

## BILLS AND NOTES GUARANTEE

### GUARANTEE LETTER

CONFIDENTIAL

To: [Financial Institution<sup>1</sup>]  
[First address line]  
[Second address line]  
[Town/city Postcode]  
[Country<sup>2</sup>]

(the **Financial Institution**, or you)

From: [<sup>3</sup>The Secretary of State acting through the Export Credits Guarantee Department operating as UK Export Finance (**UK Export Finance, we or us**)]  
[<sup>4</sup>His Britannic Majesty's Secretary of State acting through the Export Credits Guarantee Department (operating as UK Export Finance) (**UK Export Finance, we or us**)]

For the attention of: [Financial Institution's contact name]

**YOUR REFERENCE:** [•]

**OUR REFERENCE:** [•]

**SUPPLIER:** [insert name]

**BUYER:** [insert name]

**RISK MARKET:** [insert country]

**PROJECT:** [brief description or name of project]

Date: [16 November 2022]

Dear Madam/Sir,

This Guarantee Letter and the Bills & Notes Guarantee Standard Terms and Conditions (issue number [insert issue number]) attached in Annex 1 (the **Guarantee Standard Terms and Conditions**), which shall be treated as incorporated into this Guarantee Letter, together set out the terms of UK Export Finance's offer of support to you, as the Financial Institution, in providing finance in connection with the Supply Contract (defined in paragraph 2 below) (together the **Guarantee Agreement**, as defined in the Guarantee Standard Terms and Conditions). This offer of support is made following an application made by you and the Supplier to UK Export Finance dated [insert date] for the provision of UK Export Finance support.

By signing the acknowledgment to this Guarantee Letter, you confirm your acceptance of the Guarantee Agreement. UK Export Finance agrees to provide a guarantee in favour of the Financial Institution in respect of certain payments due from the Buyer under the [Bills][Notes] on the terms set out in the Guarantee Agreement.

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<sup>1</sup> Insert name of Financial Institution.

<sup>2</sup> Financial Institutions can be banks or non-banks, registered in the UK or abroad.

<sup>3</sup> Use where the Financial Institution is based in the UK.

<sup>4</sup> Use where the Financial Institution is based outside the UK.

In the event of any inconsistency between this Guarantee Letter and the Guarantee Standard Terms and Conditions, this Guarantee Letter will prevail.

Words and expressions defined in the Guarantee Standard Terms and Conditions have the same meaning in this Guarantee Letter unless expressly defined in this Guarantee Letter. Terms in bold in this Guarantee Letter are defined terms for the purposes of the Guarantee Agreement.

**1. Details of [Bills][Notes]**

**[Bills][Notes]:**

<b>Buyer:</b>	[[insert full corporate name], a [limited liability company] incorporated and existing under the laws of [insert jurisdiction] with company number [insert company number], and having its registered office at [insert registered address of Buyer], and the Buyer for the purposes of the Supply Contract, as per paragraph 2 below]
<b>Financial Institution:</b>	[insert full corporate name], a [limited liability company] incorporated and existing under the laws of [insert jurisdiction] with company number [insert company number], and having its registered office at [insert registered address of Financial Institution], being the purchaser [and bearer][and “holder in due course”] of the [Bills][Notes] <sup>5</sup>
<b>Approved Credit Terms:</b>	<p>[The amount approved is to be financed by [insert number of Bills/Notes] [Bills][Notes]].</p> <p>[The value of each [Bill]/[Note] will be [if the Bills/Notes are to be of equal value, please specify that value here]].</p> <p>[The [Bills]/[Notes] will be purchased over a [insert length of time the Bills/Notes will be issued and purchased over] period commencing from [insert date or trigger for the purchase period to commence.]]</p> <p>[Insert any other approved credit terms].</p>
Maximum total value of [Bills][Notes] to be purchased <sup>6</sup> :	[insert currency and amount of the maximum total value of the Bills/Notes]
<b>Interest Rate:</b>	[Interest Rate: [insert percentage] % per annum] <sup>78</sup>

<sup>5</sup> Delete options as appropriate. This should be the same entity as the one countersigning this Guarantee Letter.

<sup>6</sup> This is the total face value of the Bills or Notes, as set out in the last row of the table in paragraph 3 entitled “TOTAL”.

<sup>7</sup> The interest rate can only be fixed.

<sup>8</sup> This is the interest rate applied to the amounts to be financed (as shown in the table in paragraph 3, row entitled ‘Interest’) This rate reflects the ‘pure interest’ component of the Bill/Note.

[Interest Due Dates:]	[Estimated to be [month] and [month] in each year] <sup>9</sup>
Maturity date(s) of [Bill(s)][Note(s)]	[insert date(s) or time periods of maturity after drawing]
<b>Base Currency:</b>	[specify currency of finance]
[[Governing Law][Applicable law] of [Bills][Notes]: <sup>10</sup>	[insert country]
[Jurisdiction for any disputes]: <sup>11</sup>	[specify the courts of which country, or if arbitration, which seat, venue and rules of arbitration]
<b>[Surety]:<sup>12</sup></b>	[[insert full corporate name], a [limited liability company] incorporated and existing under the laws of [insert jurisdiction] with company number [insert company number], and having its registered office at [insert registered address of Surety], being the surety in relation to the [Bills][Notes]]
[Details of guarantee (if any) provided by the Surety]:	[specify general terms of guarantee, any limit, governing law and jurisdiction for any disputes]
<b>[Security:]</b>	[provide details of any security]
Additional information the Financial Institution is able to provide:	[insert any additional relevant information] <sup>13</sup>
<b>Cover End Date:</b>	[specify date on which Cover Period should end]

## 2. Details of Supply Contract:

### Supply Contract

<b>Supplier:</b>	[insert full corporate name], a [limited liability company] incorporated and existing under the laws of [insert jurisdiction] with company number [insert company number], and having its registered office at [insert registered address of Supplier], <sup>14</sup> being the supplier under the Supply Contract
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<sup>9</sup> Include if interest due on a Bill or Note is payable at regular intervals. Typically interest would be payable upon maturity of the relevant Bill or Note.

<sup>10</sup> The governing law may not be specified in the Bill/Note. Insert applicable law, if known.

<sup>11</sup> Include if this information is available.

<sup>12</sup> Include where there is a Surety.

<sup>13</sup> To include any formalities relating to enforcement of the Bill/Note of which the Financial Institution is aware, having made reasonable enquiries and having complied with the Financial Institution's policies and procedures.

<sup>14</sup> In the unusual circumstances where the Supplier is not located in the United Kingdom, you should seek specific legal advice in relation to the impact this may have on the governing law of any Bill/Note.

<b>Buyer:</b>	Has the meaning give to that term in paragraph 1 above.
Date of Supply Contract:	<i>[insert date of Supply Contract]</i>
Description of Supply Contract:	<i>[insert full description of Supply Contract (include any other parties, description of export service/good, geographical region, project name)]</i>
Contract Value:	<i>[insert currency and amount]</i>
[Country of destination of goods and services [if different to the Buyer's country]]	<i>[insert country]</i>

**3. Supply Contract amounts approved for payment under the [Bill(s)][Note(s)]**

	a	b	c	d
	Amount due	Amount excluded	Amount approved (a less b)	Amount to be financed
UK Goods	[•]	[•]	[•]	[•]
UK Services	[•]	[•]	[•]	[•]
Non-UK EU Goods	[•]	[•]	[•]	[•]
Non-UK EU Services	[•]	[•]	[•]	[•]
Goods from the Buyer's country	[•]	[•]	[•]	[•]
Services from the Buyer's country	[•]	[•]	[•]	[•]
Goods from any other country	[•]	[•]	[•]	[•]
Services from any other country	[•]	[•]	[•]	[•]
Agent's Commission	[•]	[•]	[•]	[•]
UK Freight &	[•]	[•]	[•]	[•]

Insurance				
Finance fees	[•]	[•]	[•]	[•]
Support Fee	[•]	[•]	[•]	[•]
<b>Total</b> (aggregate Principal Values of [Bills][Notes])	[•]	[•]	[•]	[•]
Interest	[•]	[•]	[•]	[•]
<b>TOTAL<sup>15</sup></b>	[•]	[•]	[•]	[•]
<b>3.2</b>	Description of non-UK goods/services together with countries of origin:			
	[insert description of non-UK goods/services]		[insert country of origin]	
<b>3.3</b>	Description of elements of the Supply Contract excluded from financial support:			
	[insert description]			

#### 4. Delay Interest Rate

**Delay Interest Rate** means [a rate equal to the Interest Rate as per the [Bills][Notes], as set out in paragraph 1 above][insert rate<sup>16</sup>].

