers and freight forwarders for such products as food, alcohol, tobacco or clothing.



Outsourcing Bonds

As part of a cost saving and efficiency improvement programme many local authorities and public sector organisations are outsourcing services. However, upon placement of these contracts into the private sector, these organisations often require a bond to be provided. These bonds provide the local authorities with the knowledge that in the event of failure by the contractor to complete the contract they are able to redress any loss or damages that they have incurred. Such bonds span across a wide range of sectors including street cleaning, payroll services, leisure centre management and catering.

Outsourcing
Bonds

Pension Bonds

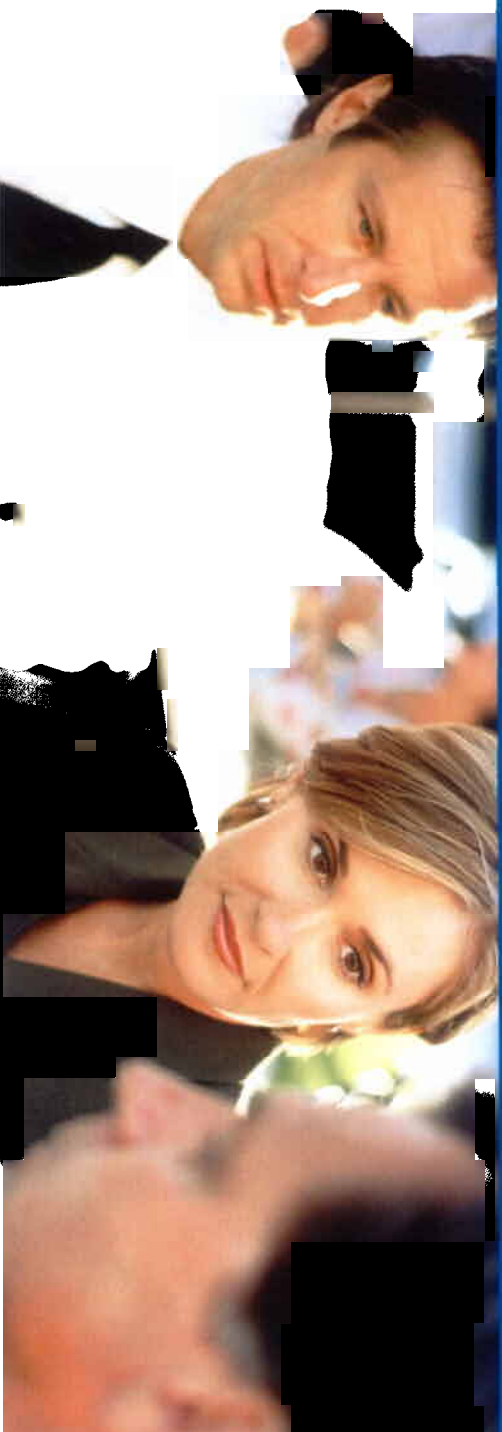
Restoration
Bonds

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Travel Bonds



Pension Bonds

Under the local government pension scheme requirements, staff transferred from the employment of local authorities to private sector companies may choose to continue to belong to the local government pension scheme. The guarantee protects the local authority from loss in the event that the private sector company defaults in payment of contributions to the pension fund.

Restoration Bonds

A Restoration Bond is usually issued in favour of a local authority or the Environment Agency/Scottish Environmental Protection Agency guaranteeing the completion of restoration works to a specific site. These bonds are usually issued in connection with quarrying, open cast mining or landfill.

Retention/Maintenance Bonds

Instead of monies being held for the duration of a contract, the contractor can provide a bond as an alternative. The bond guarantees that the contractor will fulfill its maintenance (or defects liability) obligations under the contract. These bonds predominantly relate to the construction industry.



Road and Sewer Bonds

Local authorities and statutory agencies require bonds in connection with agreements under the Highways, Water and Planning Acts and other statutory provisions. The bond guarantees the completion of roads and sewers to enable them to be adopted by the relevant local authority. They are normally required by property developers and house builders.



Rural Payments Agency Guarantees

Some EU Agricultural schemes involve the payment of subsidies to companies. In turn many such schemes require the lodgement of guarantees with the Rural Payment Agency to ensure compliance with the terms and conditions of such payments.



Travel Bonds

Retail Agent Bonds are in favour of the Association of British Travel Agents and also the International Air Transport Association which enables consumers to be reimbursed for monies paid in advance for a holiday in the event of the travel agent's failure.

Tour Operator Bonds are in favour of the Civil Aviation Authority on behalf of tour operators who have a statutory requirement to obtain an Air Transport Organisers License (ATOL) in order to supply inclusive air holidays to overseas destinations.

In the event of a tour operator's failure holidaymakers are compensated out of the funds raised from the bond. Bonds of a similar nature are issued to trade associations such as The Passenger Transport Association and the Confederation of Passenger Transport.

We shall be pleased to consider an application on receipt of:

- Brief details of the proposition
- Copy of the bond wording
- Latest audited accounts

Please contact:

Tonbridge

Contact: Mike Berry
mberry@ehgplc.com
Contact: Andrew Potts
apotts@ehgplc.com

London

Contact: Sean Higgins
shiggins@ehgplc.com
Contact: Andy Ray
aray@ehgplc.com

Manchester

Contact: Trevor Jones
tjones@ehgplc.com
Contact: Phil Thornhill
pthornhill@ehgplc.com

Surety House
Lyons Crescent
Tonbridge
Kent
TN9 1EN

40 Queen Street
London
EC4R 1DD

South Central
211 Deansgate
Manchester
M3 3NW

Tel: 01732 770311
Fax: 01732 770361

Tel: 0207 332 7300
Fax: 0207 332 7301

Tel: 0161 838 9570
Fax: 0161 838 9571

