



APPLICATION AND INDEMNITY (CONTRACT FRUSTRATION INSURANCE AND BONDING PRODUCTS)

SECTION A - EXPORTER PROFILE

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

For the purposes of this Application and Indemnity, "export" means the export of goods out of Canada or the rendering of services to a person located outside Canada and "Exporter" means the exporter described in Section A of this Application and Indemnity.

Does the Exporter export goods and/or services in the normal course of its business and expect to continue to do so in the future?
 Yes No

Please complete the following table:

Sales and Export Information (starting with the fiscal year most recently completed):	Year ended (___ / ___ / ___) Day / Month / Year	Year ended (___ / ___ / ___) Day / Month / Year	Year ended (___ / ___ / ___) Day / Month / Year
Total Sales (in CAD)	\$ _____	\$ _____	\$ _____
Export Sales (in CAD)	\$ _____	\$ _____	\$ _____

Please briefly summarize the export business of the company: _____

Please briefly summarize the current and future sales/marketing efforts of the company in relation to markets/buyers outside Canada:

Is the Exporter aware of any significant environmental risks associated with this transaction, the end user, the buyer or the supplier?
 Yes No
 If Yes, please provide information on the environmental risks: _____

SECTION B - EXPORTER NEEDS ASSESSMENT

Exporter needs bonding and/or insurance support for an export contract. Yes No
 If "Yes" and if bonding support is needed, please carefully read and complete where necessary Sections C, F, G, H or I (as applicable) and J of this Application and Indemnity.
 If "Yes" and if insurance support needed, please carefully read and complete where necessary Sections C, F, G and J of this Application and Indemnity.

Exporter needs to post a guarantee to its supplier in order to be able to complete its export related contracts. Yes No
If "Yes", please carefully read and complete where necessary Sections D, F, G, H and J of this Application and Indemnity.

Exporter needs to set up a foreign working capital line for its overseas operations. Yes No
If "Yes", please carefully read and complete where necessary Sections E, F, G, H and J of this Application and Indemnity.

If the Exporter is unable to identify its needs through any of the aforementioned questions, please contact EDC directly.

SECTION C – EXPORT CONTRACT PROFILE

References to "Buyer" and "Contract" in this Section C of the Application and Indemnity mean the buyer and the contract described below.

Legal Name of Buyer: _____

Street Address: _____

City: _____ Prov/Terr/State: _____ Country: _____

Website: _____

Contract Description: _____

Has the Exporter entered into the Contract indirectly through a foreign subsidiary, joint venture, or other entity? Yes No
If "Yes", the Exporter's direct or indirect ownership percentage of the foreign entity is _____% and the entity is located in _____ (City), _____ (Country). If the foreign entity is not wholly-owned by the Exporter, the full legal name and location (City and Country) of any additional owners of the foreign entity are: _____

Contract Status: Bid Stage: Tender Date: _____ (day) _____ (month) _____ (year)
(check one)

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

Contract Price: Currency: _____ Amount: _____

Value of Canadian Exports*: Currency: _____ Amount: _____

*Goods of Canadian origin or manufacture, and/or services provided by Canadians (i.e. Contract Price less Foreign Supply).

C1 - CONTRACT FRUSTRATION INSURANCE

Is the Exporter requesting Contract Frustration Insurance support in relation to the Contract from EDC? Yes No
If "No", please proceed to Section C2. If "Yes", please continue.

Does the Buyer owe any amount to the Exporter which is in default for more than ninety (90) days or in dispute? Yes No

Does the Exporter anticipate any payment defaults or disputes with the Buyer? Yes No

What is the maximum amount that the Buyer will owe the Exporter at any one time? _____

C2 - BONDING

Is the Exporter requesting EDC support in relation to any bonding obligations it may have under the Contract? Yes No
If "No", please proceed to Section D. If "Yes", please continue.

Has the Exporter had any bank instrument or surety bond, issued on its behalf, called in the last three (3) years? Yes No

Legal Name of Foreign Bank or Surety (as applicable): _____

Street Address: _____

City: _____ Prov/Terr/State: _____ Country: _____

Legal Name of Canadian Bank: _____

Street Address: _____

City: _____ Province/Territory: _____ Postal Code: _____

Contact Name: _____ Contact Title: _____

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

Instructions for completing this table

Please provide the following information for each bank instrument or surety bond required by the Contract (i.e. one per row), and please indicate the EDC bonding product(s) you are requesting. If more than three bank instruments or surety bonds are required by the Contract, please continue on a separate sheet and attach to this Application and Indemnity. **References to "PSI", "PSG", and "SBF" mean Performance Security Insurance, Performance Security Guarantee, and Surety Bond Fronting, respectively.**

