

## **Credit Assessment Process for New and Existing Customers**

- New customers complete and submit the credit application form to their Account Manager.
- Existing customers wishing to avail of new services that will increase their liability to *eircom* may be asked to confirm or update existing information.
- Existing customers whose payment performance or current financial performance would suggest a credit risk may also be assessed.
- The Account Manager prepares the papers relating to the new customer, which outlines the full company name and registered number, registered office address, directors, expected bill (monthly/quarterly) and anticipated trading growth, a summary of existing business and any other relevant information from either internal or external sources and submits to the Credit Assessment Team (“CAT”).
- Credit references are requested from reputable credit assessment agencies. A comprehensive report from a credit assessment agency provides detailed data which includes, amongst other information: A risk indicator, a maximum credit limit and Statistical Scores to identify the likelihood of default. It is the Operator’s responsibility to query credit ratings directly with these credit agencies.
- The CAT is comprised of a cross-functional team (including by means of example, finance, sales, and regulatory operations). The CAT reviews the information provided as well as a report from Credit Control for existing customers and assesses the following:
  - the structure and amount of increased liability (e.g. up-front vs. recurring liability)
  - the company’s financial strength
  - where applicable, the credit history with *eircom*

- any other relevant information, e.g. media coverage, press releases, statements to stock exchange etc. The assessment is based on, but not limited to the above information
- The CAT then makes a recommendation on the requirement for security, deposit and/or the level of credit appropriate to Senior Management in *eircom* Wholesale and Finance
- Senior Management either signs off or modifies the credit recommendation.
- If necessary a meeting is called.
- Clarifications or additional information may be requested at anytime throughout the process.
- The credit terms for the service is communicated to the customer and agreed prior to contract signature.
- The customers credit performance is subsequently reviewed quarterly. Some customers will be monitored monthly where the judged level of risk assessed merits.