



APPLICATION AND INDEMNITY FOREIGN EXCHANGE FACILITY GUARANTEE (FXG)

SECTION A - EXPORTER PROFILE

Legal Name of Exporter: _____
Street Address: _____
City: _____ Province: _____ Postal Code: _____
Website: _____
Contact Name: _____ Contact Title: _____
Telephone: _____ - _____ - _____ Fax: _____ - _____ - _____ E-mail: _____

SECTION B – GENERAL EXPORTER INFORMATION

The Exporter's last fiscal year ended on: _____ (day) _____ (month) _____ (year), for which its Total Sales (expressed in Canadian Dollars) were \$ _____, of which its Export Sales (expressed in Canadian Dollars) were \$ _____.

The Exporter's 12 Month Projected Value of Canadian Exports* (expressed in Canadian Dollars): \$ _____.
**Goods of Canadian origin or manufacture, and/or services provided by Canadians (i.e. Contract Price less Foreign Supply).*

Number of years Exporter has been in business: _____. Number of years Exporter has been exporting: _____.

List countries outside Canada Exporter has done business in during the past three years: _____
_____.

List countries outside Canada Exporter intends to do business in the next year: _____
_____.

The total value of foreign exchange forward contracts (expressed in Canadian Dollars) issued for the 12 month period immediately preceding the date of this application was: \$ _____.

Is Exporter aware of any significant environmental risks associated with its usual export business, including environmental risks associated with its foreign buyers? Yes No

SECTION C - EDC SUPPORT REQUESTED

We request the FXG currency to be in: CAD USD

We request coverage for a maximum aggregate liability of: \$ _____.

SECTION D – CANADIAN FINANCIAL INSTITUTION PROFILE

Legal Name of Canadian financial institution (the "Financial Institution"): _____

Street Address: _____

City: _____ Province: _____ Postal Code: _____

Contact Name: _____ Contact Title: _____

Telephone: _____ - _____ - _____ Fax: _____ - _____ - _____ E-mail: _____

SECTION E – CONFIRMATION OF LANGUAGE PREFERENCE

The Exporter has explicitly requested and agreed that this Application and Indemnity and the documentation related thereto be written in the English language. Les parties aux présentes ont expressément demandé et convenu que la présente Proposition et Indemnisation et toute documentation y rattachée soient rédigées dans la langue anglaise.

SECTION F – THIS PART IS TO BE SIGNED BY THE FINANCIAL INSTITUTION

In accordance with the information given above, the Financial Institution hereby applies to EDC for an FXG. The Financial Institution declares that the information contained in parts C and D is true and correct. The Financial Institution has read EDC's FXG and understands and agrees to be bound by its provisions. The Financial Institution declares and warrants that it is not aware of any circumstances likely to give rise to a loss under the FXG applied for. The Financial Institution understands that the FXG will not be issued to it until EDC has received from the Exporter an indemnity agreement in favour of EDC, agreeing to indemnify EDC for any payment that EDC may make to the Financial Institution under the FXG.

Date Signed: _____ (day) _____ (month) _____ (year)

Authorized Signature: _____

Name & Title (please print): _____

SECTION G – AGREEMENTS, REPRESENTATIONS, AND WARRANTIES

The Exporter agrees, represents, and warrants the following:

Confirms Information Contained in the Application and Indemnity is True and Correct

(1) the information contained in this Application and Indemnity is true and correct;

Understands Additional Information May Be Required

(2) it understands that additional information may be required by EDC prior to the issuance of an offer in relation to the support requested in this Application and Indemnity and that, when supplied, any such additional information will form part of this Application and Indemnity;

Confirms Compliance with Applicable Criminal Laws Dealing with the Bribery of Public Officials

(3) with respect to the business to be supported by EDC: (a) it has not been and will not knowingly be party to any action which is prohibited by applicable criminal laws dealing with the bribery of public officials, including Canada's *Corruption of Foreign Public Officials Act*, (b) any agent or affiliate acting on its behalf has not been and will not knowingly be party to any action which is prohibited by such applicable criminal laws, and (c) upon request, it will provide to EDC a separate declaration signed by any such agent or affiliate in a form acceptable to EDC;