#### 5. Conditions

5.1. Provided that, by [expiry date of offer contained in this Guarantee Letter] [on or before the expiry of [ ] days from the date of this Guarantee Letter], UK Export Finance shall have received (in form and substance satisfactory to it):

- (a) the Support Fee (see paragraph 7 below) due on acceptance of this Guarantee Letter;
- (b) a copy of this Guarantee Letter duly signed by your authorised signatory indicating your acceptance of the terms and conditions of the Guarantee Agreement;
- (c) the duly signed Financial Institution Letter of Undertaking, on the Financial Institution's headed notepaper, signed on your behalf by a director or other officer duly authorised to make such declarations on the Financial Institution's behalf and authorised to execute such letter;
- (d) a duly signed and dated copy of the supplier agreement, as entered into between the Supplier and UK Export Finance together with any documentation and evidence the Supplier is required to provide to UK Export Finance pursuant to that supplier agreement;

<sup>15</sup> This is the total face value of the Bills or Notes. The total is the sum of the three preceding rows (Total (aggregate Principal Values of [Bills][Notes] and Interest and Support Fee).

<sup>16</sup> Where the Financial Institution has agreed to include the Support Fee and/or other fees or charges in the Interest Rate, the Delay Interest Rate will not include this additional component and will reflect the pure interest agreed for the Bills/Notes.

[and]

- (e) [a copy of any other document, opinion or assurance which UK Export Finance considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by any Guarantee Document or for the validity and enforceability of any Guarantee Document,]; and]
- (f) [evidence that the Financial Institution's process agent appointed in accordance with paragraph 10, below, has accepted its appointment,]<sup>17</sup>

the Guarantee Agreement will, upon written acknowledgement by UK Export Finance, become valid for the provision of UK Export Finance support, subject to the terms and conditions contained in the Guarantee Agreement.

5.2. This offer of support (contained in the Guarantee Agreement) may be withdrawn prior to becoming valid in accordance with paragraph 5.1 above, if:

- (a) the Buyer [or the Surety] is in default of any payment or other obligation under any agreement known to UK Export Finance; or
- (b) in UK Export Finance's opinion, the ability of any of the parties to the proposed Supply Contract or the [Bills][Notes] to meet their respective obligations under those documents has been or will be materially affected by:
  - i. a deterioration in any of:
    - A. their financial positions;
    - B. [the financial position of the Surety]; and/or
    - C. [(B)][(C)] the financial position[s] of the Buyer's [and/or the Surety's]<sup>18</sup> Relevant Jurisdiction[s]; and/or
  - ii. political events or administrative or legislative measures (such as war or civil war or export or import restrictions); and/or
  - iii. a payment default or moratorium by the Buyer's Relevant Jurisdiction [or that of the Surety], or an approach by [that] [such] country to the Paris Club for debt rescheduling or relief, or a public statement made by [that] [such] country that it intends to seek debt relief.

## 6. Compliance

The offer of support contained within the Guarantee Agreement does not amount to confirmation by His [Britannic]<sup>19</sup> Majesty's Government that the proposed transaction satisfies the legal obligations of any of the parties to it and is compliant with the requirements of any applicable sanctions regime. It is the responsibility of each party to ensure it is compliant with all of its legal obligations.

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<sup>17</sup> Include where the Financial Institution is based outside the UK and is required to appoint a process agent.

<sup>18</sup> Include where the Surety's Relevant Jurisdiction is different to that of the Buyer.

<sup>19</sup> Use where the Financial Institution is based outside the UK.

## 7. Payment of Support Fee

7.1. The Financial Institution shall pay (or shall procure that the [Supplier] [Buyer] shall pay on the Financial Institution's behalf) to UK Export Finance [currency] [amount] (being the **Support Fee**), and all other sums due to UK Export Finance under the Guarantee Agreement to either:

(a) Account No: [insert details]  
Sort Code: [insert details]  
IBAN: [insert details]  
Swift Code: [insert details]  
Account Bank: [insert details]  
Reference: ["UKEF – Support Fee CIE/SBLG/[country]/[deal number]"]; or

(b) another account of which UK Export Finance may notify the Financial Institution in writing.

7.2. UK Export Finance's Value Added Tax registration number is GD 888 8130 70 and its rating is zero.

7.3. [Where the Support Fee is being financed out of the [Bills][Notes], a Warranty must be made by you (in the form attached to Annex 4 of this Guarantee Letter) prior to any sums being made available by you to the Supplier (under the terms of the [Bills][Notes]).]

## 8. Payments to the Financial Institution

All payments due from UK Export Finance to the Financial Institution under the Guarantee Agreement shall be paid into either:

(a) Account No: [insert details]  
Sort Code: [insert details]  
IBAN: [insert details]  
Swift Code: [insert details]  
Account Bank: [insert details]; or

(b) another account of which the Financial Institution may notify UK Export Finance in writing.

## 9. Financial Institution notice

The address or email (and the department or officer, if any, for whose attention the communication is to be made) of the Financial Institution for any communication, notice or document to be made or delivered under or in connection with the Guarantee Documents is as follows:

Address: [insert relevant (Branch/Registered) address]

Email: [insert email address]

Attention: [insert person's name/position of responsibility],

or any substitute address, email or department or officer as the Financial Institution notifies to UK Export Finance in writing by not less than [ten (10)] Business Days' notice.

## 10. [Service of process]

The address for service of the Financial Institution in England and Wales is:

[insert details]]<sup>20</sup>

## 11. Prescribed Steps

[Subject to the endorsement by the Financial Institution of a [Bill][Note] in favour of UK Export Finance pursuant to clause 11.1 (*Purchase of Bills and/or Notes at UK Export Finance's option*) of the Guarantee Standard Terms and Conditions, UK Export Finance is able, without any Party (including the Buyer, any Surety or the Supplier) needing to take any further actions, other than as set out at clause 11 (*Purchase of Bills or Notes*) of the Guarantee Standard Terms and Conditions (including without limitation, acquiring consent, issuing any notice, notarising or apostilling any document, making any registration or payment of fees) to exercise its rights of subrogation or Transfer in relation to the Buyer Payments due from the Buyer or any Surety under the [Bills][Notes][Finance Documents].]<sup>21</sup>

[Other than the actions set out at clause 11 (*Purchase of Bills or Notes*) of the Guarantee Standard Terms and Conditions, in order for UK Export Finance to exercise rights of [subrogation], [Transfer] in relation to the Buyer Payments due from the Buyer or any Surety under the [Bills][Notes] (as defined in the Guarantee Agreement), the following actions should be taken: [list actions]:]<sup>22</sup>

## 12. Special Conditions

- 12.1. A Warranty must be made by the Supplier in the form attached to Annex 2 of this Guarantee Letter at the time of the purchase of any [Bill(s)] [and/or] [Note(s)] by the Financial Institution, whether under the terms of any purchase agreement entered into by you in respect of any [Bill(s)] [and/or] [Note(s)] or otherwise.
- 12.2. [<sup>23</sup>All Guaranteed Buyer Payments must be guaranteed (via avalisation or otherwise) by means of an unconditional and irrevocable guarantee of payment payable on first demand and given in writing by the Surety in favour of the Financial Institution. Such guarantee must be in form and substance satisfactory to the Financial Institution.]
- 12.3. [<sup>24</sup>The Financial Institution has:
- (a) notified UK Export Finance that it believes an export licence is required in respect of the Supply Contract,
  - (b) provided evidence that the licence has been obtained; and
  - (c) obtained UK Export Finance's written confirmation that UK Export Finance is satisfied that a valid export licence has been issued in respect of any goods and/or services to be

<sup>20</sup> Use where the Financial Institution is based outside the UK. Note also the CP in paragraph 5.1(e).

<sup>21</sup> Standard insertion.

<sup>22</sup> Use this insertion where there are particular steps that will need to be followed in a particular jurisdiction in order for UKEF to rely on subrogation/assignment/transfer rights (to be determined on a case-by-case basis).

<sup>23</sup> Include where a written guarantee is to be given by a Surety.

<sup>24</sup> Include where Supplier has confirmed that an export licence is required for Goods/Services to be supplied under the Supply Contract.



supplied under the terms of the Supply Contract that require such a licence.]

