UK Export Finance

Bills & Notes: Guarantee Standard Terms and Conditions
(Issue No. 1)

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Guarantee Standard Terms and Conditions

Your agreement with **His Britannic Majesty's Secretary of State**, acting through the Export Credits Guarantee Department, operating as UK Export Finance (**UK Export Finance**), whose office is at 1 Horse Guards Road, London SW1A 2HQ, consists of the Guarantee Letter which incorporates these Guarantee Standard Terms and Conditions and any other Guarantee Document.

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

1 Definitions and interpretation

1.1 Definitions

Administration Records means any records (other than those covered by legal privilege) preserved in any medium or form (including records stored electronically) which relate specifically to the administration of any of the Guarantee Documents, the Finance Documents or the Supply Contract.

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person, or any other Subsidiary of that Holding Company.

Applicable Loss means any Guaranteed Buyer Payment (reduced by any Recoveries) that is due and payable to the Financial Institution by the Buyer or Surety (without double counting), which is unpaid on or at any time after its due date.

Approved Credit Terms has the meaning given to it in the Guarantee Letter.

Authorisation means an authorisation, consent, permit, approval, resolution, licence, exemption, filing, notarisation or registration.

Base Currency means the base currency as defined in the Guarantee Letter.

Bill means a bill of exchange as defined by Section 3 of the Bills of Exchange Act 1882 which 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
 - 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 for value by the Financial Institution from the Supplier without recourse to the Supplier in accordance with the Approved Credit Terms,

and, in each instance, in respect of which the Financial Institution is holder in due course under Section 29 of the Bills of Exchange Act 1882.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London and any other city specified in the Guarantee Letter.

Buyer means the buyer under the Supply Contract, as identified in the Guarantee Letter.

Buyer Default means:

- (a) a failure by the Buyer to make a Guaranteed Buyer Payment when due; or
- (b) the occurrence of a Sanctions Event in relation to a Guaranteed Buyer Payment.

Buyer Payment means any payment due from the Buyer to the Financial Institution pursuant to or in relation to a Bill or Note, corresponding to the payment of:

- (a) Principal Value; and/or
- (b) Interest.

Cessation Notice has the meaning given to it in Clause 14.1.1 (Suspension).

Change Request means a request delivered in writing by the Financial Institution to UK Export Finance setting out:

- (a) the changes the Financial Institution seeks to make to any Finance Document; or
- (b) the consent to a change in respect of the Supply Contract, Bill or Note,

under Clause 9.1 (Changes to the Finance Documents or Supply Contract).

Claim means a claim for payment in relation to a Guaranteed Buyer Payment made by the Financial Institution from UK Export Finance pursuant to the terms of the Guarantee Agreement.

Claim Notice means a notice of a Claim made by the Financial Institution to UK Export Finance which is delivered in accordance with Clause 18.1 (*Claim Notices*), and is substantially in the form set out in Schedule 1 (*Claim Notice*) or such other form as notified (with at least 20 Business Days' notice) to the Financial Institution by UK Export Finance in writing.

Claimed Amount means the quantum of any Applicable Losses that are the subject of a Valid Claim, whether or not UK Export Finance has paid the Claim.

Confidential Information means all information (in relation to the Guarantee Agreement) relating to the Buyer, any Surety, the Supplier, the Financial Institution or any Finance Document of which UK Export Finance becomes aware, or which is otherwise received by UK Export Finance from the Financial Institution in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains (or is derived or copied from) such information but excludes information that:

(a) is or becomes public information other than as a direct or indirect result of any breach by UK Export Finance of Clause 22 (*Confidentiality and Records*);

- (b) is identified in writing at the time of delivery as non-confidential by any Surety, the Supplier, the Buyer or the Financial Institution (or any of their advisers); or
- (c) is known by UK Export Finance before the date the information is disclosed to it by any Surety, the Supplier, the Buyer or the Financial Institution (or any of their advisers) or is lawfully obtained by UK Export Finance after that date, from a source which is, as far as UK Export Finance is aware, unconnected with any Surety, the Supplier, the Buyer or the Financial Institution (or any of their advisers) and which, in either case, as far as UK Export Finance is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

Cover End Date has the meaning given to it in the Guarantee Letter.

Cover Period means the period starting on the Cover Start Date and ending on the Discharge Date.

Cover Start Date has the meaning given to it in Clause 2.1.2 (Conditions precedent).

Default Interest means any default interest that may be due to the Financial Institution from the Buyer in respect of a Bill and/or Note, howsoever described or computed.

Default Payment Date means the last day of a Default Payment Period or if that day is not a Business Day, the next succeeding Business Day.

Default Payment Period means, in respect of a Buyer Default, the period of ninety (90) days from and including the date on which the relevant Guaranteed Buyer Payment, in relation to which the Buyer Default has occurred, was due.

Default Payment Period Recovery has the meaning given to it in Clause 10.5 (*Adjustments*).

Defaulted Amount means:

- (a) the quantum of the Claimed Amount that was due from the Buyer at the start of the relevant Default Payment Period; or
- (b) where more than one Default Payment Period ends on the same Default Payment Date, the aggregate of the Claimed Amounts due from the Buyer at the start of each of those Default Payment Periods,

in both instances, minus any Recoveries (without double counting).

Delay Interest means interest payable by UK Export Finance pursuant to Clause 4.2.1 and/or 4.2.2 (*Interest on Defaulted Amounts*).

Delay Interest Period means:

- (a) during any Default Payment Period, such period as may be agreed in writing between the Financial Institution and UK Export Finance; or
- (b) if there is no Recovery that would reduce the Defaulted Amount during a Default Payment Period, the period from the start of that Default Payment Period until the Default Payment Date of that Default Payment Period; and

- (c) if there is a Recovery that would reduce the Defaulted Amount during a Default Payment Period, the Default Payment Period shall be divided into successive Delay Interest Periods as follows:
 - (i) the period from the start of that Default Payment Period until the first Recovery of that Default Payment Period; and
 - (ii) following the Delay Interest Period at sub-paragraph (i) above, each successive period from the most recent Recovery that would reduce the Defaulted Amount until the earlier of:
 - (A) the next Recovery that would reduce the Defaulted Amount; or
 - (B) the Default Payment Date.

Delay Interest Rate has the meaning given to that term in the Guarantee Letter.

Discharge Date means the earlier of:

- (a) the Cover End Date;
- (b) the Termination Date; and
- (c) the date on which:
 - (i) all of the Guaranteed Buyer Payments are irrevocably discharged in full; and
 - (ii) the Financial Institution has no liability to make advances, purchase Bills and/or Notes or provide other financial accommodation pursuant to the Finance Documents.

Discharged Guarantee Rights and Obligations has the meaning given to it at Clause 15.4 (*Procedure for transfer*).

Disposal and **Dispose** means any sale, lease, transfer, endorsement and delivery or other disposal.

Dispute has the meaning given to it at Clause 26.1 (*Jurisdiction*).

Excess Interest has the meaning given to it at Clause 10.5 (*Adjustments*).

Existing Financial Institution has the meaning given to it at Clause 15.1 (*Transfers by the Financial Institution*).

Finance Document means:

- (a) any Bill;
- (b) any Note;
- (c) any form of guarantee, indemnity or other credit support instrument provided by any Surety in relation to any of the Buyer's liabilities under a Bill and/or Note; or
- (d) any other document from time to time designated as such by the Parties.

Financial Institution means the entity entering into the Guarantee Agreement with UK Export Finance, as identified as the "Financial Institution" in the Guarantee Letter.

Financial Institution Due Diligence means, in relation to the Finance Documents, the Financial Institution applying its policies and procedures to satisfy itself as to the following matters:

- (a) "know your customer" requirements in relation to the Buyer, the Supplier and any Surety;
- (b) anti-bribery and corruption;
- (c) anti-money laundering;
- (d) fraud;
- (e) Tax evasion;
- (f) terrorism;
- (g) environmental compliance; and
- (h) sanctions.

Financial Institution Letter of Undertaking means a letter of undertaking substantially in the form annexed to the Guarantee Letter.

Financial Institution Team means, in relation to the Finance Documents, at any time all or any of the individuals within the Financial Institution who at that time are/is responsible for originating, executing, managing, administering, approving or monitoring any of the Finance Documents.

Guarantee Agreement means:

- (a) the Guarantee Letter;
- (b) these Guarantee Standard Terms and Conditions, as incorporated into the Guarantee Letter by reference; and
- (c) any other document from time to time designated as such by the Parties.

Guarantee Confidential Information means:

- (a) the Records;
- (b) the contents of the Records; and
- (c) all written or oral explanations provided in respect of the Records pursuant to Clause 22 (*Confidentiality and Records*).

Guarantee Documents means:

(a) the Guarantee Agreement;

- (b) the Financial Institution Letter of Undertaking;
- (c) any Warranty;
- (d) any Claim Notice;
- (e) any Guarantee Transfer Certificate; and
- (f) any other document from time to time designated as such by the Parties.

Guarantee Letter means the guarantee letter issued by UK Export Finance to the Financial Institution, which incorporates these Guarantee Standard Terms and Conditions.

Guarantee Transfer Certificate means a certificate substantially in the form set out in Schedule 2 (*Form of Guarantee Transfer Certificate*) or any other form agreed between the Financial Institution, a New Financial Institution and UK Export Finance.

Guarantee Transfer Date means, in relation to a transfer of a Financial Institution's rights, interests and obligations under the Guarantee Documents to a New Financial Institution pursuant to Clause 15 (*Transferability*), the later of:

- (a) the proposed Guarantee Transfer Date specified in the relevant Guarantee Transfer Certificate; and
- (b) the date on which UK Export Finance executes the relevant Guarantee Transfer Certificate.

Guaranteed Buyer Payment has the meaning given to that term in Clause 6.3 (*Buyer Payment eligibility criteria*).

Holding Company means, in relation to a person, any other person in respect of which it is a Subsidiary.

Information Legislation means:

- (a) the Freedom of Information Act 2000;
- (b) the Environmental Information Regulations 2004; and
- (c) any other law or regulation from time to time governing the disclosure of information held by public bodies in response to requests from individuals or organisations.

Interest means interest calculated at the Interest Rate that is due and owing pursuant to a Bill or Note.

Interest Rate means the agreed interest rate in relation to the Principal Value, as confirmed in the Guarantee Letter.

Legal Reservations means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court;
- (b) the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

- (c) the time-barring of claims under the Limitation Acts;
- (d) the possibility that an undertaking to assume liability for, or indemnify a person against, non-payment of UK stamp duty may be void; and
- (e) defences of set-off or counterclaim,

and similar principles, rights and defences under the laws of any Relevant Jurisdiction.

Limitation Acts means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

Mandate means, in relation to the Supply Contract, the mandate awarded by the relevant Supplier or the Supplier's Affiliate to the Financial Institution to purchase Bills and/or Notes which are drawn or issued (as the case may be) to effect the Buyer's payment obligations pursuant to the Supply Contract (whether that mandate arises under a specific agreement or in correspondence between the Supplier or the Supplier's Affiliate and the Financial Institution, or otherwise).

Mandate Records means any records other than those covered by legal privilege preserved in any medium or form, including records stored electronically, which relate:

- (a) specifically to the obtaining of any Mandate; and
- (b) only to the period up to the date of award of such Mandate.