Confirms Commercial Contracts Do Not Contain Discriminatory Wording

(4) the commercial contracts do not contain any clauses or provisions requiring the contracting party to: (a) engage in discrimination based on the race, national or ethnic origin or religion of any person, (b) refuse to purchase from or sell to any other Canadian firms or individuals, (c) restrict commercial investment or other economic activity in any country, (d) produce any document (sometimes called a "negative certificate of origin") which by its terms confirms that particular goods or services have not originated from specific firms or places, (e) refuse to sell any goods and services to or buy any goods or services from, any country except that a buyer may define the country of origin of the goods and services, of specified non-Canadian origin that would be prohibited entry if imported directly, or (f) make a statement of fact to the effect that the party has not, or does not, deal with a named country, unless such statement is accompanied by a clause establishing clearly that such statement is not an indication of intent restricting such party's actions;

Confirms Not Aware of Any Circumstance Likely to Give Rise to a Loss

(5) it is not aware of any circumstance likely to give rise to a loss under the EDC support requested in this Application and Indemnity;

Authorizes EDC to Disclose Information to the Financial Institution

(6) it authorizes EDC to disclose to the Financial Institution any information that EDC may have in connection with its support hereunder, and

Understands Exporter Indemnity (Appendix 1) When Requesting Foreign Exchange Facility Guarantee Support and Agrees to Be Bound

(7) if requesting EDC support in the form of a Foreign Exchange Facility Guarantee, it understands the nature and effect of, and agrees to be bound by, the terms of the EXPORTER INDEMNITY WHEN REQUESTING FOREIGN EXCHANGE FACILITY GUARANTEE SUPPORT FROM EDC (attached as Appendix 1), and has had the opportunity to obtain independent legal advice in relation thereto.

IN WITNESS WHEREOF, the Exporter has affixed its corporate signature, attested by its proper officer in that behalf, to this Application and Indemnity.

Date Signed: _____ (day) _____ (month) _____ (year)

Authorized Signature: _____

Name & Title (please print): _____

KEEPING CORRUPTION OUT AND COMBATING DISCRIMINATION

As reflected in Section G(3) of this Application and Indemnity, under the auspices of the Organization for Economic Co-operation and Development (OECD), countries such as Canada, have agreed to take a concerted action to fight corruption. As such, legal measures to deter corruption are now in place in leading trading nations. Effective since 1999, Canada's Corruption of Foreign Public Officials Act makes it a criminal offence under Canadian law to bribe a foreign public official in the course of business, knowingly launder the property and proceeds of bribery, or possess such goods or monies with knowledge of their origin. Businesses convicted under the Act face heavy fines and individuals can be sentenced to a maximum of five years in jail. EDC has a legal, corporate, and ethical responsibility to ensure it is not knowingly providing support to a transaction involving the offer or the giving of a bribe.

As reflected in Section G(4) of this Application and Indemnity, Canadian Government policy calls for the denial of government support and assistance with respect to transactions where the parties have agreed to accept boycott provisions in contravention of this policy. Accordingly, if the Exporter makes a false declaration with respect to Section G(4), EDC reserves the right to impose sanctions on the Exporter as EDC deems appropriate and reasonable in the circumstances.

For more information on these and other EDC Corporate Social Responsibility initiatives and practices, please visit EDC's website at http://www.edc.ca/corpinfo/csr/index_e.htm.

APPENDIX 1

EXPORTER INDEMNITY WHEN REQUESTING FOREIGN EXCHANGE FACILITY GUARANTEE (FXG) SUPPORT FROM EDC

Definitions

1. Terms used in this Appendix 1 have the meanings ascribed to them above and the reference to "Indemnity" hereunder shall refer to this Appendix 1.