Type	Purpose	Currency / Amount	Start Date	End Date	Requested Support
#1 Bank Instrument Surety Bond	Bid Advance Payment Performance Warranty/Maintenance Labor & Material Payment Other: _____	_____ Currency _____ Amount	_____ Day _____ Month _____ Year	_____ Day _____ Month _____ Year	If Bank Instrument PSI PSG If Surety Bond SBF
#2 (if applicable) Bank Instrument Surety Bond	Bid Advance Payment Performance Warranty/Maintenance Labor & Material Payment Other: _____	_____ Currency _____ Amount	_____ Day _____ Month _____ Year	_____ Day _____ Month _____ Year	If Bank Instrument PSI PSG If Surety Bond SBF
#3 (if applicable) Bank Instrument Surety Bond	Bid Advance Payment Performance Warranty/Maintenance Labor & Material Payment Other: _____	_____ Currency _____ Amount	_____ Day _____ Month _____ Year	_____ Day _____ Month _____ Year	If Bank Instrument PSI PSG If Surety Bond SBF

Will any bank instrument or surety bond fluctuate in value as deliveries are made or as milestones are completed? Yes No

Will the Buyer be named as the beneficiary or obligee on all the bank instrument(s) or surety bond(s)? Yes No
If "No", who is the beneficiary or obligee? _____

SECTION D – SUPPLY CONTRACT PROFILE

References to "Supplier" and "Supply Contract" in this Section D of the Application and Indemnity mean the supplier and the supply contract described below.

Legal Name of Supplier: _____

Street Address: _____

City: _____ Prov/Terr/State: _____ Country: _____

Website: _____

Supply Contract Description: _____

Supply Contract Type (e.g. one-time equipment/service purchase or continual purchase/service agreement): _____

Supply Contract Price: Currency: _____ Amount: _____ Date: _____

Is the supply fully integrated into an export of goods/services pursuant to an export-related contract? Yes No
If "No", what percentage of the supply will be integrated into an export of goods/services pursuant to an export-related contract?

Does the Exporter owe any amount to the Supplier which is in default for more than ninety (90) days or in dispute? Yes No

Has the Exporter had any bank instrument or surety bond, issued on its behalf, called in the last three (3) years? Yes No

Instructions for completing this table

Please provide the following information with respect to the bank instrument required by the Supply Contract. Reference to "FSG" means Financial Security Guarantee.

FSG Supply	Currency	Amount	Start Date	End Date
			(__ / __ / __) Day / Month / Year	(__ / __ / __) Day / Month / Year

SECTION E – OFFSHORE WORKING CAPITAL FACILITY PROFILE

Legal Name of Foreign Bank: _____

Street Address: _____

City: _____ Prov/Terr/State: _____ Country: _____

Website: _____

Offshore Facility Description: _____

Legal Name of Canadian Bank: _____

Street Address: _____

City: _____ Province/Territory: _____ Postal Code: _____

Contact Name: _____ Contact Title: _____

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

Legal Name of Foreign Entity: _____
 Street Address: _____
 City: _____ Prov/Terr/State: _____ Country: _____
 Website: _____

What is the legal status of the foreign entity (e.g. joint venture, subsidiary, etc...)? _____
 The Exporter's direct or indirect ownership percentage of the foreign entity is _____% and the foreign entity is located in _____ (City), _____ (Country). If the foreign entity is not wholly-owned by the Exporter, the full legal name and location (City and Country) of any additional owners of the foreign entity are:

Facility Amount: Currency: _____ Amount: _____ Date: _____
[Please include copy of offshore facility term sheet with the application package.]

Instructions for completing this table

Please provide the following information with respect to the bank instrument required to support the offshore working capital facility.
Reference to "FSG" means Financial Security Guarantee.

FSG Offshore Facility	Currency	Amount	Start Date	End Date
			(__ / __ / __) Day / Month / Year	(__ / __ / __) Day / Month / Year

SECTION F – 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 G – AGREEMENTS, REPRESENTATIONS, AND WARRANTIES

The Exporter agrees, represents, and warrants that:

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, and acknowledges that EDC is entitled to deny liability under its Contract Frustration Insurance and Performance Security Insurance policies in the event that this Application and Indemnity contains a misrepresentation;

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 Buyer is Not Related

- (3) the Buyer under the Contract is not an Affiliate, where Affiliate means a person: (a) who has a direct or indirect equity interest in the Exporter, or a person in whom the Exporter has a direct or indirect equity interest, (b) who is related to the Exporter through a common third party's direct or indirect equity interest in both that person and the Exporter, (c) who, or whose direct or indirect owners, has a family relationship with the Exporter or the Exporter's direct or indirect owners, or (d) who has any other kind of relationship with the Exporter which could give rise to a concern on the part of a reasonable insurer that the Exporter might not behave as a prudent seller with respect to sales to such person, to the detriment of the Insurer;