New Financial Institution means any bank or financial institution or a trust, fund or other entity regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets which, with the prior written consent of UK Export Finance, has become a Financial Institution in accordance with Clause 15 (*Transferability*).

New UKEF Financial Institution means an entity which is to step into the role of the Financial Institution pursuant to Clause 11.1 (*Purchase of Bills and/or Notes at UK Export Finance's option*).

Note means a promissory note, as defined by Section 83 of the Bills of Exchange Act 1882, which has been:

- (a) made and delivered by the Buyer to the Supplier;
- (b) issued to effect payment of:
 - (i) the purchase of goods and/or services pursuant to the Supply Contract; or
 - the purchase of goods and/or services pursuant to the Supply Contract and the payment of the Support Fee; and
- (c) purchased for value by the Financial Institution from the Supplier without recourse to the Supplier in accordance with the Approved Credit Terms,

and, in each instance, in respect of which the Financial Institution is holder in due course under Section 29 of the Bills of Exchange Act 1882.

Party means a party to the Guarantee Agreement.

Post-Termination Buyer Payments has the meaning given to it in Clause 14.2.2 (*Termination*).

Post-Termination Claim has the meaning given to it in Clause 14.2.2 (Termination).

Prescribed Steps has the meaning given to it in the Guarantee Letter.

Principal Value means the amount of principal payable pursuant to the relevant Bill or Note as at its date of issuance and does not include any interest expressed to be payable thereon or contained therein though unexpressed.

Quasi-Security means, in relation to a person:

- any Disposal of any of its assets on terms whereby they are or may be leased to or re-acquired by that person and/or an Affiliate of that person;
- (b) any Disposal of any of its receivables on recourse terms;
- (c) any entry into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or
- (d) any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising financial indebtedness or of financing the acquisition of an asset.

Records means Administration Records and/or the Mandate Records.

Recovery and **Recoveries** means, in relation to any Bill and/or Note, any sum collected, received or recovered by the Financial Institution at any time (whether before or after a Claim), including where the collection, receipt or recovery is by way of set-off or similar, from:

- (a) the Buyer;
- (b) any Surety;
- (c) the Supplier; or
- (d) from any other source,

less the reasonable costs and expenses incurred by the Financial Institution (or by any receiver appointed by the Financial Institution) in making that collection, receipt or recovery where such costs or expenses are incurred on or after the Buyer Default to which the Recovery relates, save that:

- (e) costs and expenses that:
 - (i) have not been the subject of any valid demand for reimbursement from the Buyer or any Surety; or
 - (ii) are not due and owing from the Buyer or any Surety;
- (f) any internal costs and expenses of the Financial Institution; and

(g) any amounts that UK Export Finance has reimbursed to the Financial Institution pursuant to Clause 10.3 (*Sharing Recovery costs*),

shall not be deducted.

Relevant Bill and/or Note has the meaning given to it in Clause 6.3 (*Buyer Payment eligibility criteria*).

Relevant Buyer Payment has the meaning given to it in Clause 6.3 (*Buyer Payment eligibility criteria*).

Relevant Instruments has the meaning given to it in Clause 6.3(j) (*Buyer Payment eligibility criteria*).

Relevant Jurisdiction means:

- (a) the United Kingdom;
- (b) the Buyer's jurisdiction of incorporation and (if different) its principal place of business;
- (c) the Supplier's jurisdiction of incorporation;
- (d) any Surety's jurisdiction of incorporation and (if different) its principal place of business or the location out of which it is providing its guarantee of any liability under any Finance Document;
- (e) the Financial Institution's jurisdiction of incorporation and (if different) the location of the branch out of which it is purchasing the Bills and/or Notes; and
- (f) the governing law and jurisdiction of any Finance Document.

Repeating Representations means each of the representations set out in Clauses 6.1(d), (e), (f), (g), (h), (j), (k), (l), (m) and (n) (*Representations and warranties*).

Request for Information means a request for information under the Information Legislation.

Sanctions Authority means:

- (a) the United Kingdom;
- (b) the United States of America;
- (c) the United Nations Security Council;
- (d) the European Union; and
- (e) any member state of the European Union.

Sanctions Event means, in relation to a Buyer Payment due to a Financial Institution, that UK Export Finance is satisfied that:

(a) the Buyer has made the Guaranteed Buyer Payment; but

(b) the Financial Institution is unable to receive and/or access that Guaranteed Buyer Payment because of applicable Sanctions Laws and Regulations.

Sanctions Laws and Regulations means any economic, financial or trade sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctions Authority from time to time.

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

Service Document has the meaning given to it at Clause 26.2 (*Service of process*).

Special Conditions means any special conditions in relation to any Bills and/or Notes, as identified in the "Special Conditions" paragraph of the Guarantee Letter.

Spot Rate means, at any time, in relation to any actual or notional currency conversion by a person, the spot rate of exchange prevailing at that time for the two relevant currencies as determined by that person at the relevant time using a source reasonably selected by it.

Subsidiary means:

- (a) a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006; and
- (b) any company which would be a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006 but for any Security subsisting over the shares in that company from time to time.

Supplier means the supplier under the Supply Contract, as identified in the Guarantee Letter.

Supply Contract means the contract for the supply of goods or services containing UK content, as further described in the Guarantee Letter.

Support Fee means any fees payable or paid to UK Export Finance by the Financial Institution pursuant to Clause 3 (*UK Export Finance Support Fee*).

Surety means any surety in respect of any of the Buyer's liabilities under any Bill and/or Note, as identified in the Guarantee Letter.

Suspension Buyer Payments has the meaning given to it in Clause 14.1.2 (Suspension).

Suspension Claims has the meaning given to it in Clause 14.1.2 (Suspension).

Suspension Notice has the meaning given to it in Clause 14.1.1 (Suspension).

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Tax Credit means a credit against, relief from, remission for, or repayment of any Tax.

Tax Deduction means a deduction or withholding for, or on account of, Tax from a payment under a Guarantee Document.

Tax Payment means the increase in a payment made by UK Export Finance to the Financial Institution under Clause 5.2 (*Withholdings*).

Termination Date means the date a Termination Notice is issued by UK Export Finance to the Financial Institution pursuant to Clause 14.2.1 (*Termination*).

Termination Event has the meaning given to it in Clause 14.2.1 (*Termination*).

Termination Notice has the meaning given to it in Clause 14.2.1 (*Termination*).

Transfer means, in relation to a Bill, Note or Guaranteed Buyer Payment, an endorsement and physical delivery, or purported endorsement and physical delivery by the Financial Institution of the relevant original Bills and/or Notes that relate to such Guaranteed Buyer Payment, to and in favour of UK Export Finance (or a New UKEF Financial Institution) pursuant to the purchase of the Bills and/or Notes at par, as contemplated by Clause 11.1 (*Purchase of Bills and/or Notes at UK Export Finance's option*).

UK or **United Kingdom** means the United Kingdom of Great Britain and Northern Ireland.

Valid Claim means a Claim which complies with the conditions set out in Clause 4.4 (*Validity of Claims*).

Warranty means, with respect to each Bill and Note, a warranty by the Supplier or Financial Institution as required by (and in the relevant form annexed to) the Guarantee Letter and signed on behalf of the Supplier or Financial Institution by a director or other officer thereof duly authorised to do so and accompanied by the documents specified therein, and **Warranties** shall be construed accordingly.

1.2 Interpretation

- 1.2.1 Unless a contrary indication appears, any reference in any Guarantee Document to:
 - (a) the **Financial Institution**, the **Buyer**, any **Surety**, the **Supplier**, any **Party** or any other person shall be construed to include its successors in title, permitted assigns and permitted transferees to, or of, its relevant rights and/or obligations;
 - (b) **assets** includes present and future properties, revenues and rights of every description;
 - (c) a **Finance Document**, **Guarantee Document**, **Supply Contract** or any other agreement or instrument is a reference to that Finance Document, Guarantee Document, Supply Contract, or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (d) guarantee (noun) means any guarantee, letter of credit, payment undertaking, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
 - (e) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

- (f) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (g) a **record** includes any information, records or documents, whether in electronic format or otherwise;
- (h) a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being a guideline with which institutions of a relevant similar type generally comply) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation, either as enacted or, if applicable, as it has effect from time to time in the United Kingdom, including as retained EU law within the meaning of the European Union (Withdrawal) Act 2018;
- (i) control and controlled means, in relation to a company (the company controlled), control of the company controlled:
 - (i) 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
 - (ii) 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
 - (iii) through a chain of companies, each of which controls the next by the means described at sub-paragraph (i) and/or (ii) above;
- (j) a provision of law is a reference to that provision as amended or re-enacted;
- (k) a time of day is a reference to London time;
- (I) the singular includes a reference to the plural, and vice versa; and
- (m) including means including without limitation and in particular means in particular but without limitation (and includes and particular or any similar concepts are interpreted accordingly).
- 1.2.2 Section, clause and schedule headings are for ease of reference only.
- 1.2.3 Unless a contrary indication appears, a term used in any other Guarantee Document or in any notice given under or in connection with any Guarantee Document has the same meaning in that Guarantee Document or notice as defined in:
 - (a) first, the Guarantee Letter; and
 - (b) secondly, if not defined in the Guarantee Letter, these Guarantee Standard Terms and Conditions.
- 1.2.4 Unless a contrary indication appears, where in any Guarantee Document it states that UK Export Finance **may** do something or take such step as it considers appropriate, or where in any Guarantee Document any discretion, power or right is conferred on UK Export Finance, it

- shall be interpreted to mean that UK Export Finance may do that thing, or take that step or exercise that discretion, power or right conclusively and in its sole, absolute and unfettered discretion and without consultation or notice to any other person.
- 1.2.5 Where any Guarantee Document refers to a limit or amount in one currency it shall be, where the context requires, a reference to that amount in that currency (or equivalent in another currency or currencies) applying the Spot Rate.
- 1.2.6 In relation to any reference in any Guarantee Document to the Financial Institution applying or complying with (or similar concept) its policies and procedures, the Financial Institution shall be responsible for determining (acting reasonably) whether or not it has so applied or complied.
- 1.2.7 A breach of any Guarantee Document by the Financial Institution is continuing if it has not been waived in writing by UK Export Finance.
- 1.2.8 A reference to a Financial Institution, Buyer, Surety, Supplier, Finance Document, Supply Contract or any other term that relates to a specific Bill or Note is to be determined by reference to the Guarantee Letter that relates to that Bill or Note.

1.3 Third party rights

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999, or the law of any other Relevant Jurisdiction governing the rights of third parties, to enforce or to enjoy the benefit of any term of the Guarantee Agreement.

2 Conditions precedent

- 2.1.1 UK Export Finance shall have no liability to the Financial Institution under the Guarantee Agreement until each of the documents, payments and other evidence listed in paragraph 5.1 of the Guarantee Letter:
 - (a) has been received by UK Export Finance, in form and substance satisfactory to UK Export Finance; or
 - (b) UK Export Finance has waived or deferred the requirement for those documents, payments or other evidence that have not been so received.
- 2.1.2 Once UK Export Finance has received all the documents, payments and other evidence in accordance with Clause 2.1.1(a) above or it has agreed to waive or defer those documents, payments or other evidence not so received in accordance with Clause 2.1.1(b) above, UK Export Finance shall notify the Financial Institution in writing (the date of such notification being the Cover Start Date, unless the notification specifies another date as the Cover Start Date, in which case such alternate date will be the Cover Start Date).