12.4. [25]Notwithstanding any other term of any Guarantee Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Guarantee Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
  - i. a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
  - ii. a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
  - iii. a cancellation of any such liability; and
- (b) a variation of any term of any Guarantee Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

12.5. For the purposes of paragraph 12.4 above:

- (a) **Article 55 BRRD** means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.
- (b) **Bail-In Action** means the exercise of any Write-down and Conversion Powers.
- (c) **Bail-In Legislation** means in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation<sup>13</sup> as described in the EU Bail-In Legislation Schedule from time to time.
- (d) **EEA Member Country** means any member state of the European Union, Iceland, Liechtenstein and Norway.
- (e) **EU Bail-In Legislation Schedule** means the document described as such and published by the Loan Market Association (or any successor person) from time to time.
- (f) **Resolution Authority** means any body which has authority to exercise any Write-down and Conversion Powers.
- (g) **UK Bail-In Legislation** means (to the extent that the United Kingdom is not an EEA Member Country which has implemented, or implements, Article 55 BRRD) Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).
- (h) **Write-down and Conversion Powers** means:
  - i. in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation

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<sup>25</sup> To be included where a Financial Institution is an EEA Financial Institution.

in the EU Bail-In Legislation Schedule; and

ii. in relation to any UK Bail-In Legislation:

A. any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

B. any similar or analogous powers under that UK Bail-In Legislation.]

12.6. [The Financial Institution shall use its reasonable endeavours to procure from the Buyer copies of the Buyer's audited financial statements when available after the end of each of its Financial Years [(as defined pursuant to section 390 of the Companies Act 2006)]*[insert jurisdictionally specific definition of 'Financial Year']*<sup>26</sup>, together with related directors' and auditors' reports in each instance. The Financial Institution will provide copies of such financial statements and reports to UK Export Finance within ten (10) Business Days of receiving the same from the Buyer.]

**13. [Amendment to the Guarantee Standard Terms and Conditions<sup>27</sup>**

The following clauses in the Guarantee Standard Terms and Conditions shall be amended as follows:

[list agreed amendments to the standard terms e.g. the definition of Business Days]. ]

If you have any questions on this Guarantee Letter, please contact *[name]* whose telephone number is *[number]*.

Yours faithfully,

For and on behalf of **UK Export Finance**

Signature:

Name:

<sup>26</sup> This provides optionality where a Financial Institution does not wish to rely on the definition in the Companies Act. Please note that the Companies Act (despite being UK legislation) provides an objective definition of 'Financial Year', so it can still be applicable to a Buyer located in a foreign jurisdiction, so if the Companies Act is not to be used the Financial Institution should be asked to explain why the definition as set out in the Companies Act isn't appropriate before agreeing to an alternative.

<sup>27</sup> The GSTCs are generally not negotiable. Amendments are only agreed where absolutely necessary.

Position:

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SPECIMEN

The Financial Institution accepts the offer and agrees and consents to the terms and conditions of the Guarantee Agreement and confirms the payment of the Support Fee on acceptance of the offer to the account specified.

The Financial Institution declares that:

- to the extent it purchases any [Bill(s)][Note(s)] it will do so on the terms and conditions stated in this Guarantee Letter and the Guarantee Standard Terms and Conditions;
- it has provided to the Supplier a copy of the relevant excerpts of the Guarantee Letter (per paragraph 2.1 of the form of Supplier Warranty attached at Annex 2) and the form of Supplier Warranty attached at Annex 2, and the Supplier has confirmed receipt of the same;
- it is not aware of any circumstances that would materially adversely affect UK Export Finance's decision to provide the support contained in the Guarantee Agreement; and
- it understands that the offer in this Guarantee Letter will only become valid under the terms of the Guarantee Agreement when it receives UK Export Finance's written acknowledgement of the documents, evidence and payments set out in paragraph 5.1 of the Guarantee Letter.

For and on behalf of **[Name of Financial Institution]**

Signature:

Name:

Position:<sup>28</sup>

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<sup>28</sup> This letter must be signed by an authorised officer on behalf of the Financial Institution and state the capacity in which the signatory acts. A certified specimen of the signature of each person who signs, together with evidence of their authority to sign may be required.

SPECIMEN

**ANNEX 2 - FORM OF WARRANTY TO BE GIVEN BY THE SUPPLIER WHEN PRESENTING BILLS OR NOTES FOR PURCHASE BY THE FINANCIAL INSTITUTION**

*The Supplier should draw and complete a Warranty, in the form given below, on its own letter heading at the time bills of exchange/promissory notes are presented for purchase by the Financial Institution, and send it to the Financial Institution only. The Financial Institution should retain this Warranty on its files and produce it to UK Export Finance only upon request.*

To: [Name and Address of Financial Institution] (the **Financial Institution** or you)  
and UK Export Finance (**UK Export Finance**)

Date: [insert date]

Dear Sirs,

**Warranty in relation to a supply contract entered into between [insert name and company details of the Buyer] (the Buyer) and [insert name and company details of the Supplier] (the Supplier) dated [insert date] (the Supply Contract)**

**1 Introduction**

- 1.1 We refer to the [Bill(s) drawn by the Supplier on the Buyer][Note(s) issued by the Buyer in favour of the Supplier] as detailed in the attached schedule and to be purchased by the Financial Institution.
- 1.2 We acknowledge that the Buyer's obligations under the [Bills][Notes] have been guaranteed pursuant to a guarantee agreement entered into between the Financial Institution and UK Export Finance (the **Guarantee Agreement**) and that UK Export Finance has relied on the information contained in this Warranty when agreeing to enter into the Guarantee Agreement.

**2 Guarantee Letter**

- 2.1 We hereby acknowledge receipt of a copy of excerpts of the Guarantee Letter (paragraph 2 (*Details of Supply Contract*) and paragraph 3 (*Supply Contract amounts approved for payment under the [Bill(s)][Note(s)]*)).
- 2.2 We confirm the details of the Supply Contract set out in paragraphs 2 (*Details of Supply Contract*) and 3 (*Supply Contract amounts approved for payment under the [Bill(s)][Note(s)]*) of the Guarantee Letter are correct.

**3 Payments**

We now seek finance for:

- (a) in respect of goods (**Goods**):

Date of [Bill][Note]:	Principal amount in [insert currency]:	Amount of interest in [insert currency]:
[insert date]	[insert amount]	

Date of [Bill][Note]:	Principal amount in <i>[insert currency]</i> :	Amount of interest in <i>[insert currency]</i> :
<i>[insert date]</i>	<i>[insert amount]</i>	
<b>Total:</b>	<i>[insert amount]</i>	

(b) in respect of services (**Services**):

Date of [Bill][Note]:	Principal amount in <i>[insert currency]</i> :	Amount of interest in <i>[insert currency]</i> :
<i>[insert date]</i>	<i>[insert amount]</i>	
<i>[insert date]</i>	<i>[insert amount]</i>	
<b>Total:</b>	<i>[insert amount]</i>	

(c) in respect of the Support Fee:

Date of [Bill][Note]:	Principal amount in <i>[insert currency]</i> :	Amount of interest in <i>[insert currency]</i> :
<i>[insert date]</i>	<i>[insert amount]</i>	
<i>[insert date]</i>	<i>[insert amount]</i>	
<b>Total:</b>	<i>[insert amount]</i>	

#### 4 Warranty

We hereby represent and warrant to the Financial Institution and to UK Export Finance that each of the [Bills][Notes] listed in paragraph 3 above (showing the respective amounts of contractual principal and interest) has been accepted or made in accordance with the terms of the Supply Contract and is in respect of:<sup>29</sup>

- (a) [payment for an amount which, when added to all other payments for which finance has been requested on or before such date, is no more than the "Amount to be financed" shown in column d of paragraph 3 (*Supply Contract amounts approved for payment under the [Bills][Notes]*) of the Guarantee Letter in respect of the relevant Goods:
  - (i) which have been supplied (evidence of such supply is attached);
  - (ii) in respect of which the documents of title (if any) have been surrendered to the Buyer, the Financial Institution for onward transmission to the Buyer, or to the Buyer for the order of the Buyer;

<sup>29</sup> The below paragraphs should be considered in each instance and included or omitted as required.

