



BUYER CREDIT FACILITY

MECM is pleased to provide facilitation to our valued clientele to access UK Government's UK Export Finance: Buyer Credit Facility.

UKEF can consider support for corporate (private), sovereign and public buyers. Their flexible support can be used for a range of structures including:

- lines of credit
- limited recourse project finance
- Islamic finance (sukuk)
- Public-Private Partnerships (PPPs)
- capital markets refinancing

We will ensure that your application is compliant with UK Export Finance requirements and will provide necessary assistance. Please go through the quick guide link below to familiarise yourself of what's involved and then email back the duly filled Buyer Credit Facility Application Form.

1. Buyer Credit Facility: BCF (Quick Guide)
2. Buyer Credit Facility: BCF Application Form

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Disclaimer:

MECM is not an affiliate of UK Export Finance or endorsed by it. MECM works in an independant capacity solely to provide facilitation to its clientele as a consulting firm.



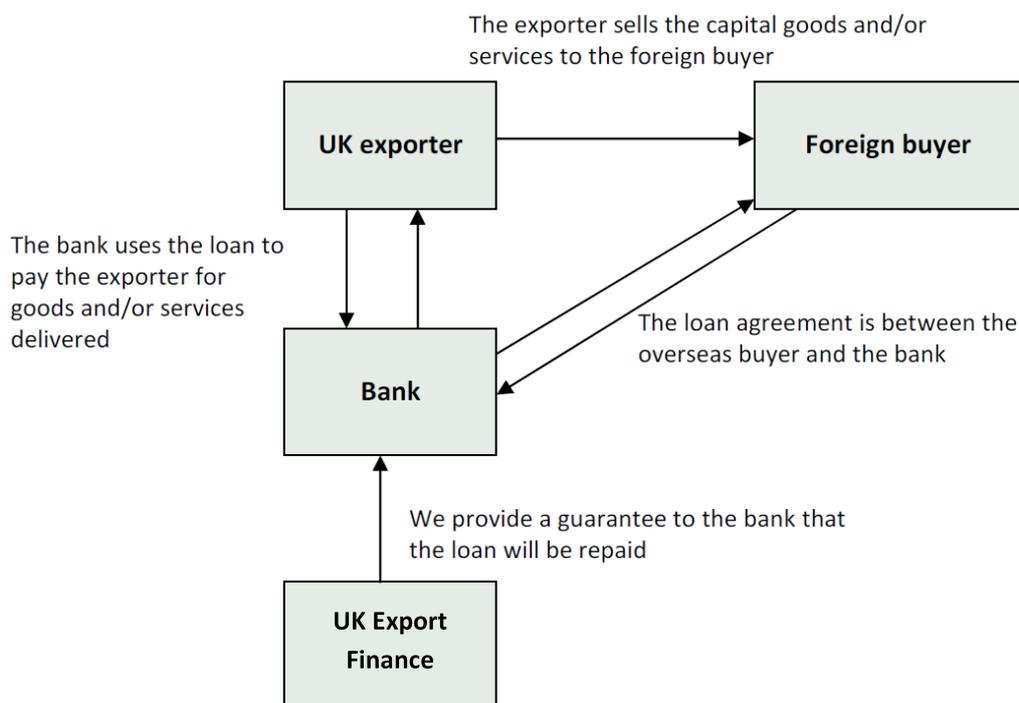
Quick guide to Buyer credit

This quick guide explains what a buyer credit facility is, how it works, its benefits, its key features and how to apply for the facility from the Export Credits Guarantee Department.

What is a buyer credit?

Under a buyer credit facility we provide a guarantee to a bank that makes a loan to an overseas buyer to finance the purchase of capital goods and/or services, worth at least £5 million from an exporter carrying on business in the UK. Loans can be made in the main trading currencies (including sterling, US dollars and euro) as well as some local currencies.

How does it work?



What are the benefits of buyer credit?

The benefits are:

- the exporter is paid as though it has a cash contract;
- the buyer or borrower has time to pay over a number of years and can borrow at fixed or floating rates;
- the lending bank receives a guarantee from us for full repayment of the loan plus interest.