3 UK Export Finance Support Fee

3.1 Obligation to pay Support Fee

3.1.1 In consideration of the undertakings of UK Export Finance to the Financial Institution contained in the Guarantee Agreement, the Financial Institution agrees to pay (or shall procure payment on its behalf of) the Support Fee to UK Export Finance in the amount and at the times agreed in the Guarantee Letter.

3.1.2 All payments of a Support Fee shall be non-refundable unless UK Export Finance (acting in its sole discretion) confirms in writing otherwise.

4 Guarantee and interest on Defaulted Amounts

4.1 Guarantee

Subject to Clause 4.3 (*Liability of UK Export Finance*), UK Export Finance undertakes that, following receipt by UK Export Finance of a Valid Claim, it will pay to the Financial Institution on the relevant Default Payment Date (or such earlier date, as elected by UK Export Finance and notified in writing to the Financial Institution), the Defaulted Amount due pursuant to that Valid Claim, along with any interest due on that Defaulted Amount in accordance with Clause 4.2 (*Interest on Defaulted Amounts*).

4.2 Interest on Defaulted Amounts

- 4.2.1 Subject to Clause 10.5 (*Adjustments*), on the Default Payment Date for a Default Payment Period during which there is no Recovery, UK Export Finance shall, in addition to the relevant Defaulted Amount (which is the subject of a Valid Claim), pay to the Financial Institution the sum of the amounts produced by calculating interest on that Defaulted Amount for the relevant Delay Interest Period, during that Default Payment Period, at the Delay Interest Rate.
- 4.2.2 Subject to Clause 10.5 (Adjustments), on the Default Payment Date for any Default Payment Period during which there are one or more Recoveries, UK Export Finance shall, in addition to the Defaulted Amount which is the subject of a Valid Claim, pay to the Financial Institution the sum of the amounts produced by calculating interest on the Defaulted Amount for each successive Delay Interest Period, during the Default Payment Period, at the Delay Interest Rate.

4.3 Liability of UK Export Finance

- 4.3.1 UK Export Finance shall have no liability for or in relation to any Default Interest.
- 4.3.2 The liability of UK Export Finance under the Guarantee Agreement shall not be impaired or discharged by reason of a Finance Document being amended or waived, provided that such amendment or waiver is in accordance with the terms of the Guarantee Agreement.
- 4.3.3 UK Export Finance shall have no liability to the Financial Institution in relation to any amounts that are due to the Financial Institution other than for:
 - (a) a Guaranteed Buyer Payment that is the subject of a Valid Claim;
 - (b) interest due on Defaulted Amounts in accordance with Clause 4.2 (*Interest on Defaulted Amounts*); and
 - (c) any amounts due to be reimbursed by UK Export Finance to the Financial Institution, pursuant to Clause 10.3 (*Sharing Recovery costs*).

4.4 Validity of Claims

A Claim shall be a Valid Claim only if, at the date the Claim Notice that relates to it is delivered to UK Export Finance, the relevant Claim satisfies all of the following:

(a) it is issued no later than ninety (90) days after the Discharge Date;

- (b) it is not a Post-Termination Claim or a Suspension Claim;
- (c) it is issued in respect of a Buyer Default that is continuing;
- it only requests payment from UK Export Finance for an Applicable Loss that has arisen during the Cover Period;
- (e) it accurately identifies in reasonable detail the quantum and nature of the Applicable Loss for which the Financial Institution is claiming payment from UK Export Finance;
- (f) it accurately confirms the Default Payment Date upon which the Defaulted Amount should be paid;
- (g) the Claim Notice has been delivered by the Financial Institution to UK Export Finance in accordance with Clause 18.1 (Claim Notices);
- (h) it is delivered to UK Export Finance:
 - (i) in respect of an initial Claim, no later than thirty (30) days (or such longer period as may be agreed by UK Export Finance); or
 - (ii) in respect of any subsequent Claim, no later than ten (10) days,

after the date on which the relevant Guaranteed Buyer Payment became due and payable but was not paid;

- (i) the Financial Institution has actual or constructive possession of the sole physical original of each Bill and Note to which the Claim relates;
- (j) it includes the Financial Institution's calculation, as at four (4) Business Days prior to the relevant Default Payment Date, of the amount of interest it has calculated would be payable by UK Export Finance pursuant to Clauses 4.2.1 or 4.2.2 (*Interest on Defaulted Amounts*);
- (k) it is accompanied by copies of the Financial Institution's demand to the Buyer and any Surety for payment, repayment or reimbursement, as the case may be, of the Applicable Losses; and
- (I) in relation to the Applicable Losses claimed, all representations and warranties set out in Clause 6.1 (*Representations and warranties*) were true in all material respects when they were given and/or deemed repeated.

4.5 Further information and delivery of original Bills and/or Notes

- 4.5.1 Within ten (10) Business Days of submitting a Claim Notice, the Financial Institution shall use its best endeavours to deliver to UK Export Finance all material correspondence or other documentation relating to the Financial Institution's demand to the Buyer or Surety for payment, repayment or reimbursement, as the case may be.
- 4.5.2 Within ten (10) Business Days of submitting a Claim Notice, the Financial Institution shall endorse in favour of UK Export Finance and deliver to UK Export Finance, the physical original of each Bill and/or Note that relates to the relevant Guaranteed Buyer Payment(s).

4.6 Request for information

Without prejudice to UK Export Finance's obligations under Clause 4.1 (*Guarantee*) to pay a Valid Claim, or the Financial Institution's obligation to provide information under Clause 4.5 (*Further information*), the Financial Institution shall within ten (10) Business Days of a request from UK Export Finance, use its best endeavours to provide any additional supporting information and documents relating to:

- (a) a Claim and its validity; or
- (b) any Bill and/or Note,

which UK Export Finance requests at any time.

4.7 Illegality

Notwithstanding any provision of the Guarantee Agreement, UK Export Finance shall not be required to take any action or make any payment where the taking of that action or the making of the payment would, in its opinion, be unlawful in England and Wales, the place in which that action is to be taken or the place to which any payment is to be made.

5 Payments and withholdings

5.1 Payments

- 5.1.1 All payments to be made by UK Export Finance to the Financial Institution under the Guarantee Agreement shall be made in the Base Currency to the bank account identified in the Guarantee Letter, or such other account as the Financial Institution may from time to time notify UK Export Finance in writing.
- 5.1.2 If UK Export Finance and the Financial Institution so agree in writing, any amount expressed to be payable by UK Export Finance under the Guarantee Agreement for the account of the Financial Institution may be paid in a currency other than the Base Currency.
- 5.1.3 Any payment which requires conversion into the Base Currency prior to being made by UK Export Finance shall be converted at the Spot Rate calculated by UK Export Finance.

5.2 Withholdings

- 5.2.1 If UK Export Finance is required by any law or regulation of the UK to make any deduction or withholding from any sum payable by UK Export Finance to the Financial Institution (other than a deduction or withholding on account of Tax on the overall net income of the Financial Institution), then the sum payable by UK Export Finance (in respect of which such deduction or withholding is required to be made) shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Financial Institution receives a net sum equal to the sum that it would have received had no such deduction or withholding been made. UK Export Finance shall promptly send to the Financial Institution the Tax certificate relating to the sum deducted or withheld.
- 5.2.2 If the Financial Institution is required by any law or regulation of a country other than the UK to make any deduction or withholding from any sum payable to any other Party, then the Financial Institution:

- (a) shall increase the sum payable in respect of which such deduction or withholding is required to be made to the extent necessary to ensure that, after the making of that deduction or withholding, UK Export Finance shall receive a net sum equal to the sum which it would have received had no such deduction or withholding been made; and
- (b) shall promptly send to UK Export Finance a Tax certificate relating to the sum deducted or withheld.
- 5.2.3 For the purpose of the Guarantee Agreement, the Financial Institution must act through the same office as it is acting for the purposes of purchasing the Bills and/or Notes.
- 5.2.4 If the Financial Institution acts for the purposes of the Guarantee Agreement through an office located outside the UK it shall, on demand, indemnify UK Export Finance against any liability to pay any Tax or duty which UK Export Finance may incur in connection with the Guarantee Agreement by reason of the Financial Institution acting through such an office.
- 5.2.5 The Financial Institution agrees that, to the extent that there is any shortfall in any amount payable to it due to:
 - (a) UK Export Finance having no obligation to increase a payment in respect of any deduction or withholding under Clause 5.2.1 above; or
 - (b) the provisions of Clause 5.2.2 above,

it will not seek to claim such shortfall from UK Export Finance.

- 5.2.6 The amount of any deduction or withholding for, or on account of, any present or future Taxes, fees, assessments or other charges of whatever nature imposed by any governmental authority (not being the governmental authority in the jurisdiction of incorporation or, if different, the tax residency, of the Buyer or any Surety) in respect of any sum:
 - (a) payable by the Buyer or any Surety to or for the account of the Financial Institution pursuant to a Finance Document; or
 - (b) receivable by the Financial Institution pursuant to a Finance Document,

shall be deemed to have been received by the Financial Institution on the date such sum was payable or receivable, as the case may be.

- 5.2.7 If UK Export Finance makes a Tax Payment and the Financial Institution determines that:
 - (a) a Tax Credit is attributable to:
 - (i) an increased payment of which that Tax Payment forms part, to that Tax Payment; or
 - (ii) to a Tax Deduction in consequence of which that Tax Payment was required; and
 - (b) the Financial Institution has obtained and utilised that Tax Credit,

the Financial Institution shall pay an amount to UK Export Finance which the Financial Institution determines will leave it (after that payment) in the same after-Tax position as it

would have been in had the Tax Payment not been required to be made by UK Export Finance.