- (iii) of which the Buyer has no express right of rejection after accepting title; and
  - (iv) for which we will not seek or receive payment from any other source; [and/or]]<sup>30</sup>
- (b) [payment for an amount which, when added to all other payments for which finance has been requested on or before such date, is no more than the "Amount to be financed" shown in column d of paragraph 3 (*Supply Contract amounts approved for payment under the [Bills][Notes]*) of the Guarantee Letter in respect of the relevant Goods:
- (i) which are being manufactured or supplied under the Supply Contract and for which the relevant milestones and/or other conditions to payment have been satisfied;
  - (ii) for which the Buyer has no express right of rejection after performance; and
  - (iii) for which we will not seek or receive payment from any other source; [and/or]]<sup>31</sup>
- (c) [payment for an amount which, when added to all other payments for which finance has been requested on or before such date, is no more than the "Amount to be financed" shown in column d of paragraph 3 (*Supply Contract amounts approved for payment under the [Bill(s)][Note(s)]*) of the Guarantee Letter in respect of the relevant Services:
- (i) which have been or will be performed in accordance with the Supply Contract (evidence of such performance is attached);
  - (ii) for which the Buyer has no express right of rejection after performance; and
  - (iii) for which we will not seek or receive payment from any other source; [and/or]]<sup>32</sup>
- (d) [payment for an amount which, when added to all other payments for which finance has been requested on or before such date, is no more than the "Amount to be financed" shown in column d of paragraph 3 (*Supply Contract amounts approved for payment under the [Bills][Notes]*) of the Guarantee Letter in respect of the Support Fee and for which we will not seek or receive payment from any other source.]<sup>33</sup>

## 5 Confirmations

We confirm that:

- (a) all relevant approvals including export licences where appropriate have been obtained from His [Britannic]<sup>34</sup> Majesty's Government in respect of UK Goods and Services, and remain valid;
- (b) any relevant governmental approval or other approvals in respect of any approved non-UK Goods and Services, detailed in the excerpts of the Guarantee Letter referred to at paragraph 2.1 (*Guarantee Letter*) above, have been obtained and remain valid;
- (c) all the Goods and Services to which the amounts requested in paragraph 3 (*Payments*) above relate are of UK origin or, if they are not, they fall within the limits set for items of

<sup>30</sup> Include when the Supply Contract is in relation to Goods.

<sup>31</sup> Include where supply has not yet been made.

<sup>32</sup> Include where the Supply Contract is in relation to Services.

<sup>33</sup> Include where financing the Support Fee.

<sup>34</sup> Use where the Supplier is based outside the UK.



non-UK origin in the Guarantee Letter, as detailed in the excerpts of the Guarantee Letter referred to at paragraph 2.1 (*Guarantee Letter*) above;

- (d) we know of no restriction on the negotiability of the [Bill(s)][Note(s)];
- (e) the Buyer [or the Surety] is not in default of payment of any debt which fell due for payment on a date prior to the date of this Warranty under any contract with us, or known to us;
- (f) there is currently no contractual dispute with the Buyer which in our opinion is likely to lead to the contract being terminated; and
- (g) we will not make, or agree with the Buyer to make, any material change to the Supply Contract without receiving the prior written consent of the Financial Institution which also confirms that the prior consent of UK Export Finance has been obtained, pursuant to the terms of the Guarantee Agreement.

For and on behalf of **[insert Supplier name]**<sup>35</sup>

Supplier's Signature:

.....

Name:

.....

Capacity of Signatory:

.....

Date:

.....

---

<sup>35</sup> A certified specimen of the signature of each person who signs together with evidence of their authority to sign may be required. In the case of incorporated companies, this Warranty must be signed by an authorised officer on behalf of the company and state the capacity in which the signatory acts (e.g. Managing Director, Secretary etc). In the case of a partnership it should be signed by a partner or partners authorised to sign.

## ANNEX 3 - FINANCIAL INSTITUTION LETTER OF UNDERTAKING

**[PLEASE NOTE: IN THE FORMS OF LOUs THAT FOLLOW, THE ANTI-BRIBERY AND CORRUPTION LANGUAGE IS NOT IN FINAL FORM – THIS IS CURRENTLY BEING REVIEWED BY UK EXPORT FINANCE. UPDATED LOUs WILL BE CIRCULATED SHORTLY.]**

### Part A – UK Financial Institutions (Bank)

[ON FINANCIAL INSTITUTION'S HEADED NOTEPAPER]

To: The Secretary of State acting through the Export Credits Guarantee Department (operating as UK Export Finance) (**UK Export Finance**)  
1 Horse Guards Road  
London  
SW1A 2HQ

Dear Sirs,

**YOUR REFERENCE:** [.]

**OUR REFERENCE:** [.]

**SUPPLIER:** [insert name]

**BUYER:** [insert name]

**RISK MARKET:** [insert country]

**PROJECT:** [brief description or name of project]

- 1 This Financial Institution Letter of Undertaking is given in respect of a Guarantee Agreement entered into between us and dated [date]. Words and expressions defined in the Guarantee Agreement have the same meaning in this Financial Institution Letter of Undertaking unless expressly defined in this Financial Institution Letter of Undertaking.
- 2 In consideration of UK Export Finance continuing to make available its guarantee pursuant to the terms of the Guarantee Agreement, we represent, warrant and undertake that:
  - (a) in the United Kingdom, we are authorised by the PRA [and regulated by the FCA and PRA]<sup>36</sup> and our compliance with the provisions of (1) the FSMA and any provisions or regulations made under it, (2) Schedule 7 to the Counter-Terrorism Act 2008, (3) any applicable rule or guidance published from time to time by the Appropriate Regulator, including, but not limited to, the Senior Management Arrangements, Systems and Controls (SYSC) sourcebook and (4) any other applicable regulations prescribed by law relating to money laundering, including but not limited to The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 is, in each case, regulated by the Appropriate Regulator;
  - (b) either we are not aware, and have no reason to suspect, that the Supply Contract, or any arrangement connected with its financing or procurement, has been, or will be, used for the purposes of money laundering (as defined in the Proceeds of Crime Act 2002) or, where we have any such awareness or suspicions, we have complied with our obligations in that regard under the Proceeds of Crime Act 2002;

<sup>36</sup> Include only if the bank appears on the PRA list <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/authorisations/which-firms-does-the-pra-regulate/bankslist1802.pdf?la=en&hash=2DDE95F0BF7DF92C7606188FF118459A492AB8CB>

- (c) we have not engaged, and will not engage, in any Relevant Corrupt Activity;
- (d) we have not authorised any person to engage in any Relevant Corrupt Activity, or consented to, or acquiesced in, any Relevant Corrupt Activity on the part of any person and we will not authorise any person to engage in any Relevant Corrupt Activity, or consent to, or acquiesce in, any Relevant Corrupt Activity on the part of any person;
- (e) we have required and/or will require anyone (including, without limitation, any of our employees) authorised to act on our behalf and directly or indirectly involved in obtaining the mandate to finance the Supply Contract or in the subsequent financing of the Supply Contract via the purchase of [Bills] [and]/[or] [Notes], not to engage in any Relevant Corrupt Activity and we will take such action as is in accordance with our internal procedures against any employee who (1) freely admits to the Compliance Officer to having engaged in any Relevant Corrupt Activity or (2) is found to have engaged in any Relevant Corrupt Activity;
- (f) we have made reasonable enquiries for the purpose of ascertaining whether any Group Company has had, or is intended to have, any material part in the negotiation or obtaining of the mandate to finance the Supply Contract;
- (g) we have made reasonable enquiries regarding any Involved Group Company and its conduct in relation to the negotiation and obtaining of the mandate to finance the Supply Contract; and
- (h) the enquiries referred to in sub-paragraph 19 above have given us no cause to believe, and we do not believe, that any Involved Group Company has engaged in any Corrupt Activity in relation to the negotiation and obtaining of the mandate to finance the Supply Contract.

3 We declare that the Compliance Officer has certified to us that:

- (a) we have not, and no person who is, or who was during the past five (5) years, a board director of ours (including, for the avoidance of doubt, non-executive directors) and whose principal place of employment is, or was, the United Kingdom has, at any time, (1) admitted to the Compliance Officer to engaging in any Corrupt Activity; or (2) to the Compliance Officer's knowledge, been found by a court in any competent jurisdiction to have engaged in any Corrupt Activity which, in each case, has not, prior to the date of the undertaking contained in this Financial Institution Letter of Undertaking, been notified to UK Export Finance **provided that** the declaration in this paragraph 3 shall apply only to any Corrupt Activity which was (1) committed by a board director whilst being our board director or otherwise employed by us and (2) connected with activities which are regulated by the FCA or the PRA; and
- (b) we have not at any time admitted 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 UK Export Finance.

