ProfitGuard
Know The Risk *Before* You Ship

PG Usage Guide for Credit Reports, Scores, & Review Recommendations

Objective:

1. To help identify review frequency intervals based on risk levels as defined by ProfitGuard's Default Score.
2. Enable Clients to incorporate PG's default score and recommendations into their own comprehensive credit policy and review process.
3. Lastly, to provide guidance on the best use of the PG service for monitoring risk at each risk level while considering the client's aggregate exposures.

Default Score	Review Frequency	Exposure where Alert Recommended
90-100	Annual	$1MM+
80-89	Semi-Annual	$500k+
70-79	Semi-Annual	$300k+
50-69	Quarterly	$200k+
41-49	60 Days	$100k+
31-40	30 Days	$50k+
20-30	30 Days	$50k+
1-19	Weekly	$25k*

Credit Review Criteria:

1) At each review interval above PG would recommend ordering a fresh CLA to verify and or validate your existing credit limit at the time of review. CLA's are considered a snapshot in time and should be re-ordered since risk and information levels can change frequently.

2) For debtors on the Alert Monitoring Service, when an Alert Report is issued, we recommend reevaluating your exposure and credit limits. Ordering a CLA is advised. Depending on the score direction, new opportunity could arise for expanding sales or conversely, you may want to tighten your limit down if risk is increasing.

Exception: buyers with default scores less than 20, we would recommend Credit Alert in all cases and a CLA when adjusting the credit limit.

Note: Normal open credit is not advised for Default Scores less than 20 from a pure credit standpoint. However, if Client chooses to make a business decision based on factors other than credit, the review and risk guidelines would apply.

3) As a general rule, PG would recommend placing an account on the Alert Service if your aggregate exposure on any buyer exceeds $3.0MM and will be an ongoing business relationship.

Note: * Based on your company's pre-determined risk tolerance level.