6 Representations and warranties of the Financial Institution

6.1 Representations and warranties

The Financial Institution represents and warrants to UK Export Finance that:

- (a) subject to the Legal Reservations, the obligations under the Finance Documents are legal, valid, binding on and enforceable against:
 - (i) the Buyer; and
 - (ii) any Surety,

in each case insofar as the entity is a party to such Finance Document;

- (b) the Financial Institution has undertaken such due diligence in respect of the Relevant Bill and/or Note that, in line with its policies and procedures, it would have undertaken if that Relevant Bill and/or Note were not covered by the Guarantee Agreement;
- (c) each of:
 - (i) the Supplier;
 - (ii) the Buyer; and
 - (iii) any Surety,

has represented to the Financial Institution that it has obtained (and will maintain in full force and effect) all Authorisations required under any applicable law or regulation to enable it to perform its obligations under the Finance Documents and the Supply Contract to which it is a party, and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation and the applicable jurisdiction of each Finance Document and the Supply Contract;

- (d) it has the sole legal and beneficial entitlement to:
 - (i) each Guaranteed Buyer Payment; and
 - (ii) any payments due from any Surety in relation to any Guaranteed Buyer Payments,

and all of its right, title and interest in and to each Guaranteed Buyer Payment and any payments due from any Surety in relation to any Guaranteed Buyer Payments, are free and clear of any Security or Quasi-Security;

- (e) other than as permitted pursuant to Clauses 10.5.4 (*Purchase of Bills or Notes*) or 15 (*Transferability*), it has not made any Disposal of any of its right, title or interest in or to any Guaranteed Buyer Payments or any payments due from any Surety in relation to any Guaranteed Buyer Payments;
- (f) it is entitled to:

- (i) allow the inspection of; and
- (ii) provide,

information and copies of records and documents to UK Export Finance as required pursuant to its obligations under the Guarantee Agreement, including pursuant to Clause 8.1 (*Information about Guaranteed Buyer Payments*) and Clause 8.2 (*Inspection*) other than where, after taking all reasonable steps to enable it to make such a representation, the Financial Institution is prevented from being able to do so in relation to any Buyer Payment as a consequence of a change of law in a Relevant Jurisdiction that occurs after the date of the purchase by the Financial Institution of the applicable Bill and/or Note (as the case may be) to which the Buyer Payment relates;

- (g) it is validly incorporated and existing under the laws of its jurisdiction of incorporation and has all requisite capacity, power and authority to own its assets and to conduct its operations in the manner in which they are currently owned and conducted;
- (h) it has duly and validly entered into each Guarantee Document (to which it is a party);
- (i) the purchase by it of (or, as the case may be, entry into) any Finance Documents and its entry into any Guarantee Documents, its rights and obligations thereunder and all other agreements related thereto do not conflict with:
 - (i) any law or regulation applicable to it or binding on its assets;
 - (ii) its constitutional documents;
 - (iii) any agreement or instrument binding on it or any of its assets; or
 - (iv) any order or judgment of any court or other agency of government applicable to it;
- (j) it can freely Transfer its right, title and interest in or to any of the Relevant Buyer Payments, or any payments due from any Surety in respect of any Relevant Buyer Payments, to UK Export Finance and UK Export Finance can exercise its rights of subrogation, in either case without:
 - (i) the need to obtain the consent of the Buyer, any Surety or other person, or where such consent is required, that consent has been obtained in writing; or
 - (ii) needing to take any further actions (including, without limitation, to acquire consent, issue any notice, notarise or apostille any document, make any registration or payment of fees) other than those actions set out as Prescribed Steps or as set out in Clause 10.5.4 (*Purchase of Bills or Notes*),

other than where, after taking all reasonable steps to enable it to make such a representation, the Financial Institution is prevented from being able to do so in relation to any Relevant Buyer Payments as a consequence of a change of law in a Relevant Jurisdiction that occurs after the date of the purchase of the applicable Bill and/or Note to which the Relevant Buyer Payment relates;

(k) all factual information provided by it and/or any of its Affiliates to UK Export Finance in relation to the Finance Documents and the Guarantee Documents was true and

accurate in all material respects as at the date it was provided, as far as the Financial Institution Team was aware at that time (having made reasonable enquiries and having complied with the Financial Institution's policies and procedures);

- it is not entitled to claim immunity for itself or its assets from suit, execution, attachment or other legal process in any proceedings taken in its jurisdiction of incorporation, or in any other jurisdiction, in relation to the Guarantee Documents;
- (m) it has not breached any material provision of any of the Guarantee Documents (including, without limitation, there has been no misrepresentation by it in respect of the representations and warranties given in the Financial Institution Letter of Undertaking); and
- (n) it will not create and has not created any new physical originals of a Bill and/or Note without the prior written consent of UK Export Finance.

6.2 Repetition

- 6.2.1 The Financial Institution makes the representations and warranties at Clause 6.1 (*Representations and warranties*) on the date of the Guarantee Letter.
- 6.2.2 The Repeating Representations are also deemed to be repeated by the Financial Institution by reference to the facts and circumstances then existing on:
 - (a) each date it is required to comply with its information obligations at Clause 8.1 (*Information about Guaranteed Buyer Payments*);
 - (b) each date it makes a Claim; and
 - (c) each Default Payment Date.

6.3 Buyer Payment eligibility criteria

Buyer Payments in relation to a Bill and/or Note (the **Relevant Buyer Payment**) will be **Guaranteed Buyer Payments** if, subject to Clauses 9.3 (*Unauthorised changes*) and 14.2 (*Termination*), on the date the Bill or Note to which the Relevant Buyer Payment relates (the **Relevant Bill and/or Note**) is purchased by the Financial Institution:

- (a) the Relevant Bill and/or Note is payable to the Financial Institution in accordance with its terms;
- (b) the Relevant Bill and/or Note is purchased by the Financial Institution from the Supplier during the Cover Period and in accordance with the Approved Credit Terms;
- (c) the Financial Institution has received or issued (in each case as required under the Guarantee Letter) a Warranty in relation to the Relevant Bill and/or Note;
- (d) the Relevant Buyer Payment is not a Post-Termination Buyer Payment or a Suspension Buyer Payment;
- (e) the Relevant Bill and/or Note satisfies any Special Conditions;
- (f) subject to the Legal Reservations, the obligations under the Relevant Bill and/or Note are legal, valid, binding on and enforceable against:

- (i) the Buyer; and
- (ii) any Surety (where such Surety has added its aval to the Relevant Bill and/or Note),

and, in the opinion of the Financial Institution Team, having made reasonable enquiries and complied with the Financial Institution's policies and procedures, the Relevant Bill and/or Note is in the correct form for enforcement (whether through legal process or arbitration) against the Buyer, subject to the completion of any formalities for enforcement:

- (g) subject to the Legal Reservations, and as far as the Financial Institution Team is aware (having made reasonable enquiries and complied with the Financial Institution's policies and procedures) the obligations under any Finance Documents, other than the Relevant Bill and/or Note, are legal, valid, binding on and enforceable against:
 - (i) the Buyer; and
 - (ii) any Surety;
- (h) subject to the Legal Reservations, the Finance Documents and the Guarantee Documents have been duly and validly executed and delivered (as required) by the Financial Institution and the obligations expressed to be assumed by the Financial Institution are legal, valid, binding and enforceable on the Financial Institution;
- (i) if there is a Surety, the Surety has assumed an unconditional liability to the holder of the Relevant Bill or Note for the due payment of the Relevant Buyer Payments if the Buyer fails to pay any of the amounts due, by the Relevant Bill or Note either bearing the endorsement or "aval" of that Surety or pursuant to an independent suretyship agreement or instrument;
- (j) either:
 - (i) the Financial Institution has sole legal and beneficial entitlement to:
 - (A) the Relevant Bill and/or Note; and
 - (B) any payments due to it from any Surety that relate to the Relevant Bills and/or Notes; or
 - (ii) the Financial Institution has:
 - (A) sole legal and beneficial entitlement to the Relevant Bill and/or Note; and
 - (B) has had assigned or transferred to it the benefit of any payments due to the Supplier that relate to the Relevant Bill and/or Note,

(both (i)(A) and (i)(B) together being the **Relevant Instruments**), and its right, title and interest in and to the Relevant Instruments are free and clear of any Security or Quasi-Security;

- (k) as far as the Financial Institution Team is aware, having made reasonable enquiries and having complied with the Financial Institution's policies and procedures, no party to any of the Finance Documents has breached any material provision of the Finance Documents to which it is a party;
- (I) other than as permitted pursuant to Clauses 10.5.4 (*Purchase of Bills or Notes*) or 15 (*Transferability*), the Financial Institution has not made any Disposal of any of its right, title or interest in and to the Relevant Instruments;
- (m) the Financial Institution is entitled to:
 - (i) allow the inspection of; and
 - (ii) provide,

information and copies of records and documents to UK Export Finance as required pursuant to its obligations under the Guarantee Agreement, including pursuant to Clause 8.1 (*Information about Guaranteed Buyer Payments*) and Clause 8.2 (*Inspection*);

- (n) as far as the Financial Institution Team is aware, having made reasonable enquiries and having complied with the Financial Institution's policies and procedures, each of:
 - (i) the Supplier;
 - (ii) the Buyer; and
 - (iii) any Surety,

has obtained (and is maintaining in full force and effect) all Authorisations required under any applicable law or regulation to enable it to perform its obligations under the Finance Documents and the Supply Contract to which it is a party, and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation and the applicable jurisdiction of each Finance Document;

- (o) the Financial Institution can freely Transfer its right, title and interest in and to any of the Relevant Instruments to UK Export Finance and UK Export Finance will be entitled to exercise such transferred right, title and interest and its rights of subrogation, in either case without:
 - (i) the need to obtain the consent of the Buyer, any Surety or other person, or where such consent is required, that consent has been obtained in writing; or
 - (ii) needing to take any further actions (including, without limitation, to acquire consent, issue any notice, notarise or apostille any document, make any registration or payment of fees) other than those actions set out as Prescribed Steps or as set out in Clause 10.5.4 (*Purchase of Bills or Notes*);
- (p) the entry into the Finance Documents and the Guarantee Document, the obligations within such documents and all other related agreements do not conflict with:
 - (i) any law or regulation applicable to the Financial Institution or binding on the Financial Institution's assets:

- (ii) the Financial Institution's constitutional documents;
- (iii) any agreement or instrument binding upon the Financial Institution or any of the Financial Institution's assets: or
- (iv) any order or judgment of any court or other agency of government applicable to the Financial Institution;
- (q) as far as the Financial Institution Team is aware, having made reasonable enquiries and having complied with the Financial Institution's policies and procedures, the purpose of the Relevant Instruments was limited to the financing of:
 - (i) the payment of the Support Fee on the Financial Institution's behalf; and/or
 - (ii) the liabilities of the Buyer to the Supplier under the Supply Contract; and
- (r) the Supplier has delivered to the Financial Institution (or its nominee) the physical original of the Relevant Bill and/or Note and such original is the sole physical original of that Bill and/or Note.

7 General undertakings of the Financial Institution

- 7.1 The Financial Institution undertakes to UK Export Finance that, from the date of the Guarantee Letter until the Discharge Date has occurred and all of the Guaranteed Buyer Payments are irrevocably discharged in full:
 - (a) it shall promptly obtain, comply with and do all that is necessary or desirable to maintain in full force and effect any Authorisation required under any applicable law or regulation to enable it to perform its obligations under the Guarantee Documents;
 - (b) it shall utilise its best endeavours to promptly obtain, comply with and do all that is necessary or desirable to maintain in full force and effect any Authorisation required under any applicable law or regulation to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation (and the applicable jurisdiction of each Finance Document and Guarantee Document) of each Finance Document and Guarantee Document, and promptly notify UK Export Finance in writing if it is unable to do so;
 - (c) it shall not create or allow to subsist any Security or Quasi-Security over any of its right, title or interest in and to:
 - (i) any Guaranteed Buyer Payment; or
 - (ii) any Surety's obligations under the Finance Documents; and
 - (d) other than as permitted pursuant to Clauses 10.5.4 (*Purchase of Bills or Notes*) or 15 (*Transferability*), it shall not enter into a single transaction or a series of transactions to Dispose of any of its right, title or interest in and to:
 - (i) any Guaranteed Buyer Payment; or
 - (ii) any Surety's obligations under the Finance Documents.