Risks covered

The lending bank is protected against non-payment, for whatever reasons, of the instalments of principal and interest due under the guaranteed loan.

Eligibility

The following criteria must be met:

- the exporter must be carrying on business in the UK;
- the export contract must have a value of at least £5 million or the equivalent in foreign currency;
- the bank making the loan must be acceptable to us.

Maximum amount

The maximum amount that can be made available under the loan is 85 per cent of the contract value. A minimum of 15 per cent of the contract value must be paid directly to the exporter by the buyer before the loan starts to be repaid. Of the 15 per cent, a down payment of at least 5 per cent should be received upon contract signature.

We can consider support for foreign content (that is, the cost to the exporter of purchasing goods or services from sub-contractors outside the UK) of up to 80 per cent of the export contract's value.

Term

The period for repayment of the loan must be at least two years.

Cost

There is no fee for the application. The premium payable for our guarantee is determined on a case by case basis.

Disclaimer

The information available in this brochure is not intended to be a comprehensive description of our buyer credit facility and many details which are relevant to particular circumstances may have been omitted.

When considering applications, underwriters will look at each case on its merits.

The brochure was last updated in March 2013.



1 Horse Guards Road
London
SW1A 2HQ

APPLICATION FOR AN ECGD BUYER CREDIT GUARANTEE

IMPORTANT INFORMATION

Corruption and Money Laundering

Please note that the OECD countries, including the United Kingdom, are committed to combating corruption and money laundering. The law in the UK has been strengthened in order to do so. Whilst you are responsible for ensuring that your activities comply with all laws that are relevant to the transaction in respect of which you are applying for our support, we draw your attention, in particular, to the applicable law on corruption contained in the Bribery Act 2010 and to the applicable law on money laundering contained in Part 7 of the Proceeds of Crime Act 2002. Certain acts committed abroad now constitute criminal offences in the UK. You should also be aware that ECGD routinely refers allegations of bribery and corruption and money laundering to the appropriate authorities.

To: The Export Credits Guarantee Department (“**ECGD**”)

APPLICANT'S NAME:

ADDRESS:

Company Registration Number:

Name of contact:

Telephone No:

Fax No:

Email address:

(The following items need only be completed if this is the first Buyer Credit Application you have submitted to ECGD, or if the information supplied in previous Applications has changed.)

Nature of business:

Date Company was established:

Total annual turnover:

Number of employees:

Number of years exporting:

1 **Request for a Buyer Credit Guarantee**

By submitting this form, we request you to consider whether, and, if so, on what terms, you would be prepared to offer to make a buyer credit guarantee available to the bank(s) identified in paragraph 2 below (the “**Bankers**”) in respect of the loan described in paragraph 9 and 11 of the schedule to this Application (the “**Loan**”) to the Borrower (as defined in paragraph 4.2 of this Application) for the purpose of financing the Supply Contract (as defined in paragraph 4.18 of this Application).

2 **Request for an Export Refinancing Facility***

(Tick one box as applicable).

- The value of the Loan is over £50m (or the equivalent foreign currency) and we wish you to consider whether, and if so, on what terms, you would be prepared to offer an Export Refinancing Facility to our Bankers and the Borrower under the Loan in conjunction with the buyer credit guarantee mentioned above.
- The value of the Loan is over £50m (or the equivalent foreign currency) but we do not wish you to consider whether you would be prepared to offer an Export Refinancing Facility in conjunction with the buyer credit guarantee mentioned above.
- The value of the Loan is not over £50m.