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

- (4) with respect to the business to be supported by EDC: (a) neither we, nor our Affiliate, have been or will 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*, which makes it illegal for persons to, directly or indirectly, give, offer, or agree to offer a loan, reward, advantage or benefit of any kind to a foreign public official in order to obtain or retain an advantage in the course of business; (b) neither we, nor our Affiliate, nor to the best of our knowledge, anyone acting on our or our Affiliates' behalf, are currently under charge in a court or, within the last five years, have been convicted in a court for violation of laws against the bribery of foreign public officials of any country; and (c) upon request, we agree to provide to EDC the identity of persons acting on our and our Affiliates' behalf and the amount and purpose of commissions and fees paid, or agreed to be paid, to such persons. For the purposes of this paragraph, "Affiliate" has the meaning set forth in Section G(3) above;

Confirms Contract Does Not Contain Discriminatory Wording

- (5) the Contract does 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

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

Understands Offer Not Effective until Associated Premium or Fee is Paid

- (7) if it is satisfied with the terms of any offer of support that EDC may send to it after reviewing the request for support outlined in this Application and Indemnity, it understands that in order to accept any such offer, in addition to any other condition, it must pay the associated premium or fee before the offer expires, in order for such offer to become effective;

Applies to Bonding Products Only

Authorizes EDC to Disclose Information to any Bank or Surety

- (8) it authorizes EDC to disclose to any bank or surety any information that EDC may have in connection with its support hereunder;

Understands Exporter Indemnity When Requesting Performance Security Guarantee or Financial Security Guarantee Support and Agrees to Be Bound

- (9) if requesting EDC support in the form of a Performance Security Guarantee or a Financial Security Guarantee, it understands the nature and effect of, and agrees to be bound by, the terms of the EXPORTER INDEMNITY WHEN REQUESTING PERFORMANCE SECURITY GUARANTEE OR FINANCIAL SECURITY GUARANTEE SUPPORT FROM EDC (set forth in Section H of this Application and Indemnity), and has had the opportunity to obtain independent legal advice in relation thereto;

Understands Exporter Indemnity When Requesting Surety Bond Fronting Support and Agrees to Be Bound

- (10) if requesting EDC support in the form of Surety Bond Fronting, it understands the nature and effect of, and agrees to be bound by, the terms of the EXPORTER INDEMNITY WHEN REQUESTING SURETY BOND FRONTING SUPPORT FROM EDC (set forth in Section I of this Application and Indemnity), and has had the opportunity to obtain independent legal advice in relation thereto; and

Has Actively Sought Support from the Surety Market Without Success

- (11) if requesting EDC support in the form of Surety Bond Fronting, it or a broker on its behalf, as applicable, has actively sought support from the surety market in respect of this transaction, without success.

Keeping Corruption Out and Combating Discrimination

As reflected in Section G(4) 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. 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(5) 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(5), EDC reserves the right to impose sanctions on the Exporter as EDC deems appropriate and reasonable in the circumstances.

SECTION H – EXPORTER INDEMNITY WHEN REQUESTING PERFORMANCE SECURITY GUARANTEE OR FINANCIAL SECURITY GUARANTEE SUPPORT FROM EDC

Definitions

1. Terms used in this Section H have the meanings ascribed to them above. The reference to "Indemnity" hereunder shall refer to this Section H and the reference to "Guarantee" in this Section H shall mean, as applicable, a Performance Security Guarantee or Financial Security Guarantee.

Liability of the Exporter

2. In consideration of the issuance of the Guarantee, the Exporter hereby unconditionally and irrevocably agrees to fully indemnify EDC against all claims and demands made under the Guarantee including the amount that EDC pays under the Guarantee 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 or 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 Guarantee, both before and after judgment. Prime rate shall mean the prevailing prime rate charged by the Bank to its most creditworthy customers and designated by it as its "prime rate" 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 Guarantee 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, or by reason of any indulgence or time being granted to EDC or by any compromise, arrangement or plan whatsoever between EDC and any party in respect of EDC's liability under the Guarantee. The Exporter's liability hereunder shall not be discharged, released, or otherwise terminated except by full payment to EDC of all amounts payable to EDC hereunder.
4. Where EDC has also issued a PSI Policy to the Exporter in respect of the bank instruments covered by the PSG, the Exporter will pay to EDC, on demand, 5 percent of the amount that is payable under Section 2. Where EDC has determined that no loss is payable under the PSI Policy, the Exporter will also pay to EDC, on demand, the remaining 95 percent of the amount that is payable under Section 2. Where EDC has determined that a loss is payable under the PSI Policy, such amount payable will be retained by EDC and applied in payment of the remaining 95 percent of the amount that is payable under Section 2.