4 In this Financial Institution Letter of Undertaking:

**“Appropriate Regulator”** means, in relation to any activity covered by the laws and regulations referred to in sub-paragraph (a) above, whichever of the FCA or the PRA is responsible for regulating that activity;

**“Compliance Officer”** means the employee of ours who is:

- (a) the chief compliance officer;
- (b) the head of the compliance department of our head office; or
- (c) responsible for monitoring and ensuring our compliance with the requirements of the laws and regulations of the United Kingdom which relate to the regulation of banking and the provision of financial services (or any person designated by that employee to provide any declaration contemplated by paragraph 19 above), or, if no such employee has been appointed, any of our board directors;

**“control” and “controlled”** means, in relation to a company (the **“company controlled”**), control of the company controlled

- (a) 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 of any other company; and/or
- (b) 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
- (c) through a chain of companies, each of which controls the next by the means described at sub-paragraphs 30 and/or 31 above;

**“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:

- a) is subsequently found by a court in a competent jurisdiction (after all available rights of appeal have been exhausted) to have rendered the Supply Contract or any of the Finance Documents (or any guarantee or other security) illegal, void, voidable or unenforceable under their governing law;
- b) we have, or anyone (including any of our employees) acting on our behalf (with due authority) or with our subsequent acquiescence has freely admitted (or, in the case of one of our employees, freely admitted to the Compliance Officer) to engaging in;
- c) 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);
- d) 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 sub-paragraphs 30, 31 and 31 above, corresponds to a Relevant Offence, provided that, where, for the purposes of sub-paragraph b) above, any such activity is admitted by either (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, such activity shall not, for the purposes of this Financial Institution Letter of Undertaking, 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;

**“Excluded Person”** means, in relation to activity engaged in prior to 1 July 2011:

- (a) 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
- (b) a body incorporated under the laws of a country other than the United Kingdom; or
- (c) 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;

**“FCA”** means the Financial Conduct Authority;

**“FSMA”** means the Financial Services and Markets Act 2000, as amended;

**“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;

**“Involved Group Company”** means a Group Company which we, having made the reasonable enquiries referred to in sub-paragraph 30, believe has had, or is intended to have, any material part in the negotiation or obtaining of the mandate to finance the Supply Contract;

**“PRA”** means the Prudential Regulation Authority;

**“Relevant Corrupt Activity”** means Corrupt Activity in connection with:

- (a) obtaining the mandate to finance the Supply Contract;
- (b) the Supply Contract’s subsequent financing via the purchase of [Bills] [and]/[or] [Notes]; or
- (c) any agreement, undertaking, consent, authorisation or arrangement of any kind related to the Finance Documents which has not, on or prior to the date of this Financial Institution Letter of Undertaking, been notified to UK Export Finance;

**“Relevant Offence”** means, in relation to acts committed or events occurring before 1 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 1 July 2011, an offence under section 1, 2 or 6 of the Bribery Act 2010 (as from time to time amended or re-enacted); and

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

- 5 We acknowledge that receipt of a letter from us in the form of the draft attached to the Guarantee Letter dated [date] to us is a condition of your continuing to make the guarantee available pursuant to the terms of the Guarantee Agreement accompanying that offer letter and, in order to induce you to accept this Financial Institution Letter of Undertaking as satisfying that condition, we confirm that this letter is in the form of that draft.
- 6 This letter, and any non-contractual obligations arising from, or in connection with, it, shall be governed by, and construed in accordance with, the laws of England and Wales and any actions, claims or disputes in connection with it shall be heard, settled and determined by the courts of England and Wales, to the exclusive jurisdiction of which we hereby submit.

Yours faithfully,

For and on behalf of  
**[Name of Financial Institution]**

Signature: .....

Name: .....

Position: .....

Date: .....

(This Financial Institution Letter of Undertaking must be signed by an authorised officer with appropriate responsibility)

SPECIMEN

**Part B – Non-UK Financial Institutions (lending from a London branch) (Bank)**

[ON FINANCIAL INSTITUTION'S HEADED NOTEPAPER]

To: The Secretary of State acting through the Export Credits Guarantee Department (operating as UK Export Finance) (**UK Export Finance**)  
1 Horse Guards Road  
London  
SW1A 2HQ

Dear Sirs,

**YOUR REFERENCE:** [•]

**OUR REFERENCE:** [•]

**SUPPLIER:** [insert name]

**BUYER:** [insert name]

**RISK MARKET:** [insert country]

**PROJECT:** [brief description or name of project]

1 This Financial Institution Letter of Undertaking is given in respect of a Guarantee Agreement entered into between us and dated [date]. Words and expressions defined in the Guarantee Agreement have the same meaning in this Financial Institution Letter of Undertaking unless expressly defined in this Financial Institution Letter of Undertaking.

2 In consideration of UK Export Finance continuing to make available its guarantee pursuant to the terms of the Guarantee Agreement, we represent, warrant and undertake that:

**Variant 1: for a Financial Institution which is neither a Financial Institution incorporated in the UK nor an incoming EEA Financial Institution**

(a) [we are [authorised][regulated][authorised and regulated] by [name of the overseas regulator of the overseas bank in the jurisdiction of that overseas bank's registered office (or, if it has no registered office, its head office)].] In the United Kingdom our London branch is [also] authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA (and we will on request provide details of the extent of such limited regulation). In particular:

i. the Appropriate Regulator regulates our London branch's compliance with the provisions of (1) the FSMA and any provisions or regulations made under it and (2) any applicable rule or guidance published from time to time by the Appropriate Regulator, including but not limited to, the Senior Management Arrangements, Systems and Controls (SYSC) sourcebook; and

ii. the FCA regulates our London branch's compliance with the provisions of (1) Schedule 7 to the Counter-Terrorism Act 2008 and (2) any other applicable regulations prescribed by law relating to money laundering, including but not limited to The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;]]

**Variant 2: for an incoming EEA Financial Institution without a top-up permission, meaning a bank which only carries on the regulated activities which it is entitled to exercise under its EEA passport rights**

- (a) [we are authorised by [name of Home State regulator] and in the United Kingdom our London branch is subject to limited regulation by the FCA and PRA (and we will on request provide details of the extent of such limited regulation). In particular:
- i. the Appropriate Regulator regulates our London branch's compliance with the provisions of (1) the FSMA and any provisions or regulations made under it and (2) any applicable rule or guidance published by the Appropriate Regulator from time to time, including but not limited to, the Senior Management Arrangements, Systems and Controls (SYSC) sourcebook; and
  - ii. the FCA regulates our London branch's compliance with the provisions of (1) Schedule 7 to the Counter-Terrorism Act 2008 and (2) any other applicable regulations prescribed by law relating to money laundering, including but not limited to The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;]

**Variant 3: for an incoming EEA bank with a top-up permission, meaning a bank that has successfully applied to the PRA to carry on a regulated activity beyond those which it is entitled to exercise under its EEA passport rights**

- (a) [we are authorised by [name of Home State regulator] and in the United Kingdom our London branch is authorised by the PRA and subject to limited regulation by the FCA and PRA (and we will on request provide details of the extent of our authorisation by the PRA and regulation by the PRA and the FCA). In particular:
- i. the Appropriate Regulator regulates our London branch's compliance with the provisions of (1) the FSMA and any provisions or regulations made under it and (2) any applicable rule or guidance published by the Appropriate Regulator from time to time, including but not limited to, the Senior Management Arrangements, Systems and Controls (SYSC) sourcebook; and
  - ii. the FCA regulates our London branch's compliance with the provisions of (1) Schedule 7 to the Counter-Terrorism Act 2008 and (2) any other applicable regulations prescribed by law relating to money laundering, including but not limited to The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;]
- (b) either our London branch is not aware, and has no reason to suspect, that the Supply Contract, or any arrangement connected with its financing or procurement, has been, or will be, used for the purposes of money laundering (as defined in the Proceeds of Crime Act 2002) or, where it has any such awareness or suspicions, it has complied with its obligations in that regard under the Proceeds of Crime Act 2002;
- (c) our London branch has not engaged, and will not engage, in any Relevant Corrupt Activity;
- (d) our London branch has not authorised any person to engage in any Relevant Corrupt Activity, or consented to, or acquiesced in, any Relevant Corrupt Activity on the part of any person, and it will not authorise any person to engage in any Relevant Corrupt Activity, or consent to, or acquiesce in, any Relevant Corrupt Activity on the part of any person;
- (e) our London branch has required and/or will require anyone (including, without limitation, any of our employees working at our London branch) authorised to act on its behalf and directly or indirectly involved in obtaining the mandate to finance the Supply Contract, or in the



subsequent financing of the Supply Contract via the purchase of [Bills] [and]/[or] [Notes], not to engage in any Relevant Corrupt Activity and we will take such action as is in accordance with our internal procedures against any employee who (1) freely admits to the London Compliance Officer to having engaged in any Relevant Corrupt Activity or (2) is found to have engaged in any Relevant Corrupt Activity;

- (f) our London branch has made reasonable enquiries for the purpose of ascertaining whether any Group Company has had, or is intended to have, any material part in the negotiation or obtaining of the mandate to finance the Supply Contract;
- (g) our London branch has made reasonable enquiries regarding any Involved Group Company and its conduct in relation to the negotiation and obtaining of the mandate to finance the Supply Contract; and
- (h) the enquiries referred to in sub-paragraph (g) above have given us no cause to believe, and we do not believe, that any Involved Group Company has engaged in any Corrupt Activity in relation to the negotiation and obtaining of the mandate to finance the Supply Contract.