**It is recommended that you discuss the Export Refinancing Facility with your Bankers before submitting an application form. Under an Export Refinancing Facility, the Export Credits Guarantee Department operating as UK Export Finance would provide (i) an undertaking to the Bankers to purchase the Loan from them if it has not been refinanced within 12 months after the date of the final drawing under it and (ii) a conditional undertaking to the Borrower under the loan to provide a guarantee to any provider of funding to be used to refinance the Loan. This would permit the Bankers to fund the loan whilst the Supply Contract is being performed whilst encouraging the Borrower to refinance the Loan subsequently in the debt capital markets or elsewhere [see: www.gov.uk/export-refinancing-facility].*

Our Bankers are:

Full Name:

Address:

.....

and have agreed in principle, and subject to the provision of your guarantee, to provide, or to arrange for, a loan to be made to finance the Supply Contract, and the Borrower has

approved

or

has yet to approve

our Bankers for this purpose.

3 We undertake to notify you of any information we may receive about any proposed additional lending from any source in relation to this transaction.

4 We agree that for the purposes of this Application and the schedule to it (the “**Schedule**”):

4.1 “**Agent**” means any agent, intermediary, consultant or other person:

4.1.1 who has been instructed by us or on our behalf; and

4.1.2 who has been directly or indirectly involved in the process of tendering for, or seeking the award of, the Supply Contract or any Related Agreement;

4.2 “**Borrower**” means the party so described in the Schedule;

4.3 “**Buyer**” means the party so described in the Schedule;

4.4 “**Consortium Partner**” means any company (other than ourselves), person or other legal entity which is a party to any written joint venture, consortium, or other similar arrangement (other than a sub-contract) to which we are also a party and which joint venture, consortium or other arrangement has been, or will be, entered into in connection with the performance or financing of all, or any part of, the Supply Contract;

4.5 “**control**” and “**controlled**” means, in relation to a company (the “company controlled”), control of the company controlled (1) by virtue of any contractual arrangements including, without limitation, any provisions in the memorandum and articles of association (or the equivalent documents in the case of a company incorporated in a jurisdiction other than that of England and Wales) of the company controlled or any other company and/or (2) by virtue of ownership (whether directly or through nominees or trustees) of more than 50% of the voting share capital of the company controlled or (3) through a chain of companies each of which controls the next by the means described at (1) and/or (2) above;

4.6 “**Corrupt Activity**” means any activity (including without limitation, the offering of any payment, reward or other advantage to any public official or other person) which:

4.6.1 is subsequently found by a court in a competent jurisdiction (after all available rights of appeal have been exhausted) to have rendered a contract illegal, void, voidable or unenforceable under its governing law, or

4.6.2 we have, or anyone (including any employee) acting (with due authority) on our behalf or with our subsequent acquiescence has, other than under duress, admitted engaging in, or

4.6.3 is subsequently found by a court in any competent jurisdiction (after all available rights of appeal have been exhausted) outside the United Kingdom to constitute an offence under any applicable law (except by virtue of any changes to that law having retrospective effect), or

4.6.4 is subsequently found by a court in the United Kingdom (after all available rights of appeal have been exhausted) to constitute a Relevant Offence;

and which activity, in respect of paragraphs 4.6.1, 4.6.2, and 4.6.3 above corresponds to a Relevant Offence,

provided that, where, for the purposes of sub-paragraph 4.6.2 above, any such activity is admitted by an Excluded Person, such activity shall not, for the purposes of this Application, constitute “Corrupt Activity” if such activity was not, at the time it was engaged in, unlawful under the laws and regulations of the country in which it took place;

4.7 “**Directors**” means, in relation to a company, the members of that company’s board of directors (including non-executive directors);

4.8 “**Excluded Person**” means, in relation to activity engaged in prior to 1st July 2011, (i) a person other than a national of the United Kingdom (as defined in section 109(4) of the Anti-terrorism, Crime and Security Act 2001) or (ii) a body incorporated under the laws of a country other than the United Kingdom; or, in relation to activity engaged in on or after that date, a person or body of a type not listed in s.12(4) of the Bribery Act 2010;

4.9 “**Group Company**” means a company (in any jurisdiction) which is controlled by us or which controls us or which is controlled by a company which controls us;

4.10 “**Guarantor**” means any party so described in the Schedule;

4.11 “**Involved Group Company**” means a Group Company which we, having made the reasonable enquiries referred to in paragraph 5.3 below, believe has had, or is intended to have, at the date of this Application, any material part in the negotiation or obtaining of the Supply Contract;

