

› GUIDELINES FOR APPLICATION FOR EXPORT CREDIT GUARANTEE- FINANCIAL INSTITUTION

GENERAL INFORMATION

RE ITEM 1 & 2: APPLICATION DEADLINE

The application for a guarantee must be received by EKF before the financial institution commits to a loan contract, to the purchase of a bill of exchange or to the confirmation of a letter of credit/bank guarantee.

However, it is possible to apply to EKF after the risk has been established. This type of application must be accompanied by a description of the reason for applying at this stage.

The description must specify: the reason why the application was sent after incurrence of the risk; whether the debtor has fulfilled his obligations so far; any information the applicant has received about or from the debtor since the incurrence of the risk. EKF will then decide whether the risk can be accepted.

RE ITEM 3: APPLICATION FOR:

Conditional offer:

A conditional offer is an indication that the Danish Export Credit Agency (EKF) will cover a risk. It includes a description of the conditions attached to the cover. We recommend that you apply to EKF as early as possible so that EKF's conditions (including premiums etc.) can be included in the draft of the supplier contract.

Conditional offers are exempted from payment of premium and are valid for 6 months, however, not longer than the expected commencement. The conditional offer will be changed in case of substantial changes in the risk.

Guarantee:

An application for a guarantee can be submitted once a commercial contract has been signed, even if the loan agreement has not yet been finalized. EKF's premium must be paid by the date of the first shipment at the latest. However, EKF can offer to commit during the early stages of the negotiations by issuing a final guarantee *before* the actual risk period commences. Contact EKF for further information regarding the specific conditions.

RE ITEM 4: THE TRANSACTION

Value of order and currency:

State the value of the order and currency.

Terms of payment:

State the terms of payment

Description of major delivery/project:

According to international rules, EKF is obliged to assess the environmental impact of all transactions. Therefore, a description of the following is required in connection with a delivery:

The total project including sector, size and purpose. In case of delivery of goods only, please specify volume and amount.

Description of major sub-supplies:

In case the applicant is the main supplier, the sub-supplies and sub-suppliers must be described.

Local costs in the contract:

All products which have been manufactured in buyer's country and all the services delivered by a company registered in the buyer country and/or are paid to the buyer country.

RE ITEM 5: DANISH ECONOMIC INTEREST

The following list contains the elements which form part of the evaluation of Danish economic interest.

The list is not exhaustive.

- > Goods and equipment produced in Denmark
- > Dividends, interests, licenses and royalties from the transaction
- > Reduced costs
- > Good and equipment produced by Danish owned associated companies in third countries
- > The significance of the transaction to ensuring internationally competitive terms for the company in question
- > That a long-term positive effect can be obtained for other Danish companies
- > Participation from Danish sponsors, financial institutes and similar.
- > Other positive effect on the Danish society including securing jobs/job opportunities in Denmark.

RE ITEM 6: BUYER

Exporter's experience with the buyer:

If there has been no previous trade with the buyer, it is only necessary to state the commencement date for the business connection. Turnover to date should be stated in DKK and should be stated if previous turnover has been covered by EKF.

If the buyer has not paid on time the reason should be stated as well as details of the buyer's method of payment over the past 12 months (state amount, due date and payment date). In this context, payments received up to 30 days after the due date are regarded by EKF as on time.

Buyer's legal status and ownership:

State the buyer's legal status (private buyer, public buyer or similar) and ownership.

RE ITEM 7: THE ENVIRONMENTAL AND SOCIAL IMPACTS OF THE DELIVERY/THE PROJECT

According to international regulations EKF is committed to evaluate the potential negative environmental and social impacts of all transactions. Environmental and social impacts include pollution of air, water, ground, waste, noise pollution as well as consumption of resources (such as water, ground, energy and raw materials). The evaluation also includes negative

impact on cultural and historical values and similar as well as the possible impact on the population, the society and vulnerable groups.

In many cases the evaluation of the negative impacts can be based of the information in the application form. In larger and more complex business transactions, further information will often be required and/or further investigations will have to be conducted. In such cases, the applicant will be contacted by EKF.

RE ITEM 8: TIME SCHEDULE

Please state time frames in numbers of months, preferably calculated in relation to the expected contract date.