- 7.2 The Financial Institution undertakes to UK Export Finance that, promptly and as and when required during the Cover Period:
 - (a) it shall take all such measures as are necessary or desirable to protect, preserve and enforce the rights, powers and discretions of the Financial Institution and UK Export Finance under or in connection with the Finance Documents and any Guaranteed Buyer Payment, including (but not limited to) promptly, effectively and validly making presentment for payment, giving notice of dishonour and noting and protesting the dishonour of a Bill and/or Note and taking all other steps and following and complying with all other requirements and formalities that may be required or desirable under any applicable law in connection with enforcing any Bill and/or Note;
 - it shall do nothing to prejudice or adversely affect the Financial Institution's or UK
 Export Finance's rights against the Buyer or Surety under or in connection with any of the Finance Documents and any Guaranteed Buyer Payment;
 - (c) it shall not take any action (or refrain from taking any action) if it knows (or should reasonably know) that taking (or refraining from taking) that action may prejudice or adversely affect (in any material respect) any right or interest of UK Export Finance under the Guarantee Agreement;
 - (d) in relation to Clauses 8.2.3 and 8.2.4 (*Inspection*), the Financial Institution shall:
 - (i) furnish such oral or written explanations of any Records (within the Financial Institution's knowledge) as any of UK Export Finance's authorised representatives, employees or personnel (as the case may be) request; and
 - (ii) permit them to take copies of any of the Records which they request;
 - (e) it shall comply with its policies and procedures, and with applicable law and regulation, in carrying out Financial Institution Due Diligence; and
 - (f) if (in relation to Financial Institution Due Diligence) the Financial Institution Team makes any material adverse finding, the Financial Institution shall within five (5) Business Days:
 - (i) notify UK Export Finance of that finding; and
 - (ii) provide UK Export Finance with a reasonable level of detail (as determined by UK Export Finance) and supporting documentation regarding that finding.
- 7.3 The Financial Institution shall not directly use the name of HM Government, Export Credits Guarantee Department or UK Export Finance, or refer to the existence of any of the Guarantee Documents, in connection with the raising of funds from any capital market, without the prior written consent of UK Export Finance.

8 Information undertakings

The undertakings in this Clause 8 remain in force from the date of the Guarantee Agreement for so long as:

- (a) any liabilities in relation to any Guaranteed Buyer Payment exist; or
- (b) any actual or contingent obligation to pay any money by one Party to the other exists,

and (in each case) has not been paid or discharged in full.

8.1 Information about Buyer Payments

- 8.1.1 The Financial Institution shall, within ten (10) Business Days of a request from UK Export Finance:
 - (a) supply UK Export Finance with complete, certified copies of any Bill, Note and any other Finance Documents, and any information relating to any Buyer Payments; and
 - (b) use its best endeavours to provide any other information UK Export Finance requests,

in each case, in such form as notified by UK Export Finance from time to time.

- 8.1.2 The Financial Institution will provide all Warranties in relation to any Buyer Payments within ten (10) Business Days of receipt of a written request from UK Export Finance.
- 8.1.3 The Financial Institution shall, within five (5) Business Days, notify UK Export Finance if any of the Financial Institution Team at any time becomes aware that:
 - (a) any event of default (howsoever described) has occurred under any of the Finance Documents:
 - (b) the Buyer or any Surety has failed to pay any of its payment obligations to the Financial Institution on its due date;
 - (c) any material breach has occurred under the Supply Contract or one or more circumstances are in existence that the Financial Institution considers are reasonably likely to lead to a Buyer Default and/or a Claim;
 - (d) there has been a misrepresentation by the Supplier or any breach of a Warranty;
 - (e) any Applicable Loss has occurred; or
 - (f) any:
 - (i) fraud has (or may have) occurred in relation to any Bill and/or Note, unless the Financial Institution is prevented by law or regulation from notifying UK Export Finance of such fraud;
 - (ii) matter in relation to any Bill and/or Note exists or has arisen that results at any time in the Financial Institution's requirements as described in the definition of "Financial Institution Due Diligence" not being satisfied in full; or
 - (iii) material breach of any of the Financial Institution's policies and procedures by the Financial Institution in relation to any aspect of the Finance Documents,

and, in the case of each of sub-paragraphs (f)(i) to (iii) above, provide UK Export Finance with details of any investigative, enforcement or remedial action taken or intended to be taken by the Financial Institution to address such situation.

8.2 Inspection

- 8.2.1 Upon written notice given by UK Export Finance at any time, the Financial Institution shall (within ten (10) Business Days) allow any person(s) specified by UK Export Finance to visit any premises of the Financial Institution during normal business hours to inspect and take copies of any records at or accessible from those premises relating to any of the Buyer Payments.
- 8.2.2 The Financial Institution shall provide all reasonable assistance to UK Export Finance in relation to any such inspection.
- 8.2.3 Without prejudice to Clause 8.2.1 above, the Financial Institution shall permit any:
 - (a) UK Export Finance employee; or
 - (b) person authorised by UK Export Finance (approved by the Financial Institution, such approval not to be unreasonably withheld or delayed),

to visit, during business hours, any of the Financial Institution's premises where any Administration Records are kept, or UK Export Finance believes may be kept, for the sole purpose of inspecting, auditing and taking copies of any Administration Records, provided that UK Export Finance gives the Financial Institution at least ten (10) Business Days' notice of that required visit.

- 8.2.4 The Financial Institution shall permit any:
 - (a) UK Export Finance employee; or
 - (b) person authorised by UK Export Finance (approved by the Financial Institution, such approval not to be unreasonably withheld or delayed),

to visit, during business hours, any of the Financial Institution's premises where any Mandate Records are kept, or UK Export Finance believes may be kept, in order to inspect any Mandate Records to the extent necessary to verify the accuracy of any statements made and/or any information given, by the Financial Institution in the Guarantee Agreement, provided that UK Export Finance gives the Financial Institution at least ten (10) Business Days' notice of that required visit.

8.3 Document retention

Unless otherwise agreed with UK Export Finance, the Financial Institution shall retain all its records relating to (or in connection with) the Finance Documents until seven (7) years after the Discharge Date, or longer if so requested by UK Export Finance.

8.4 No misleading information

The Financial Institution shall ensure that any information provided by it to UK Export Finance in relation to any of the Finance Documents, the Guarantee Documents or any Guaranteed Buyer Payment was, as far as the Financial Institution Team was aware at that time, having made reasonable enquiries and having complied with the Financial Institution's policies and procedures, true and accurate in all material respects as at the date it was provided or as at the date (if any) as of which it is stated.

9 Amendments

9.1 Changes to the Finance Documents or Supply Contract

- 9.1.1 If the Financial Institution wishes to:
 - (a) make a material change to any Finance Document; or
 - (b) consent to a material change to a Bill, Note or the Supply Contract,

it must request UK Export Finance's prior consent to approve the change by delivering a Change Request.

- 9.1.2 Upon UK Export Finance's request, the Financial Institution must provide UK Export Finance with any information UK Export Finance requests in relation to any Change Request.
- 9.1.3 UK Export Finance may approve (without conditions), approve (with conditions) or reject the Change Request within ten (10) Business Days (or such number of Business Days as UK Export Finance notifies the Financial Institution in writing it requires) by notifying the Financial Institution in writing accordingly.
- 9.1.4 If UK Export Finance approves the Change Request with conditions, the Financial Institution may accept those conditions by notifying UK Export Finance in writing or not approve the change in respect of which the Change Request was submitted.

9.1.5 Where:

- (a) UK Export Finance notifies the Financial Institution of its approval (without conditions) pursuant to Clause 9.1.2 above; or
- (b) the Financial Institution gives UK Export Finance notice pursuant to Clause 9.1.4 above that it accepts the conditions to UK Export Finance's approval,

the Financial Institution may proceed with all (but not part) of the relevant changes covered by the relevant Change Request subject to compliance with UK Export Finance's conditions (if any).

9.2 Change notifications

The Financial Institution shall, within ten (10) Business Days of any change referred to in Clause 9.1 (*Changes to the Finance Documents or Supply Contract*) taking effect, notify UK Export Finance of such change.

9.3 Unauthorised changes

If the Financial Institution makes any change contemplated in Clause 9.1.1 (*Changes to the Finance Documents or Supply Contract*) which:

- (a) is not previously approved by UK Export Finance under Clause 9.1.3 (*Changes to the Finance Documents or Supply Contract*); or
- (b) is so accepted but any conditions set by UK Export Finance pursuant to Clause 9.1.3 (*Changes to the Finance Documents or Supply Contract*) are not complied with,

any Guaranteed Buyer Payments shall cease, from the date of such change, to be Guaranteed Buyer Payments, unless UK Export Finance (acting in its sole discretion) confirms in writing that such Buyer Payments shall constitute Guaranteed Buyer Payments.

9.4 Changes to the Guarantee Documents

Any term of a Guarantee Document may be amended or waived only with the signed written agreement of UK Export Finance and the Financial Institution and any such amendment or waiver will be binding on all Parties.

10 Enforcement action and Recoveries

10.1 Financial Institution enforcement action

Prior to submitting a Claim to UK Export Finance under the Guarantee Agreement, the Financial Institution must have made demand for relevant Guaranteed Buyer Payment(s) from the Buyer and any Surety. Nothing in this Clause 10.1 requires the Financial Institution to commence legal proceedings prior to submitting the relevant Claim.

10.2 Enforcement action

In relation to any Buyer Payment:

- (a) the Financial Institution shall comply with any instructions provided by UK Export Finance in respect of the Financial Institution's exercise of its rights and remedies against the Buyer or any Surety in respect of such Buyer Payment and the Finance Documents, including, if required, making a demand in respect of such Buyer Payment and taking such enforcement and other action within its power and making such claims against the Buyer or any Surety to obtain such recoveries as UK Export Finance requires (noting for completeness that other than demanding payment under the Finance Documents in accordance with Clause 10.1 (Financial Institution enforcement action) these additional actions are not pre-conditions to the Financial Institution submitting the relevant Claim);
- (b) other than demanding payment under the Finance Documents in accordance with Clause 10.1 (*Financial Institution enforcement action*), making presentment for payment, giving notice of dishonour and noting and protesting any dishonour and following any other requirements that are necessary or desirable for preserving, protecting and effectively enforcing the rights of the Financial Institution against the Buyer and all other parties to the Bill and/or Note and against any Surety, the Financial Institution will not take legal action to enforce the liabilities of the Buyer or any Surety in respect of any Buyer Payment or take other legal proceedings in connection with obtaining such recoveries or do, or fail to do, anything which (in either case) may have the effect of prejudicing, extinguishing, waiving, releasing or reducing the right, remedies or recoveries of the Financial Institution under or in connection with the Finance Documents, without the prior written consent of UK Export Finance; and
- (c) the Financial Institution will promptly supply all necessary information required by UK Export Finance to assist it to provide instructions or consents under this Clause 10.