3 We declare that the London Compliance Officer has certified to us that having made enquiries of the Head Office Compliance Officer:

- (a) we have not, and no person who is, or who was during the past five (5) years, a board director of ours (including, for the avoidance of doubt, non-executive directors) has, at any time
  - i. admitted to the London Compliance Officer to engaging in any Corrupt Activity; or
  - ii. admitted to the Head Office Compliance Officer to committing any offence involving bribery or corruption under the laws of the Relevant Jurisdiction(s); or
- (b) to the knowledge of the London Compliance Officer or the Head Office Compliance Officer, been found by a court in any competent jurisdiction to have engaged in:
  - i. any Corrupt Activity; or
  - ii. any offence involving bribery or corruption,

which, in each case, has not, prior to the date of the undertaking contained in this Financial Institution Letter of Undertaking, been notified to UK Export Finance provided that the declaration in this paragraph 3 shall apply only to any Corrupt Activity which was (1) committed by a board director whilst being our board director or otherwise employed by us and (2) connected with activities which are regulated by the FCA or the PRA; and

- (c) we have not at any time admitted 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 UK Export Finance.

4 In this Financial Institution Letter of Undertaking:

**“Appropriate Regulator”** means, in relation to any activity covered by the laws and regulations referred to in sub-paragraphs 30 (i) and (ii), whichever of the FCA or the PRA is responsible for regulating that activity;

**“control” and “controlled”** means, in relation to a company (the **“company controlled”**), control of the company controlled:

- (a) 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 of any other company; and/or
- (b) 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
- (c) through a chain of companies, each of which controls the next by the means described at sub-paragraphs 30 and/or 31 above;

**“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:

- (a) is subsequently found by a court in a competent jurisdiction (after all available rights of appeal have been exhausted) to have rendered the Supply Contract or any of the Finance Documents (or any guarantee or other security) illegal, void, voidable or unenforceable under their governing law;
- (b) we have, or anyone (including any of our employees) acting on our behalf (with due authority) or with our subsequent acquiescence has, freely admitted (or, in the case of one of our employees working at our London branch, freely admitted to the London Compliance Officer) to engaging in;
- (c) 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);
- (d) 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 sub-paragraphs 31, 31 and 31 above, corresponds to a Relevant Offence, provided that, where, for the purposes of sub-paragraph (b) above, any such activity is admitted by an Excluded Person, such activity shall not, for the purposes of this Financial Institution Letter of Undertaking, 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;

**“Excluded Person”** means, in relation to activity engaged in prior to 1 July 2011;

- (a) 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
- (b) 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;

**“FCA”** means the Financial Conduct Authority;

**“FSMA”** means the Financial Services and Markets Act 2000, as amended;

**“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;

**“Head Office Compliance Officer”** means the employee at our head office who is the chief compliance officer or the head of the compliance department of our head office, or any person designated by that employee to provide any declaration contemplated by paragraph 3 of this Financial Institution Letter of Undertaking;

**“Involved Group Company”** means a Group Company which we, having made the reasonable enquiries referred to in paragraph (f) above, believe has had, or is intended to have, any material part in the negotiation or obtaining of the mandate to finance the Supply Contract;

**“London Compliance Officer”** means the employee at our London branch who is the chief compliance officer for our London branch or the head of the compliance department of our London branch, or any person designated by that employee to provide any declaration contemplated by paragraph 3 of this Financial Institution Letter of Undertaking;

**“PRA”** means the Prudential Regulation Authority;

**“Relevant Corrupt Activity”** means Corrupt Activity in connection with:

- (a) obtaining the mandate to finance the Supply Contract;
- (b) the Supply Contract’s subsequent financing via the purchase of [Bills] [and][/][or] [Notes]; or
- (c) any agreement, undertaking, consent, authorisation or arrangement of any kind related to the Finance Documents,

which has not, on or prior to the date of this Financial Institution Letter of Undertaking, been notified to UK Export Finance;

**“Relevant Jurisdiction(s)”** means the jurisdiction in which we are incorporated and, if different, the jurisdiction in which our principal place of business is located;

**“Relevant Offence”** means, in relation to acts committed or events occurring before 1 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 1 July 2011, an offence under section 1, 2 or 6 of the Bribery Act 2010 (as from time to time amended or re-enacted); and

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

- 5 We acknowledge that receipt of a letter from us in the form of the draft attached to the Guarantee Letter dated [date] to us is a condition of your continuing to make the guarantee available pursuant to the terms of the Guarantee Agreement accompanying that offer letter and, in order to induce you to accept this Financial Institution Letter of Undertaking as satisfying that condition, we confirm that this letter is in the form of that draft.
- 6 This letter, and any non-contractual obligations arising from, or in connection with, it, shall be governed by, and construed in accordance with, the laws of England and Wales and any actions, claims or disputes in connection with it shall be heard, settled and determined by the courts of England and Wales, to the exclusive jurisdiction of which we hereby submit.

Yours faithfully,

For and on behalf of  
**[Name of Financial Institution]**

Signature: .....

Name: .....

Position: .....

Date: .....

(This Financial Institution Letter of Undertaking must be signed by an authorised officer with appropriate responsibility)

SPECIMEN

**Part C – Non-UK Financial Institutions (lending from their head office) (Bank)**

To: The Secretary of State acting through the Export Credits Guarantee Department (operating as UK Export Finance) (“**UK Export Finance**”)  
1 Horse Guards Road  
London  
SW1A 2HQ

Dear Sirs,

**YOUR REFERENCE:** [•]

**OUR REFERENCE:** [•]

**SUPPLIER:** [insert name]

**BUYER:** [insert name]

**RISK MARKET:** [insert country]

**PROJECT:** [brief description or name of project]

- 1 This Financial Institution Letter of Undertaking is given in respect of a Guarantee Agreement entered into between us and dated [date]. Words and expressions defined in the Guarantee Agreement have the same meaning in this Financial Institution Letter of Undertaking unless expressly defined in this Financial Institution Letter of Undertaking.
- 2 In consideration of UK Export Finance continuing to make available its guarantee pursuant to the terms of the Guarantee Agreement, we represent, warrant and undertake that:
  - (a) [Name of regulatory body] regulates our compliance with the provisions of (1) legislation which regulates banking activity in the Relevant Jurisdiction, (2) legislation which is intended to prevent and detect money laundering activity in the Relevant Jurisdiction or through financial institutions carrying on business in the Relevant Jurisdiction and (3) any rules or guidance published from time to time by [name of regulatory body];
  - (b) either we are not aware, and have no reason to suspect, that the Supply Contract, or any arrangement connected with its financing or procurement, has been, or will be, used for the purposes of money laundering or, if we have any such awareness or suspicion, we have reported the matter to the appropriate authorities;
  - (c) we have not engaged, and will not engage, in any Relevant Corrupt Activity;
  - (d) we have not authorised any person to engage in any Relevant Corrupt Activity, or consented to, or acquiesced in, any Relevant Corrupt Activity on the part of any person; and we will not authorise any person to engage in any Relevant Corrupt Activity, or consent to, or acquiesce in, any Relevant Corrupt Activity on the part of any person;
  - (e) we have required and/or will require anyone (including, without limitation, any of our employees) authorised to act on our behalf and directly or indirectly involved in obtaining the mandate to finance the Supply Contract, or in the subsequent financing of the Supply Contract, not to engage in any Relevant Corrupt Activity and we will take such action as is in accordance with our internal procedures against any employee who (1) freely admits to the Compliance Officer to having engaged in any Relevant Corrupt Activity or (2) is found to have engaged in any Relevant Corrupt Activity;

- (f) we have made reasonable enquiries for the purpose of ascertaining whether any Group Company has had, or is intended to have, any material part in the negotiation or obtaining of the mandate to finance the Supply Contract;
- (g) we have made reasonable enquiries regarding any Involved Group Company and its conduct in relation to the negotiation and obtaining of the mandate to finance the Supply Contract; and
- (h) the enquiries referred to in sub-paragraph (g) above have given us no cause to believe, and we do not believe, that any Involved Group Company has engaged in any Corrupt Activity in relation to the negotiation and obtaining of the mandate to finance the Supply Contract.