Processing:

Defined as the time from the date of the supplier contract to the first shipment.

Date of shipment(s):

Defined as the time of the shipment. The number of shipments must be specified.

Installation/Assembly:

Defined as the period where installation/assembly is carried out.

Commissioning:

Defined as completion of, for example, installation in such a way that the delivery/project is ready for use by the buyer. Commissioning can only be approved as the credit period's start date if the exporter is responsible for commissioning. EKF is not able to approve a date for the commencement of the credit period which is later than the date of commissioning.

RE ITEM 9: PAYMENTS TO EXPORTER/UNDER THE LOAN AGREEMENT

State the conditions under which the exporter receives payment during the project.

Sequence of payments:

The sequence of payments to the exporter, including payments in connection with disbursement during a loan, payment on commissioning etc. If payment is initiated by different events/documents the nature of these must be stated.

Recourse against the exporter for own risk:

State the extent to which the bank will take recourse against the exporter for own risk. If recourse is taken the guarantee percentage will be reduced by 5 % points.

RE ITEM 10: BORROWER/GUARANTOR

Guarantor, if applicable:

State the name and address of any other parties who, unconditionally and irrevocably, guarantee repayment of the loan (for example, a bank or the buyer's parent company).

Date (expected date) of loan contract:

Indicate the date for the expected signature of the loan contract with the borrower (buyer, buyer's bank or other institution).

RE ITEM 11: LOAN AGREEMENT

Financing costs, if applicable:

Interest during the disbursement period, bank charges and 100 % of the premium to EKF can also be financed as part of the export credit. Please indicate interest during the disbursement period and bank charges if additional financing is required.

Should the EKF premium also be financed by the loan:

State whether the EKF premium should also be financed by the loan.

Disbursement period:

The period starts either on the date of the first delivery or at the first request for payment and ends at the start of the credit period.

Credit period:

The length of credit granted (number of years or months). The period begins when the disbursement period ends and ends when the final instalment is due.

No. of instalments pr. year:

Due dates (6 monthly, quarterly, other).

Interest rate:

State the fixed interest for the credit/loan (CIBOR, LIBOR etc.).

Credit period begins from date of:

State the event – e.g. delivery or commissioning – that initiates the credit period.

Start date/expected start date for the credit period:

State the date/expected date for the event.

RE ITEM 12: DECLARATION OF NON-BRIBERY

Like other export credit agencies within the OECD, EKF is subject to an obligation to obtain a declaration that illegal bribery has not and will not be engaged in as a contravention of the OECD Convention on Combating Bribery and § 122 of the Danish Criminal Code.

It is a condition for EKF's guarantee that the lender as well as the exporter (supplier) duly sign, and submit to EKF, an Exporter's Declaration of Non-Bribery.

The declaration of non-bribery is an integrated part of the application form submitted to EKF and the Danish export lending scheme which is hereby signed by the applicant. Before the guarantee is issued, the exporter will have to sign a separate declaration which is to be forwarded to EKF before the guarantee is finally issued.

RE ITEM 13: OPENNESS POLICY

As EKF is a state-owned institution, it is important that the way EKF fulfils our mission and administers the money provided by the Danish state for this purpose is transparent to the Danish society. Therefore, EKF wishes to offer all interested parties the possibility of acquainting themselves with EKF's business and economy in a manner which is clear and easy to understand.

We do so by disclosing a series of information regarding the business transactions that we participate in.

The Openness Policy entails that it is a condition for issuing a guarantee that the Lender as well as the Exporter (Seller) submits a duly signed declaration to EKF regarding disclosure. EKF's Openness Policy becomes effective from 1 July 2010. Applications concerning projects and business transactions submitted prior to this date will not be covered by the Openness Policy.

EKF's Openness Policy is an integrated part of the application form to be submitted to EKF which is thus signed by the applicant. The Exporter will have to sign a separate declaration upon the issue of the guarantee at the latest, a declaration which will be forwarded by EKF before a guarantee is finally issued.

RE SIGNATURE

The application must be duly signed by the applicant. The applicant is responsible for the accuracy of all information in the application, including information about the underlying transaction.

EKF acknowledges that in some cases, the information received may be of a preliminary nature.