10.3 Sharing Recovery costs

In relation to a Claimed Amount, to the extent the Financial Institution does not deduct its reasonable costs and expenses incurred by the Financial Institution in taking any reasonable enforcement or recovery action from any sums collected, received or recovered by it before it pays UK Export Finance any amount pursuant to Clause 10.4 (*Payment of Recoveries*) (as contemplated by the definition of "Recovery"), UK Export Finance shall reimburse the Financial Institution within ten (10) Business Days of demand at any time any reasonable costs and expenses incurred by the Financial Institution (and approved in advance in writing by UK Export Finance) in taking any enforcement or recovery action, save such reimbursement obligations shall not apply to costs and expenses:

- (a) incurred before the Buyer Default which led to the Claim;
- (b) incurred in circumstances where the Financial Institution was not in compliance with its obligations under Clause 12.1 (*Duty of care*) or Clause 12.2 (*Duty to minimise losses and maximise Recoveries*);
- (c) that are internal costs and expenses; or
- (d) that have not been the subject of any demand for reimbursement from the Buyer or any Surety or are not due and owing from the Buyer or any Surety,

and, to the extent that the Financial Institution shall have deducted any excess amount or any amount for costs and expenses listed in (a) to (d), the Financial Institution shall promptly notify UK Export Finance and pay UK Export Finance an amount equal to any such excess and such listed costs and expenses.

10.4 Payment of Recoveries

- 10.4.1 The Financial Institution undertakes to UK Export Finance that it will, after UK Export Finance has made any payment pursuant to a Claim:
 - (a) under Clause 4 (Guarantee and interest on Defaulted Amounts); or
 - (b) of expenses further to Clause 10.3 (Sharing Recovery costs),

pay to UK Export Finance (when received), in such manner as UK Export Finance shall from time to time direct the Financial Institution in writing, any Recoveries in respect of or in relation to, the Defaulted Amount in such Claim, or the reasonable costs and expenses paid pursuant to Clause 10.3 (*Sharing Recovery costs*).

10.4.2 Following payment of a Claim by UK Export Finance, if the Financial Institution receives any Recoveries, the Financial Institution shall apply such Recoveries in satisfaction of the Defaulted Amount paid pursuant to that Claim, in priority to discharging other amounts.

10.5 Adjustments

- 10.5.1 Notwithstanding any other provision of Clause 4 (*Guarantee and interest on Defaulted Amounts*), the Financial Institution shall notify UK Export Finance as soon as practicable in writing:
 - (a) if at any time during a Default Payment Period the Financial Institution receives, recovers or realises any sum, including where the collection, receipt or recovery is by

- way of set-off or similar, in relation to a Bill or Note (a **Default Payment Period Recovery**) and how such sum is applied and the amount of any Defaulted Amount still outstanding following such Default Payment Period Recovery; and (separately)
- (b) if at any time there is a Default Payment Period Recovery, of any amount of Default Interest that is paid to the Financial Institution pursuant to that Default Payment Period Recovery; and (separately)
- (c) of the amount of any Excess Interest (defined below) that has been received by the Financial Institution which has not previously been taken into account in the calculation of any sum payable by UK Export Finance under the Guarantee Agreement.
- 10.5.2 For the purposes of this Clause 10.5, Excess Interest means the sum by which any Default Interest that relates to any Defaulted Amount, and which has been received by the Financial Institution, exceeds the amount of Delay Interest paid or payable by UK Export Finance in respect of that Defaulted Amount.
- 10.5.3 If any Excess Interest is received, recovered or realised by the Financial Institution:
 - (a) any liability of UK Export Finance under Clauses 4.2.1 and 4.2.2 (*Interest on Defaulted Amounts*) arising during a relevant Default Payment Period subsequent to a Default Payment Period Recovery shall be reduced by the amount of the relevant Excess Interest;
 - (b) if the relevant Excess Interest exceeds such liability of UK Export Finance:
 - (i) the amount of the Excess Interest may be applied against any subsequent liability of UK Export Finance to make payments under Clause 4.1 (*Guarantee*) in relation to a Bill or Note; or
 - (ii) UK Export Finance may demand the amount of the Excess Interest received, recovered or realised by the Financial Institution be paid to UK Export Finance and the Financial Institution will pay such amounts within five (5) Business Days of such demand; and
 - if all or any part of the Excess Interest is not applied as provided in sub-paragraphs (i) and (ii) above before all liability of UK Export Finance to make payments in relation to the Guaranteed Buyer Payments under Clause 4 (*Guarantee and interest on Defaulted Amounts*) is discharged, the balance of the Excess Interest received, recovered or realised by the Financial Institution shall be paid to UK Export Finance by the Financial Institution on the date of such discharge.
- 10.5.4 If a Recovery is made after notification by the Financial Institution pursuant to Clause 4.4(j) (*Validity of Claims*) but prior to the relevant Default Payment Date, the Financial Institution shall, as soon as practicable following such Recovery:
 - (a) notify UK Export Finance in writing of the details of such Recovery together with the revised amount of interest payable by UK Export Finance pursuant to Clause 4.2.1 (*Interest on Defaulted Amounts*) or Clause 4.2.2 (*Interest on Defaulted Amounts*) as at that date; and
 - (b) immediately refund to UK Export Finance any excess amounts received by the Financial Institution.

11 Purchase of Bills or Notes

11.1 Purchase of Bills and/or Notes at UK Export Finance's option

- 11.1.1 UK Export Finance may, at any time on or after giving written notice to the Financial Institution, purchase or (subject to the Financial Institution completing satisfactory "know your customer" diligence in relation to the proposed nominee, to a person or persons nominated by UK Export Finance) procure the purchase by its nominee, through UK Export Finance, on the date specified in the written notice, any:
 - (a) Bill; or
 - (b) Note,

as specified in such notice at par by way of Transfer.

- 11.1.2 The Financial Institution shall, on the date set out in such notice, Transfer and deliver possession of such Bill and/or Note identified in the notice together with all unpaid interest and other amounts accrued under such Bill and/or Note up to the date of such Transfer to UK Export Finance or New UKEF Financial Institution(s) and assign to UK Export Finance its corresponding rights under any Security and against any Surety, as the case may be and the Financial Institution shall within ten (10) Business Days take any step and execute any documentation in relation to, or to give effect to, such Transfer and assignment as UK Export Finance requires, including:
 - (a) providing reasonable evidence of the Financial Institution's corporate authority and due execution;
 - (b) effecting any registrations and carrying out any other relevant formalities; and
 - (c) giving notices to the Buyer, Supplier, any Surety or any other person.
- 11.1.3 Any notice given by UK Export Finance pursuant to Clause 11.1.1 above shall be irrevocable.

11.2 Undertakings of the Financial Institution to UK Export Finance

- 11.2.1 Following any such notification as is referred to in Clause 11.1 (*Purchase of Bills and/or Notes at UK Export Finance's option*), the Financial Institution undertakes to provide such assistance to UK Export Finance as UK Export Finance may from time to time reasonably require to effect the Transfer and assignment in favour of UK Export Finance or one or more New UKEF Financial Institution(s) who may be willing to purchase all or any of the Financial Institution's Bills and/or Notes as specified in such notice and its corresponding rights under any Security and against any Surety in respect of such Bills and/or Notes.
- 11.2.2 The Financial Institution undertakes to pay any costs it incurs associated with any endorsement pursuant to Clause 11.1 (*Purchase of Bills and/or Notes at UK Export Finance's option*) by it to UK Export Finance or one or more New UKEF Financial Institution(s).

12 Nature of Parties' relationship

12.1 Duty of care

Notwithstanding any other provision of any Guarantee Document but without prejudice to UK Export Finance's obligations under Clause 4.1 (*Guarantee*) or affecting Clause 12.2 (*Duty to*

minimise losses and maximise Recoveries), in relation to the Finance Documents and each Guaranteed Buyer Payment, the Financial Institution shall:

- (a) comply with its policies and procedures in all material respects;
- (b) exercise the same degree of skill, care and competence as a reasonably skilled, experienced and competent international financial institution that was regularly engaged in providing trade and export finance (including, where negotiable instruments are used) would exercise had the Buyer Payment not been a Guaranteed Buyer Payment with the benefit of UK Export Finance's obligations under Clause 4.1 (Guarantee); and
- (c) at all times act in good faith in relation to UK Export Finance.

12.2 Duty to minimise losses and maximise Recoveries

- 12.2.1 Notwithstanding any other provision of any Finance Document, but without prejudice to UK Export Finance's obligations under Clause 4.1 (*Guarantee*), Clause 10.2 (*Enforcement action*) and Clause 12.2.2, in relation to each Guaranteed Buyer Payment, the Financial Institution shall use reasonable efforts to:
 - (a) prevent or minimise Applicable Losses; and
 - (b) maximise the amount of any Recoveries.
- 12.2.2 Nothing in any Guarantee Document shall oblige the Financial Institution to exercise any rights of set-off, enforcement rights in relation to any Security or Quasi-Security or similar rights it may have against the Buyer or any Surety.

13 Subrogation of Guaranteed Buyer Payments

13.1 Subrogation

In addition to all rights of subrogation arising by operation of any applicable law, to the extent that UK Export Finance pays a Claim, UK Export Finance shall be subrogated to:

- all of the Financial Institution's rights of recovery against the Buyer, any Surety or any other person in respect of any Guaranteed Buyer Payments and any Security in respect of the same;
- (b) all of the Financial Institution's right, title and interest in and to, and its right to receive, all or part of the payment obligations which constitute any Guaranteed Buyer Payments and any Security in respect of the same; and
- (c) all of the Financial Institution's rights against the Buyer or any Surety pursuant to the Finance Documents in respect of any Guaranteed Buyer Payments and any Security in respect of the same.

13.2 Subrogation free of encumbrances

Such rights of subrogation shall be free and clear of all claims, defences, counterclaims, rights of set-off and any Security or encumbrances of or in favour of the Financial Institution and shall include all the Financial Institution's right, title and interest in the Guaranteed Buyer Payments and any Security for those Guaranteed Buyer Payments corresponding to the

Claim (including any corresponding rights, title and interest in and to the Finance Documents and against any Surety, including (but not limited to) any rights to Default Interest in relation to such Guaranteed Buyer Payments).

14 Suspension and Termination

14.1 Suspension

- 14.1.1 Following:
 - (a) a Termination Event; or
 - (b) a material breach by the Financial Institution, Buyer, Surety or Supplier of:
 - (i) any Guarantee Document;
 - (ii) the Supply Contract; or
 - (iii) any Finance Document,

UK Export Finance may, by written notice to the Financial Institution, suspend its guarantee obligations (a **Suspension Notice**). This suspension shall continue until UK Export Finance notifies the Financial Institution in writing that such suspension has ceased (a **Cessation Notice**).

- 14.1.2 Any Buyer Payments in respect of any Bills and/or Notes purchased after the date of a Suspension Notice and prior to UK Export Finance issuing a Cessation Notice in relation to the relevant Suspension Notice will not be Guaranteed Buyer Payments (such payments being **Suspension Buyer Payments**) and any Claims in respect of the same will not be Valid Claims (such claims being **Suspension Claims**).
- 14.1.3 A Suspension Notice shall have no effect on any Guaranteed Buyer Payments that have been purchased prior to the issuance of the Suspension Notice.