Liability of the Exporter

2. In consideration of the issuance of the FXG, the Exporter hereby unconditionally and irrevocably agrees to fully indemnify EDC against all claims and demands made under the FXG including the amount that EDC pays under the FXG and to be liable to and compensate EDC for and against all costs (including costs of enforcing this Indemnity), expenses and damages directly or indirectly arising or resulting from such claims and demands. The Exporter also agrees to pay interest to EDC on any such amounts, such interest to accrue from the date of demand by EDC to the date of payment at a rate per annum equal to the prime rate of interest for the currency of the FXG, both before and after judgment. Prime rate shall mean the prevailing prime rate charged by the Financial Institution to its most creditworthy customers as of the date of EDC's demand for payment.
3. The Exporter agrees that its liability hereunder shall not be varied or discharged by reason of the FXG or any related document being or becoming in whole or in part, illegal, unenforceable, void or discharged, or by reason of any negligence on the part of EDC. The Exporter's liability hereunder shall not be discharged or released except by full payment to EDC of all amounts payable to EDC hereunder.

Discretionary Powers of EDC

4. The Exporter absolutely and irrevocably authorizes EDC to (i) pay immediately at EDC's absolute and sole discretion, in whole or in part, any amounts claimed pursuant to the FXG, (ii) enter into any agreement with any person for the purpose of discharging, in whole or in part, EDC's obligation under the FXG, or (iii) take any other action in respect of the FXG.
5. The Exporter waives any requirement that EDC make demand upon or seek to enforce remedies against any person before demanding payment under, or seeking to enforce, this Indemnity. EDC shall not be bound to exhaust its recourse against any person or any collateral it may hold before demanding or being entitled to a payment under this Indemnity.
6. The Exporter agrees that without prejudice to EDC's rights and to the Exporter's liability under this Indemnity, EDC may (i) make any amendments to the FXG, (ii) waive any breach of the FXG, (iii) agree with the Financial Institution to extend, substitute or renew the FXG, or (iv) refuse to extend, substitute or renew the FXG.

Undertakings of the Exporter

7. The Exporter hereby waives any right of counterclaim, set-off, deduction, defense, or any right to notice or consultation with EDC which it may have, with the intent that it and its successors or assigns will not be able to claim or assert any such right in any legal proceedings which may be brought by EDC against the Exporter pursuant to this Application and Indemnity.
8. The Exporter will deliver or cause to be delivered to EDC within ninety (90) days after the end of the Exporter's financial year all financial statements, audited if available, and such other reports and information respecting the Exporter's financial condition and operation as EDC may reasonably request.
9. The Exporter will allow EDC and its representatives such access to its property and records as EDC may reasonably request.

Representations of the Exporter

10. If the Exporter is incorporated, the Exporter represents and warrants to EDC that (i) it is duly incorporated and validly subsisting under the laws of its place of incorporation, and (ii) this Application and Indemnity has been duly authorized, executed and delivered by it and is a legal, valid and binding obligation of the Exporter.

General

- 11. This Indemnity will be governed by the laws of the Canadian province or territory in which the Exporter has its registered head office.
- 12. EDC's rights, powers and remedies under this Indemnity are cumulative and are in addition to, and not in substitution for, any rights, powers or remedies provided or hereafter acquired by law or equity, or under any other agreement with EDC.
- 13. As a condition of issuing the FXG, EDC may require additional indemnitors to jointly and severally indemnify EDC against all claims and demands made under the FXG as contemplated under Section 2 of this Indemnity, in which case, the Exporter and all such indemnitors shall be jointly and severally liable to perform all of the obligations, covenants, terms and agreements contained in this Indemnity.

Notice

- 14. Any demand or notice to be given hereunder shall be given in writing to the other party and shall be sent by facsimile or prepaid registered mail. It shall be deemed to have been received, if sent by facsimile, on the day following the transmission thereof and, if sent by prepaid registered mail, on the fifth (5th) day after mailing, excluding Saturdays, Sundays and those statutory holidays upon which the offices of the addressee are normally closed for business. The addresses and facsimile numbers of the parties for the purposes of giving notice hereunder are as follows, or as may be notified in writing to the other party:

for EDC:

Export Development Canada
151 O'Connor Street
Ottawa, Canada
K1A 1K3
Fax: 613-237-2690

for the Exporter:

**The address and fax number indicated in Section A,
unless otherwise indicated below.**

- 15. This Indemnity is binding upon the Exporter and its heirs, executors, personal representatives, successors and assigns and shall enure to the benefit of EDC and its successors and assigns. It is hereby understood and agreed that the Exporter is bound by this Indemnity only in the event that an FXG is issued in response to this Application.