4.12 **“Loan Agreement”** means any loan agreement which is guaranteed by ECGD and under which a loan is made to the Borrower for the purpose of assisting the financing of the Supply Contract;

4.13 **“Project”** means the project to which the Supply Contract relates;

4.14 **“Related Agreement”** means

4.14.1 any agreement or undertaking, other than any agreement or undertaking for the supply of goods or services to us or any Consortium Partner, which relates to the Supply Contract and to which we are, or any Consortium Partner is, a party; and/or

4.14.2 any consent or authorisation, required by us or any Consortium Partner for the obtaining or performance of the Supply Contract and of which we are, or any Consortium Partner is, the direct recipient or beneficiary;

4.15 **“Relevant Offence”** means, in relation to acts committed or events occurring before 1st July 2011, an offence under the Prevention of Corruption Acts 1889 to 1916 as amended by Part 12 of the Anti-terrorism Crime and Security Act 2001; or, in relation to acts committed or events occurring on or after 1st July 2011, an offence under section 1, 2 or 6 of the Bribery Act 2010 (as from time to time amended or re-enacted);

4.16 **“Section 7 Offence”** means the offence of failing to prevent bribery under s.7 of the Bribery Act 2010;

4.17 **“Senior Manager”** means any employee of ours who has the power to bind us in relation to the Supply Contract;

4.18 **“Supply Contract”** means the entirety of the contract between ourselves and the Buyer which is referred to in the Schedule;

4.19 **“Surety”** means any party so described in the Schedule;

4.20 the Applicant is referred to, in the body of this Application, as “we” and “us” and, in the Schedule, as “you” (and the expressions “ours”, “ourselves” and “your” shall be construed accordingly);

4.21 the Applicant shall be deemed to have knowledge of any fact or circumstance, if that knowledge is possessed by one or more of the Applicant’s directors or by the signatory to this form; and

4.22 where the Applicant is a partnership, references to the directors of the Applicant shall be read and construed as references to the partners of that partnership.

5 We declare that:

5.1 neither we nor any of our Directors:

5.1.1 appears on any list of contractors or individuals debarred from tendering for or participating in any project funded by the World Bank or any other multilateral or bilateral aid agency; or*

5.1.2 has at any time during the last five years, admitted (other than under duress) to having engaged, or been found by a court in any competent jurisdiction to have engaged, in any Corrupt Activity that has not previously been notified to ECGD; *

5.2 we have not at any time admitted (other than under duress) to having committed, or been found by a court in the United Kingdom to have committed, a Section 7 Offence that has not previously been notified to ECGD;

5.3 we have made reasonable enquiries for the purpose of ascertaining whether any Group Companies, at the date of this Application, have had, or, are intended to have, any material part in the negotiation or obtaining of the Supply Contract;

5.4 we have made reasonable enquiries in relation to any Senior Manager, Agent, Consortium Partner and Involved Group Company in order to ascertain whether any of them (or any Directors of any Consortium Partner or of any Involved Group Company or, if a corporate entity, of any Agent) appears on any list of contractors or individuals debarred from tendering for or participating in any project funded by the World Bank or any other multilateral or bilateral aid agency or has at any time during the last five years (1) admitted to having engaged in, or been convicted of engaging in, any Corrupt Activity or (2) admitted to having committed, or been convicted of committing, a Section 7 Offence;

5.5 those enquiries have given us no cause to believe, and we do not believe, that any Senior Manager, Agent, Consortium Partner or Involved Group Company, or any of the Directors of any Consortium Partner, Involved Group Company or Agent, appears on any list of contractors or individuals debarred from tendering for or participating in any project funded by the World Bank or any other multilateral or bilateral aid agency or has at any time during the last five years(1) admitted (other than under duress) to having engaged, or been found by a court in any competent jurisdiction to have engaged, in any Corrupt Activity or (2) admitted (other than under duress) to having committed, or been found by a court in the United Kingdom to have committed, a Section 7 Offence, which, in each case, has not previously been notified to ECGD; *

5.6 neither the Supply Contract nor any arrangement connected with its financing or procurement, has been, or will be, used for the purposes of money laundering (as defined in Part 7 of the Proceeds of Crime Act 2002).