3 We declare that the Compliance Officer has certified to us that we have not, and no person who is, or who was during the past five (5) years, a board director of ours (including, for the avoidance of doubt, non-executive directors) has, at any time:

- (a) admitted to the Compliance Officer to engaging in (1) any Corrupt Activity or (2) any activity or committing any offence, involving bribery or corruption under the laws of the Relevant Jurisdiction; or
- (b) to the Compliance Officer's knowledge, been found by a court in any competent jurisdiction to have engaged in (1) any Corrupt Activity or (2) any offence involving bribery or corruption,

which, in each case, has not, prior to the date of the undertaking contained in this Financial Institution Letter of Undertaking, been notified to UK Export Finance, provided that the declaration in this paragraph 3 shall apply only to any Corrupt Activity committed by a board director whilst being our board director or otherwise employed by us.

4 In this Financial Institution Letter of Undertaking:

**“Compliance Officer”** means the employee at our head office in [name of town] who is:

- (a) our chief compliance officer;
- (b) the head of the compliance department of our head office; or
- (c) responsible for monitoring and ensuring our compliance with the requirements of the laws and regulations of the Relevant Jurisdiction which relate to the regulation of banking and the provision of financial services (or any person designated by that employee to provide any declaration contemplated by paragraph 3 of this Financial Institution Letter of Undertaking), or, if no such employee has been appointed, any of our board directors;

**“control” and “controlled”** means, in relation to a company (the **“company controlled”**), control of the company controlled:

- (a) 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 of any other company; and/or

- (b) 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
- (c) through a chain of companies, each of which controls the next by the means described at 20 and/or 20 above;

**“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:

- a) is subsequently found by a court in a competent jurisdiction (after all available rights of appeal have been exhausted) to have rendered the Supply Contract or any of the Finance Documents (or any guarantee or other security) illegal, void, voidable or unenforceable under their governing law;
- b) we have, or anyone (including any of our employees) acting on our behalf (with due authority) or with our subsequent acquiescence has, freely admitted (or, in the case of one of our employees, freely admitted to the Compliance Officer) to engaging in;
- c) is subsequently found by a court in any competent jurisdiction (after all available rights of appeal have been exhausted) outside the Relevant Jurisdiction to constitute an offence under any applicable law (except by virtue of any changes to that law being applied retrospectively);
- d) is subsequently found by a court in the Relevant Jurisdiction (after all available rights of appeal have been exhausted) to constitute an offence under the Relevant Legislation,

and which activity, in respect of sub-paragraphs 20, 20, 20 above:

- i. corresponds to an offence under the Relevant Legislation; or
- ii. would, if it had taken place in the Relevant Jurisdiction, amount to such an offence,

provided that, where, for the purposes of sub-paragraph 20 above, any such activity is admitted by either (1) a person other than a national of the Relevant Jurisdiction or (2) a body incorporated under the laws of a country other than the Relevant Jurisdiction, such activity shall not, for the purposes of this Financial Institution Letter of Undertaking, 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;

**“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;

**“Involved Group Company”** means a Group Company which we, having made the reasonable enquiries referred to in paragraph (f) above, believe has had, or is intended to have, any material part in the negotiation or obtaining of the mandate to finance the Supply Contract;

**“Relevant Corrupt Activity”** means Corrupt Activity in connection with:

- (a) obtaining the mandate to finance the Supply Contract;
- (b) the Supply Contract's subsequent financing; or
- (c) any agreement, undertaking, consent, authorisation or arrangement of any kind related to the Finance Documents,

which has not, on or prior to the date of this Financial Institution Letter of Undertaking, been notified to UK Export Finance;

**“Relevant Jurisdiction”** means [name of country in which head office is located], being the jurisdiction in which we are incorporated and in which our principal place of business is located; and

**“Relevant Legislation”** means all laws and regulations of the Relevant Jurisdiction which create criminal offences in relation to acts of bribery or corruption.

- 5 We acknowledge that receipt of a letter from us in the form of the draft attached to the Guarantee Letter dated [date] to us is a condition of your continuing to make the guarantee available pursuant to the terms of the Guarantee Agreement accompanying that offer letter and, in order to induce you to accept this Financial Institution Letter of Undertaking as satisfying that condition, we confirm that this letter is in the form of that draft.
- 6 This letter, and any non-contractual obligations arising from, or in connection with, it, shall be governed by, and construed in accordance with, the laws of England and Wales and any actions, claims or disputes in connection with it shall be heard, settled and determined by the courts of England and Wales, to the exclusive jurisdiction of which we hereby submit.

Yours faithfully,

For and on behalf of  
**[Name of Financial Institution]**

Signature: .....

Name: .....

Position: .....

Date: .....

(This Financial Institution Letter of Undertaking must be signed by an authorised officer with appropriate responsibility)



**Part D – Financial Institutions (Non-bank)<sup>37</sup>**

To: The Secretary of State acting through the Export Credits Guarantee Department (operating as UK Export Finance) (**UK Export Finance**)  
1 Horse Guards Road  
London  
SW1A 2HQ

Dear Sirs,

**YOUR REFERENCE:** [•]

**OUR REFERENCE:** [•]

**SUPPLIER:** [insert name]

**BUYER:** [insert name]

**RISK MARKET:** [insert country]

**PROJECT:** [brief description or name of project]

- 1 This Financial Institution Letter of Undertaking is given in respect of a Guarantee Agreement entered into between us and dated [date]. Words and expressions defined in the Guarantee Agreement have the same meaning in this Financial Institution Letter of Undertaking unless expressly defined in this Financial Institution Letter of Undertaking.
- 2 In consideration of UK Export Finance continuing to make available its guarantee pursuant to the terms of the Guarantee Agreement, we represent, warrant and undertake that:
  - (a) [Name of regulatory body] regulates our compliance with the provisions of (1) legislation which regulates banking activity in the Relevant Jurisdiction, (2) legislation which is intended to prevent and detect money laundering activity in the Relevant Jurisdiction or through financial institutions carrying on business in the Relevant Jurisdiction and (3) any rules or guidance published from time to time by [name of regulatory body];
  - (b) either we are not aware, and have no reason to suspect, that the Supply Contract, or any arrangement connected with its financing or procurement, has been, or will be, used for the purposes of money laundering or, if we have any such awareness or suspicion, we have reported the matter to the appropriate authorities;
  - (c) we have not engaged, and will not engage, in any Relevant Corrupt Activity;
  - (d) we have not authorised any person to engage in any Relevant Corrupt Activity, or consented to, or acquiesced in, any Relevant Corrupt Activity on the part of any person; and we will not authorise any person to engage in any Relevant Corrupt Activity, or consent to, or acquiesce in, any Relevant Corrupt Activity on the part of any person;
  - (e) we have required and/or will require anyone (including, without limitation, any of our employees) authorised to act on our behalf and directly or indirectly involved in obtaining the mandate to finance the Supply Contract, or in the subsequent financing of the Supply Contract, not to engage in any Relevant Corrupt Activity and we will take such action as is in accordance with our internal procedures against any employee who (1) freely admits to the Compliance Officer to having

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<sup>37</sup> Supervisory or regulatory bodies for non-bank Financial Institutions will vary from jurisdiction to jurisdiction, as well as in respect of the particular type of Financial Institution (e.g. a trust or fund). Guidance should be sought from UKEF Legal prior to agreeing the text of this Letter of Undertaking.

engaged in any Relevant Corrupt Activity or (2) is found to have engaged in any Relevant Corrupt Activity;

- (f) we have made reasonable enquiries for the purpose of ascertaining whether any Group Company has had, or is intended to have, any material part in the negotiation or obtaining of the mandate to finance the Supply Contract;
- (g) we have made reasonable enquiries regarding any Involved Group Company and its conduct in relation to the negotiation and obtaining of the mandate to finance the Supply Contract; and
- (h) the enquiries referred to in sub-paragraph 30 above have given us no cause to believe, and we do not believe, that any Involved Group Company has engaged in any Corrupt Activity in relation to the negotiation and obtaining of the mandate to finance the Supply Contract.