14.2 Termination

- 14.2.1 If one or more of the following events has occurred (each a **Termination Event**):
 - (a) the Buyer or any Surety has failed to make a payment when due or within any originally applicable grace period, in respect of the Supply Contract or a Finance Document;
 - (b) there is introduced any restriction having the force of law which, in either the Financial Institution's or UK Export Finance's opinion, would prevent:
 - (i) the Buyer or any Surety from complying with any payment obligations under any of the Finance Documents or Supply Contract; or
 - (ii) the performance of any of the Guarantee Documents by any party thereto;
 - (c) the Supplier, the Buyer, any Surety or the Financial Institution:
 - (i) has had a receiving order made against it or an order has been made for the administration of its affairs;

- (ii) has been adjudicated insolvent or an order has been made for it to be wound up;
- (iii) has been dissolved or disestablished or has suffered the confiscation or sequestration of all or a significant part of its assets; or
- (iv) had steps taken to lead to any of the same or to a result of like effect;
- (d) war, civil war, or a deterioration in the financial or political position of the country in which the Buyer, the Supplier, any Surety or the Financial Institution is incorporated or operates which means the Buyer, the Supplier, any Surety or the Financial Institution would be unable to meet its respective obligations under any of the Finance Documents, Supply Contract or any of the Guarantee Documents;
- (e) if:
 - (i) any statement made to UK Export Finance by the Supplier in relation to the Supply Contract, or the basis on which the Guarantee Agreement was entered into, was a misrepresentation; or
 - (ii) any information given in a Warranty by the Supplier or Financial Institution is incorrect or untrue in any respect considered material by UK Export Finance; or
- (f) if any statement or information provided by the Financial Institution to UK Export Finance in relation to any of the Guarantee Documents, the Finance Documents or the Parties' entry into the Guarantee Agreement, was a misrepresentation, incorrect or untrue, in any material respect as at the date it was provided or as at the date (if any) as of which it was stated,
- UK Export Finance may, by written notice to the Financial Institution, terminate its guarantee obligations and not guarantee any future Buyer Payments (a **Termination Notice**).
- 14.2.2 Any Buyer Payments in respect of any Bills and/or Notes purchased after the date of a Termination Notice will not be Guaranteed Buyer Payments (such payments being **Post-Termination Buyer Payments**) and any Claims in respect of the same will not be Valid Claims (such payments being **Post-Termination Claims**).
- 14.2.3 Except in relation to a notification pursuant to Clause 14.2.1(f) above, a Termination Notice shall have no effect on any Guaranteed Buyer Payments that have been purchased by the Financial Institution prior to the issuance of the Termination Notice.
- 14.2.4 Following a notification in relation to Clause 14.2.1(f) above where:
 - (a) the statement or information provided by the Financial Institution originated from, or was authored by, the Financial Institution or its Affiliates; and
 - (b) any of the Financial Institution Team was aware when the information was provided or stated that the statement or information:
 - (i) was a misrepresentation; or
 - (ii) was untrue or incorrect; or

- (c) the Financial Institution Team had failed to:
 - (i) make reasonable enquiries; or
 - (ii) comply with the Financial Institution's policies and procedures, before providing the statement or information,

and (without prejudice to any rights and remedies at law to which UK Export Finance may be entitled) UK Export Finance may, at any time upon written notice to the Financial Institution, immediately deem all existing Guaranteed Buyer Payments as Post-Termination Buyer Payments and the Financial Institution must immediately refund to UK Export Finance:

- (A) an amount equal to the aggregate of the net sums which UK Export Finance has previously paid to the Financial Institution pursuant to Clause 4 (*Guarantee and interest on Defaulted Amounts*); and
- (B) any amount which UK Export Finance certifies it has incurred by way of interest costs expenses or legal fees in respect of any Bills and/or Notes, the Guarantee Documents and the Finance Documents (or any of them).

15 Transferability

15.1 Transfers by the Financial Institution

- 15.1.1 Subject to Clauses 15.1.2 and 15.2 below (*Conditions of transfer*), the Financial Institution (the **Existing Financial Institution**) may transfer by novation all (but not part only) of its rights and obligations under the Finance Documents and the Guarantee Documents to a New Financial Institution.
- 15.1.2 The Financial Institution may not transfer, novate or assign any of its rights or obligations under the Finance Documents or the Guarantee Documents without the prior written consent of UK Export Finance.

15.2 Conditions of transfer

A transfer will be effective only if:

- (a) the prior written consent of UK Export Finance has been obtained by the Existing Financial Institution;
- (b) the procedures set out in:
 - (i) Clause 15.4 (*Procedure for transfer*); and
 - (ii) the Finance Documents,

have been complied with;

(c) where a transfer is made to a New Financial Institution incorporated overseas which does not have a branch in the UK, such New Financial Institution irrevocably appoints an agent for service of process in relation to any proceedings before the English courts in connection with the Guarantee Documents that is confirmed in advance in writing by UK Export Finance as acceptable; and

(d) the New Financial Institution has provided a Financial Institution Letter of Undertaking to UK Export Finance, issued by it in its capacity as New Financial Institution and in form and substance confirmed in writing by UK Export Finance as acceptable.

15.3 Transfer fee

- 15.3.1 The Existing Financial Institution shall procure that the New Financial Institution shall, on or before the date upon which a transfer takes effect and it becomes party to the Guarantee Documents, pay to UK Export Finance a transfer fee as agreed with UK Export Finance.
- 15.3.2 Clause 15.3.1 above shall not apply if the transfer was requested by UK Export Finance under the Guarantee Documents.

15.4 Procedure for transfer

- 15.4.1 Subject to the conditions set out in Clause 15.2 (*Conditions of transfer*), a transfer of the Guarantee Agreement will be effected in accordance with this Clause 15.4 upon the execution by UK Export Finance of a Guarantee Transfer Certificate, delivered to it by the Existing Financial Institution confirming, among other things, that the New Financial Institution will assume the same obligations to:
 - (a) UK Export Finance (in respect of the Guarantee Documents); and
 - (b) the Supplier and the Buyer (in respect of the Finance Documents),

as it would have been under if it had been the Financial Institution at the date of execution of, respectively, the Guarantee Documents and the Finance Documents.

- 15.4.2 Notwithstanding the other provisions of this Clause 15, UK Export Finance shall only execute a Guarantee Transfer Certificate delivered to it by the Existing Financial Institution and the New Financial Institution once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws or internal policies in relation to the transfer to such New Financial Institution.
- 15.4.3 On the Guarantee Transfer Date:
 - (a) UK Export Finance and the Existing Financial Institution shall be released from further obligations towards one another under the Guarantee Documents and their respective rights against one another under the Guarantee Documents shall be cancelled (being the **Discharged Guarantee Rights and Obligations**); and
 - (b) UK Export Finance and the New Financial Institution shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Guarantee Rights and Obligations only insofar as that UK Export Finance and the New Financial Institution have assumed and/or acquired the same in place of UK Export Finance and the Existing Financial Institution.
- 15.4.4 UK Export Finance confirms that the terms of this Guarantee Agreement shall continue in full force and effect and it shall not be released by any transfer by the Existing Financial Institution in accordance with this Guarantee Agreement.

16 Business Days

Any payment under a Guarantee Document which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

17 Set-off

Both UK Export Finance and the Financial Institution may set off any undisputed matured obligation due from one of them to the other under any of the Guarantee Documents against any undisputed matured obligation owed by them to the other Party under any of the Guarantee Documents, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Party setting off the amounts may convert either obligation at the Spot Rate determined by UK Export Finance for the purpose of the set-off.

18 Communications

18.1 Claim Notices

- 18.1.1 The Financial Institution must deliver a Claim Notice substantially in the form set out in Schedule 1 (*Claim Notice*) or, if UK Export Finance has specified a different form to the Financial Institution (with at least ten (10) Business Days' notice), in substantially that most recent form, and executed on behalf of the Financial Institution by one or more authorised signatories.
- 18.1.2 To effect delivery, a Claim Notice must be posted to the address set out in Clause 18.3 (*Addresses*), and/or emailed to the following address:

claims@ukexportfinance.gov.uk,

or such other address as UK Export Finance specifies from time to time to the Financial Institution with at least ten (10) Business Days' notice.

18.2 Communications in writing

Any communication or notice to be made under or in connection with the Guarantee Documents shall, unless otherwise agreed by UK Export Finance, be made in writing and, unless otherwise stated, may be made by letter or email (and, unless expressly agreed otherwise by the Parties, to avoid doubt, not by fax).

18.3 Addresses

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

UK Export Finance

Address: UK Export Finance

1 Horse Guards Road

London SW1A 2HQ

Email: UPP@ukexportfinance.gov.uk

Attention: Head of UPP Division

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

18.3.2 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 to the Financial Institution under or in connection with any of the Guarantee Documents shall be as confirmed in the Guarantee Letter.

18.4 Delivery

Communications served in accordance with this Clause 18 will be deemed served on the Business Day of delivery provided delivery is before 5.00pm on a Business Day. Otherwise delivery will be deemed to occur on the next Business Day. An email will be deemed delivered when sent unless an error message is received.

18.5 English language

- 18.5.1 Any communication or notice given under (or in connection with) any of the Guarantee Documents must be in English.
- 18.5.2 All other documents provided under (or in connection with) any Guarantee Document must be:
 - (a) in English; or
 - (b) if not in English, and if so required by UK Export Finance, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

19 Day count convention

Any interest, commission or fee accruing under a Guarantee Document will accrue from day to day, and is calculated on the basis of the actual number of days elapsed and a year of three hundred and sixty (360) days (except when the currency of the Defaulted Amount is one in respect of which interest is normally calculated using a year of three hundred and sixty five (365) days, in which case it shall accrue from day to day on that basis).

20 Partial invalidity and breach of law

20.1 Partial invalidity

If, at any time, any provision of a Guarantee Document is or becomes illegal, invalid or unenforceable in any respect under any law of any relevant jurisdiction, neither the legality, validity or enforceability of the remaining provisions, nor the legality, validity or enforceability of such provision under the law of any other jurisdiction, will in any way be affected or impaired.

20.2 No breach of law

Without prejudice to Clause 22.6 (*No obligation to act unlawfully*), no provision of a Guarantee Document shall oblige either Party to act unlawfully, in breach of any requirement of any court or any regulatory body, or contrary to any regulation in relation to the supply of information.

21 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of either Party, any right or remedy under a Guarantee Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Guarantee Documents. No election to affirm any Guarantee Document on the part of either Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Guarantee Document are cumulative and not exclusive of any rights or remedies provided by law.

22 Confidentiality and Records

22.1 Confidential Information

Subject to Clause 22.2 (Disclosure by UK Export Finance), UK Export Finance will:

- (a) treat all Confidential Information and Guarantee Confidential Information it receives as confidential and not disclose it to any other person without the prior written permission of the Financial Institution; and
- (b) not use or exploit the Financial Institution's Confidential Information or Guarantee Confidential Information in any way except for the purposes related to the Guarantee Agreement.