*(* If you are unable to make a particular declaration you should provide full details of the event that occasioned the listing or the admission or the court finding on your headed notepaper and attach it to this form.)*

6 We declare that there is/are no common parent company, or common directors or management agreements or financial interests, directly or indirectly, connecting us with the Buyer and/or the Borrower (if different from the Buyer) or with any Guarantor or Surety.**

*(** If you are unable to make this declaration you should provide full details as to why you cannot on your headed note paper and attach it to this form.)*

7 We declare that none of the goods and/or services to be supplied under the terms of the Supply Contract will require an export licence to be issued by the UK Government or the Government of any other country.***

*(***If you are unable to make this declaration you should provide details of the required licence, including the name and address of the issuing authority, on your headed notepaper and attach it to this form. If the licence has already been issued a certified true copy of it should also be attached.)*

8 We declare that, where this Application and the Schedule has been transmitted by electronic means, we have not amended any of the declarations contained in the Application for an ECGD Buyer Credit Guarantee (Form BC Ap.9) or questions posed in the ECGD Buyer Credit Guarantee Application Schedule (Form BC Sched5) provided to us by ECGD.

9 We declare that:-

9.1 we have not engaged in any Corrupt Activity in connection with the Supply Contract or any Related Agreement;

9.2 we have not (1) authorised any person to engage in any Corrupt Activity in connection with the Supply Contract or any Related Agreement or (2) consented to, or acquiesced in, any such Corrupt Activity on the part of any person;

9.3 we have made reasonable enquiries regarding any Consortium Partner, Agent and Involved Group Company and its conduct in relation to the Supply Contract and any Related Agreement; and

9.4 those enquiries have given us no cause to believe, and we do not believe, that any Consortium Partner, Agent or Involved Group Company has engaged in any Corrupt Activity in relation to the Supply Contract or any Related Agreement.

10 We understand that:

10.1 in our own interest, the Supply Contract should provide for our right to receive direct payment from the Buyer of all amounts, at the relevant times, which we would otherwise draw from the proposed loan if, for any reason, the loan should cease to be available to the Borrower;

10.2 (unless the parties agree otherwise) this Application, its attachments and all discussions and correspondence relating to it are confidential and shall not be disclosed to any third party except:

10.2.1 by us in confidence to our banker or broker or other professional advisers, in each case for the purpose for which each of them has been employed by us; and

10.2.2 by ECGD,

10.2.2.1 in accordance with its obligations at law (including under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004) or its obligations to Parliament as a Government Department;

10.2.2.2 subject to paragraph 10.3 below, to ECGD's external legal advisers and other Government Departments;

10.2.2.3 prior to signature of the Loan Agreement and related support documentation, if the Project is identified by ECGD as having a high potential environmental and/or social impact, in publishing on its website details limited to the Project's name, a short description of the Project, the Project's location and the source of any environmental or social impact assessment reports relating to the Project; and****

10.2.2.4 after signature of the Loan Agreement and related support documentation, in publishing in its Annual Report, on its website or elsewhere details of our name, the name of the Buyer and the country in which the Supply Contract is to be performed, a short description of the items supplied under the Supply Contract or the Project, the type and amount of ECGD support provided and the potential environmental and/or social impact category that ECGD has assigned to the Project;****

*(**** If you object to ECGD publishing such information you should provide details of your objection (e.g. that publication may harm your competitive position) on your headed notepaper and attach it to this form.)*

10.3 where ECGD discloses, pursuant to paragraph 10.2.2.2 above, to its external legal advisers or any other Government Department any information contained in this Application or its attachments, or provided in any discussions and correspondence relating to this Application, ECGD shall:

10.3.1 notify those legal advisers or, as the case may be, that other Government Department of the terms (as set out in paragraph 10.2 above) on which that information has been provided to ECGD; and

10.3.2 in the case of any disclosure to another Government Department, notify us of that disclosure (except where to do so would be unlawful or might prejudice an investigation by the Serious Fraud Office, the police or any other investigative authority).