3 We declare that the Compliance Officer has certified to us that we have not, and no person who is, or was during the past five (5) years, a board director of ours (including, for the avoidance of doubt, non-executive directors) has, at any time:

- (a) admitted to the Compliance Officer to engaging in any Corrupt Activity, or to committing any offence under the Relevant Legislation; or
- (b) admitted to the Compliance Officer to committing any offence under the laws of Relevant Legislation or any offence involving bribery or corruption under the laws of the jurisdiction in which we are incorporated and, if different, the jurisdiction in which our head office is located; or
- (c) to the knowledge of the Compliance Officer, been found by a court in any competent jurisdiction to have engaged in any Corrupt Activity,

which, in each case, has not, prior to the date of the undertaking contained in this Financial Institution Letter of Undertaking, been notified to UK Export Finance provided that the declaration in this paragraph 3 shall apply only to any Corrupt Activity committed by a board director whilst being our board director or otherwise employed by us.

4 In this Undertaking:

“**Compliance Officer**” means the employee at our head office in [name of town] who is:

- (a) our chief compliance officer; or
- (b) the head of the compliance department of our head office; or
- (c) responsible for ensuring our compliance with the requirements of the laws and regulations of the Relevant Jurisdiction which relate to the regulation of banking and the provision of financial services (or any person designated by that employee to provide any declaration contemplated by paragraph 3 of this Financial Institution Letter of Undertaking) or, if no such employee has been appointed, any of our board directors;

“**control**” and “**controlled**” means, in relation to a company (the “**company controlled**”), control of the company controlled:

- (a) 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 of any other company; and/or

- (b) 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
- (c) through a chain of companies, each of which controls the next by the means described at sub-paragraph 30 and/or 31 above;

**“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:

- (a) is subsequently found by a court in a competent jurisdiction (after all available rights of appeal have been exhausted) to have rendered the Supply Contract any of the Finance Documents (or any guarantee or other security) illegal, void, voidable or unenforceable under their governing law;
- (b) we have, or anyone (including any of our employees) acting on our behalf (with due authority) or with our subsequent acquiescence has, freely admitted (or in the case of one of our employees, freely admitted to the Compliance Officer) to engaging in;
- (c) is subsequently found by a court in any competent jurisdiction (after all available rights of appeal have been exhausted) outside the Relevant Jurisdiction to constitute an offence under any applicable law (except by virtue of any changes to that law being applied retrospectively); or
- (d) is subsequently found by a court in the Relevant Jurisdiction (after all available rights of appeal have been exhausted) to constitute an offence under the Relevant Legislation,

and which activity, in respect of sub-paragraphs 31 , 31 and 31 above:

- i. corresponds to an offence under the Relevant Legislation; or
- ii. would, if it had taken place in the Relevant Jurisdiction, amount to such an offence,

provided that, where, for the purposes of sub-paragraph 31 above, any such activity is admitted by either (1) a person other than a national of the Relevant Jurisdiction or (2) a body incorporated under the laws of a country other than the Relevant Jurisdiction, such activity shall not, for the purposes of this Financial Institution Letter of Undertaking, 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;

**“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;

**“Involved Group Company”** means a Group Company which we, having made the reasonable enquiries referred to in paragraph (f) above, believe has had, or is intended to have, any material part in the negotiation or obtaining of the mandate to finance the Supply Contract;

**“Relevant Corrupt Activity”** means Corrupt Activity in connection with:

- (a) obtaining the mandate to finance the Supply Contract;
- (b) the Supply Contract’s subsequent financing; or

(c) any agreement, undertaking, consent, authorisation or arrangement of any kind related to the Finance Documents,

which has not, on or prior to the date of this Financial Institution Letter of Undertaking, been notified to UK Export Finance;

“**Relevant Jurisdiction**” means [name of country in which head office is located], being the jurisdiction in which we are incorporated and in which our principal place of business is located; and

“**Relevant Legislation**” means all laws and regulations of the Relevant Jurisdiction which create criminal offences in relation to acts of bribery or corruption.

5 We acknowledge that receipt of a letter from us in the form of the draft attached to the Guarantee Letter dated [date] to us is a condition of your continuing to make the guarantee available pursuant to the terms of the Guarantee Agreement accompanying that offer letter and, in order to induce you to accept this Financial Institution Letter of Undertaking as satisfying that condition, we confirm that this letter is in the form of that draft.

6 This letter, and any non-contractual obligations arising from, or in connection with, it, shall be governed by, and construed in accordance with, the laws of England and Wales and any actions, claims or disputes in connection with it shall be heard, settled and determined by the courts of England and Wales, to the exclusive jurisdiction of which we hereby submit.

Yours faithfully,

For and on behalf of  
**[Name of Financial Institution]**

Signature: .....

Name: .....

Position: .....

Date: .....

(This Financial Institution Letter of Undertaking must be signed by an authorised officer with appropriate responsibility)

**ANNEX 4 - FORM OF WARRANTY TO BE GIVEN BY THE FINANCIAL INSTITUTION IN RESPECT OF THE PROVISION OF FINANCE FOR THE SUPPORT FEE**

***The Financial Institution should draw and complete a Warranty, in the form given below, on its own letter heading at the time the Bills or Notes are acquired. Once made, the Warranty should be held by the Financial Institution.***

To: UK Export Finance

Date: [insert date]

- 1 We refer to the guarantee letter numbered [insert Reference Number] dated [date] (the **Guarantee Letter**) relating to UK Export Finance support in connection with our purchase of certain [Bill(s)][Note(s)], as more particularly described in the Guarantee Letter.
- 2 Unless otherwise defined in this Warranty, words and expressions used in this Warranty which are defined in the Guarantee Letter shall have the same meaning in this Warranty.
- 3 We hereby represent and warrant to you that each of the [Bill(s)][Note(s)] listed in the attached schedule (showing the respective amounts of contractual principal and interest where these are not separately expressed) [is a bill of exchange as defined by Section 3 of the Bills of Exchange Act 1882 and in respect of which the Financial Institution is holder in due course under Section 29 of the Bills of Exchange Act 1882]<sup>38</sup> [is a promissory note, as defined by Section 83 of the Bills of Exchange Act 1882 and in respect of which the Financial Institution is holder in due course under Section 29 of the Bills of Exchange Act 1882]<sup>39</sup> and has been:
  - (a) [drawn by the Supplier on the Buyer;
  - (b) drawn to effect payment of:
    - i. the purchase of goods and/or services pursuant to the Supply Contract; or
    - ii. the purchase of goods and/or services pursuant to the Supply Contract and the payment of the Support Fee;
  - (c) accepted by the Buyer without qualification; and
  - (d) purchased by the Financial Institution from the Supplier without recourse to the Supplier in accordance with the Approved Credit Terms with an amount made available by the Financial Institution to the Supplier equal to the Principal Value,]<sup>40</sup>
  - (e) [made and delivered by the Buyer to the Supplier;
  - (f) issued to effect payment of:
    - i. the purchase of goods and/or services pursuant to the Supply Contract; or
    - ii. the purchase of goods and/or services pursuant to the Supply Contract and the payment of the Support Fee; and

<sup>38</sup> Use if dealing with a Bill

<sup>39</sup> Use if dealing with a Note.

<sup>40</sup> Use if dealing with a Bill.

(g) purchased by the Financial Institution from the Supplier without recourse to the Supplier in accordance with the Approved Credit Terms with an amount made available by the Financial Institution to the Supplier equal to the Principal Value,<sup>41</sup>

and accordingly is in respect of the Buyer's obligation to pay to us the "*Amount approved – Support Fee*" shown in column c of paragraph 3 (*Supply Contract amounts approved for payment under the [Bill(s)][Note(s)]*) of the Guarantee Letter, due to UK Export Finance, and payable by us on acceptance of the Guarantee Letter.

- 4 We confirm that, to the best of the Financial Institution Team's knowledge:
- (a) the Buyer is not in default in payment of any debt which fell due for payment on a date prior to the date of this Warranty under any contract with us, or known to us; and
  - (b) we know of no restriction on the negotiability of the [Bill(s)][Note(s)] listed in the attached Schedule.
- 5 We acknowledge that UK Export Finance is relying on the representations contained herein when determining whether to provide support for the [Bill(s)][Note(s)]. If any representation made for the purpose of obtaining support for finance is untrue or incorrect, this may render this company (and any other person responsible) liable to legal proceedings.

For and on behalf of  
**[Name of Financial Institution]**

Signature: .....

Name: .....

Capacity of signatory:<sup>42</sup> .....

Date: .....

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<sup>41</sup> Use if dealing with a Note.

<sup>42</sup> In the case of incorporated companies this Warranty must be signed by an authorised officer on behalf of the company and state the capacity in which the signatory acts. A certified specimen of the signature of each person who signs, together with evidence of their authority to sign, may be required.