22.2 Disclosure by UK Export Finance

Notwithstanding Clause 22.1 (*Confidential Information*), UK Export Finance may disclose Confidential Information and/or Guarantee Confidential Information, which it receives from the Financial Institution:

- to UK Export Finance's employees, agents, consultants, advisers and contractors, any of UK Export Finance's insurers and/or reinsurers and any other party with whom UK Export Finance may potentially enter into insurance or reinsurance arrangements (including their agents, brokers and consultants);
- (b) to any successor body or company to which UK Export Finance transfers or proposes to transfer all or any part of its business;
- (c) to any person to whom information is required or requested to be disclosed:
 - (i) by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
 - (ii) in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes; or

- (iii) by an international organisation of which UK Export Finance or the United Kingdom is a member;
- (d) to any other UK government department and otherwise to the extent that UK Export Finance deems disclosure to be necessary or appropriate in connection with carrying out its public functions and duties;
- (e) for any examination pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which UK Export Finance has used its resources:
- (f) to the Serious Fraud Office, the National Crime Agency or any other governmental authority in accordance with UK Export Finance's financial crimes compliance policies, where UK Export Finance has reasonable grounds to believe that any other party is involved in activity that may constitute a criminal offence under the Bribery Act 2010;
- (g) publishing in UK Export Finance's annual report (on its website or elsewhere) provided that the disclosure is limited to: the details of the names of the Buyer and the Supplier and the country in which the Supply Contract is to be performed, a short description of the items supplied under the Supply Contract, the type and amount of UK Export Finance support provided and the potential environmental and/or social impact category that UK Export Finance has assigned to the Supply Contract; or
- (h) to any person with the consent of the Financial Institution (such consent not to be unreasonably withheld or delayed).

22.3 UK Export Finance Guarantee Agreement

The Financial Institution may disclose the Guarantee Agreement (or any of its constituent parts) to any person to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under the Guarantee Agreement without any prior consent of UK Export Finance.

22.4 Freedom of information

- 22.4.1 Each Party acknowledges that UK Export Finance is subject to the requirements of the Information Legislation, and will:
 - (a) provide all necessary assistance and cooperation, as reasonably requested by UK Export Finance, to enable UK Export Finance to comply with its obligations under the Information Legislation;
 - (b) transfer to UK Export Finance all Requests for Information relating to the Guarantee Agreement, Supply Contract or the Finance Documents that it receives as soon as practicable and in any event within two (2) Business Days of receipt;
 - (c) provide UK Export Finance with a copy of all information held (or deemed to be held) by UK Export Finance requested in the Request for Information which is in its possession or control in the form that UK Export Finance requires within five (5) Business Days (or such other period as UK Export Finance may reasonably specify) of UK Export Finance's request for such information; and

- (d) not respond directly to a Request for Information, unless authorised in writing to do so by UK Export Finance.
- 22.4.2 Each Party acknowledges that UK Export Finance may be required under the Information Legislation to disclose information concerning any Party (including Confidential Information and commercially sensitive information) without consulting or obtaining consent from that Party. Notwithstanding this, if UK Export Finance receives a request under the Information Legislation to disclose information concerning any Party, UK Export Finance will endeavour, in accordance with any relevant guidance issued under the Information Legislation, and to the extent that it is lawful for UK Export Finance to do so, to:
 - (a) prior to the making of a disclosure pursuant to the Information Legislation, provide the relevant Party with details of the request received and give that Party an opportunity to make representations on the applicability of any exemption in the Information Legislation in relation to the information which has been requested;
 - (b) consider any such representations received from that Party; and
 - (c) if UK Export Finance determines that disclosure pursuant to the Information Legislation is required, advise that Party of the scope and content of any disclosure in advance of disclosing that information.
- 22.4.3 UK Export Finance will be responsible for determining in its absolute discretion whether any information relating to any Party is exempt from disclosure in accordance with the Information Legislation.

22.5 Entire agreement

This Clause 22 constitutes the entire agreement between the Parties in relation to the obligations of UK Export Finance under the Guarantee Document regarding Guarantee Confidential Information and Confidential Information and supersedes any previous agreement, whether express or implied, regarding Guarantee Confidential Information and Confidential Information.

22.6 No obligation to act unlawfully

Nothing in this Clause 22, or in any other provision of the Guarantee Agreement relating to the supply of information, obliges either Party to act:

- (a) unlawfully;
- (b) in breach of any requirement of any regulatory or investigatory body; or
- (c) in breach of any duty of confidence, save that the Financial Institution shall ensure that there is no contractual duty of confidentiality binding on it (including in any of the Finance Documents) that would prevent or restrict it from providing documents and information to UK Export Finance concerning any aspect of the Finance Documents or any Guaranteed Buyer Payments.

23 Amendments in writing

No purported amendment to the terms of any Guarantee Document shall be effective unless recorded in writing and signed on behalf of the Parties.

24 Counterparts

Each Guarantee Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Guarantee Document.

25 Governing law

The Guarantee Agreement and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

26 Enforcement

26.1 Jurisdiction

- 26.1.1 The courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with any of the Guarantee Agreement (including a dispute relating to the existence, validity or termination of any of the Guarantee Agreement or any non-contractual obligation arising out of or in connection with any of the Guarantee Agreement) (a **Dispute**).
- 26.1.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

26.2 Service of process

- 26.2.1 If the Financial Institution is:
 - (a) incorporated; or
 - (b) has its centre of main interest,

in a jurisdiction outside England and Wales, it will irrevocably appoint an agent for service of process in relation to any proceedings before the English courts in connection with any Guarantee Document and provide proof of such appointment (to the reasonable satisfaction of UK Export Finance).

- 26.2.2 The Financial Institution agrees that, following such appointment, the failure by an agent for service of process to notify the Financial Institution of the process will not invalidate the proceedings concerned.
- 26.2.3 Without prejudice to any other mode of service allowed under any relevant law, any Service Document relating to proceedings before the English courts may be served on the Financial Institution at its agent for service of process or otherwise at the applicable address under Clause 18 (*Communications*). That service may be made by pre-paid first class recorded delivery post or any other method allowed by law.
- 26.2.4 If the Financial Institution wishes to change its address for service to a different address in England or Wales, it may do so by giving UK Export Finance at least twenty (20) Business Days' written notice of its new address for service.
- 26.2.5 In this Clause, **Service Document** means any claim form, application notice, judgment, order or other notice of legal process relating to the Guarantee Agreement.

26.2.6 If any person appointed as an agent of the Financial Institution for service of process is unable (for any reason) to act as agent for service of process, the Financial Institution shall within ten (10) Business Days appoint another agent (on terms acceptable to UK Export Finance). Failing this, UK Export Finance may appoint another agent of the Financial Institution for this purpose.



Schedule 1 - Claim Notice

From: [***insert name of Financial Institution***] (the Financial Institution)1 The Secretary of State acting by the Export Credits Guarantee Department operating as To: **UK Export Finance (UK Export Finance)** Date: {***} **CLAIM NOTICE** Dear Sirs, Guarantee Letter dated [insert] with reference number [insert Guarantee Letter reference number] incorporating the UKEF Guarantee Standard Terms and Conditions (together the Guarantee Agreement) between the Financial Institution and UK Export Finance 1. We refer to the Guarantee Agreement. This is a Claim Notice. Pursuant to clause 4 (Guarantee and interest on Defaulted Amounts) of the Guarantee 2. Agreement we hereby request that UK Export Finance pays us the following sum of {***insert currency and amount***} which we confirm corresponds to Applicable Losses in relation to the following [Bill]/[Note]: {***insert full details of the relevant Bill/Note and the Applicable Losses***} We confirm the relevant Guaranteed Buyer Payment, in relation to which the Buyer Default has occurred, was due on [insert date]. For and on behalf of [***insert name of Financial Institution***] acting by:

¹ Please ensure this Claim Notice is delivered to UK Export Finance in accordance with Clause 18.1 (*Claim Notices*). Please note a soft copy should be emailed and a hard copy posted to UK Export Finance.

Schedule 2 – Form of Guarantee Transfer Certificate

To: [His Britannic Majesty's]²/[The]³ Secretary of State acting through the Export Credits Guarantee Department operating as UK Export Finance (**UK Export Finance**)

From: [The Existing Financial Institution] (the Existing Financial Institution) and [The New

Financial Institution] (the **New Financial Institution**)

Dated:

Guarantee letter dated [insert] with reference number [insert Guarantee Letter reference number] incorporating the UKEF Guarantee Standard Terms and Conditions dated [date] and entered into between (i) UK Export Finance and (ii) [insert name of Existing Financial Institution] (the Existing Financial Institution) (together the Guarantee Agreement)

- We refer to the Guarantee Agreement. This is a Guarantee Transfer Certificate. Terms defined in the Guarantee Agreement have the same meaning in this Guarantee Transfer Certificate unless given a different meaning in this Guarantee Transfer Certificate.
- We refer to clause 15.4 (*Procedure for transfer*) of the Guarantee Agreement:
 - (a) The Existing Financial Institution and the New Financial Institution agree to the Existing Financial Institution transferring to the New Financial Institution by novation, and in accordance with clause 15.4 (*Procedure for transfer*) of the Guarantee Agreement, all (but not part only) of the Existing Financial Institution's rights and obligations under the Guarantee Agreement.
 - (b) The proposed Guarantee Transfer Date is [] (or such other date as may be agreed between UK Export Finance, the Existing Financial Institution and the New Financial Institution).
 - (c) The New Financial Institution's address for notices for the purposes of clause 18.3 (Addresses) of the Guarantee Agreement [and the name and address of the New Financial Institution's process agent for the purposes of clause 26.2 (Service of process) of the Guarantee Agreement]⁴ are set out in the Schedule.
- 3 With effect from the Guarantee Transfer Date:
 - (a) UK Export Finance and the Existing Financial Institution shall be released from further obligations towards one another under the Guarantee Documents and their respective rights against one another under the Guarantee Documents shall be cancelled (being the **Discharged Guarantee Rights and Obligations**); and
 - (b) UK Export Finance and the New Financial Institution shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Guarantee Rights and Obligations only insofar as that UK Export Finance

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² Use where the New Financial Institution is based outside the UK.

³ Use where the Financial Institution is based in the UK.

⁴Include unless the New Financial Institution is incorporated in England and Wales.

and the New Financial Institution have assumed and/or acquired the same in place of UK Export Finance and the Existing Financial Institution.

- This Guarantee Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Guarantee Transfer Certificate.
- This Guarantee Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Guarantee Transfer Certificate has been entered into on the date stated at the beginning of this Guarantee Transfer Certificate.



SCHEDULE TO GUARANTEE TRANSFER CERTIFICATE

Address for notices:

Address:	[]
Attention:]]
Email:	[]

[Process agent:

[Name and address of the agent for service of process in relation to any proceedings before the English courts in connection with the Guarantee Agreement]]⁵

⁵Include unless the New Financial Institution is incorporated in England and Wales.

SIGNATURE PAGE TO GUARANTEE TRANSFER CERTIFICATE

For and on behalf of	For and on behalf of
[Existing Financial Institution]	[New Financial Institution]
Ву:	By:
This Guarantee Transfer Certificate is accepted Date is confirmed as [].	by UK Export Finance and the Guarantee Transfer
UK Export Finance	
Bv:	

[NOTE TO NEW FINANCIAL INSTITUTION: UK Export Finance will have no liability towards any New Financial Institution under the Guarantee Documents unless the New Financial Institution has provided a Financial Institution Letter of Undertaking (in form and substance satisfactory) to UK Export Finance.]