11 We understand that it is or will be a contractual term between us and ECGD in relation to any support given by ECGD for the transaction described in the Schedule that:

11.1 we have not engaged, and will not engage, in any Corrupt Activity in relation to the Supply Contract or any Related Agreement; have not authorised and will not authorise any person to

engage in such Corrupt Activity; and have not consented to or acquiesced in, and will not consent to or acquiesce in such Corrupt Activity on the part of any person;

11.2 if we have engaged or engage, or if anyone (including any employee) acting on our behalf (with due authority) or with our prior consent or subsequent acquiescence has engaged, or engages, in any Corrupt Activity in connection with the Supply Contract or any Related Agreement, we will, on demand, pay to ECGD:

11.2.1 any amounts which ECGD has paid out under its guarantee of the Borrower's financial obligations under the Loan Agreement; and

11.2.2 any amounts which ECGD incurs by way of interest, costs, expenses and legal fees under, or in connection with, the Loan Agreement, its support for the Loan Agreement or any agreement entered into between ourselves and ECGD in relation to the Loan Agreement or the Supply Contract;

following the earlier of the date on which the relevant Corrupt Activity occurred or the date with effect from which the Supply Contract, or any Related Agreement, became illegal, void or unenforceable under its governing law as a result of that activity;

11.3 if we become aware that any Consortium Partner or anyone (including any employee of ours or of that Consortium Partner) has engaged in any Corrupt Activity (or any activity which, subject to the occurrence of the subsequent events referred to in paragraphs 4.6.1, 4.6.3 or 4.6.4, would amount to Corrupt Activity) in connection with the Supply Contract or any Related Agreement, we shall promptly notify ECGD accordingly and supply ECGD with full details of the Corrupt Activity in question save where such notification would, or might reasonably be argued to, constitute the offence of "tipping off" under section 333A of the Proceeds of Crime Act 2002; and

11.4 we:

11.4.1 have required or, as the case may be, shall require, anyone (including any of our employees) acting on our behalf (with due authority) who, has been, or is, involved in obtaining or performing the Supply Contract or any Related Agreement, not to engage in any Corrupt Activity (or any activity which, subject to the occurrence of the subsequent events referred to in paragraphs 4.6.1, 4.6.3 or 4.6.4, would amount to Corrupt Activity) in relation to the Supply Contract or any Related Agreement;

11.4.2 will monitor compliance with that requirement; and

11.4.3 will take appropriate action against anyone who has engaged, or engages, in any Corrupt Activity; and

11.5 where our consent or agreement is required for the disclosure by ECGD of the information referred to at the opening of paragraph 10.2, we will not unreasonably delay or withhold our agreement or consent to any such disclosure (for example, to reinsurers and outsource service providers in connection with ECGD's portfolio management activities, to other export credit agencies or other persons in connection with the assessment of this Application).

12 We certify that the representations made and facts stated by us in this Application and the Schedule are true and that we have neither misrepresented nor omitted any material fact which might have a bearing on the Buyer Credit guarantee which we ask that you make available to our Bankers. We undertake to advise you promptly of any changes that may occur in the details shown in this Application or in the Schedule (including, without limitation, any proposed additional lending to finance) save where such notification would, or might reasonably be argued to, constitute the offence of "tipping off" under section 333A of the Proceeds of Crime Act 2002.

Signed

On behalf of *[Name of Applicant]*

Address
.....
.....

Capacity of Signatory

Date

1 In the case of an incorporated company, this Application must be signed by a director or a person authorised by the company's board of directors or an officer of the company in accordance with the company's articles of association or equivalent constitutional document to sign this Application, or documents of the same nature as this Application, on behalf of the company.

2 In the case of a partnership, this Application must be signed by a partner.

(Form BC Ap.9)