Discretionary Powers of EDC

5. 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 Guarantee, (ii) enter into any agreement with any person for the purpose of discharging, in whole or in part, EDC's obligation under the Guarantee, or (iii) take any other action in respect of the Guarantee.
6. 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.
7. 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 Guarantee, (ii) waive any breach of the Guarantee, (iii) agree with the Bank to extend, substitute or renew the Guarantee or the bank instruments covered by the Guarantee, or (iv) refuse to extend, substitute or renew the Guarantee.

Undertakings of the Exporter

8. The Exporter agrees it will not, without obtaining EDC's prior written consent, assign, cancel, terminate, materially amend, or change the Contract.
9. 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.
10. 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.
11. The Exporter will allow EDC and its representatives such access to its property and records as EDC may reasonably request.

12. The Exporter will immediately advise EDC of any call under a bank instrument to which the Guarantee relates or any occurrence of any event likely to result in a call thereunder.

Representations of the Exporter

13. 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, enforceable against the Exporter in accordance with its terms.

General

14. This Indemnity will be governed by the laws of the Canadian province or territory in which the Exporter has its registered head office, and if the Exporter has no registered head office in Canada, by the laws of the province of Ontario.
15. 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.
16. As a condition of issuing the Guarantee, EDC may require additional indemnitors to jointly and severally indemnify EDC against all claims and demands made under the Guarantee 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

17. 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.**

18. 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 Guarantee support is requested.

SECTION I - EXPORTER INDEMNITY WHEN REQUESTING SURETY BOND FRONTING SUPPORT FROM EDC

Definitions

1. Terms used in this Section I have the meanings ascribed to them above and the reference to "Indemnity" hereunder shall refer to this Section I. References to "Bonds" and "Bond" in this Section I shall mean the surety bond(s) identified in Section C2.

Liability of the Exporter

2. In consideration of EDC issuing or obtaining the issuance of the requested Bonds, the Exporter hereby unconditionally and irrevocably agrees to fully indemnify EDC against all claims and demands made under or in respect of the Bonds including the amount that EDC pays under the Bonds and to be liable to and compensate EDC for and against all costs (including the costs of enforcing this Indemnity), expenses and damages directly or indirectly arising or resulting from such claims or demands. Without limiting the generality of the foregoing, the Exporter agrees to pay EDC on demand, without set-off or counterclaim, an amount equal to the amount of any such liability incurred by EDC, as stated by EDC. 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 Bonds, both before and after judgment. Prime rate shall mean the prevailing rate charged by the Exporter's bank to its most creditworthy customers and designated by it as its "prime rate" 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 Bonds 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 or by reason of any indulgence or time being granted to EDC or by any compromise, arrangement or plan whatsoever between EDC and any party in respect of EDC's liability under the Bonds or on the part of any person that has issued the Bonds at the request of EDC. The Exporter's liability hereunder shall not be discharged, released, or otherwise terminated except by full payment to EDC of all amounts payable to EDC hereunder.

Discretionary Powers

4. The Exporter absolutely and irrevocably authorizes EDC and any person that has issued the Bonds at the request of EDC to (i) pay immediately at its absolute and sole discretion, in whole or in part, any amounts claimed pursuant to the Bonds, (ii) enter into any agreement with any person for the purpose of discharging, in whole or in part, its obligation under the Bonds, or (iii) take any action in respect of the Bonds, including, without limitation, intervening in any contract.
5. For purpose of discharging, in whole or in part, its obligations under the Bonds, EDC is authorized and empowered to guarantee loans, to advance or lend to the Exporter or any other person, any money which EDC may deem necessary for purpose of the Contract; and all money so expended, or lent, or advanced or guaranteed, and any expenses incurred by EDC in relation thereto, unless repaid with interest at the rate and calculated and payable as provided in Section 2 by the Exporter to EDC when due, shall constitute a loss to EDC for which the Exporter shall be liable to EDC under this Indemnity.
6. The Exporter waives any requirement that EDC, or any other person that has issued the Bonds at the request of EDC, make demand upon or seek to enforce remedies against any person before EDC may demand payment under this Indemnity, or seek to enforce this Indemnity. EDC shall not be bound to exhaust its recourse against any person or any collateral before demanding or being entitled to a payment under this Indemnity.
7. The Exporter agrees that without prejudice to EDC's rights and to the Exporter's liability under this Application and Indemnity, EDC, or any person that has issued the Bonds at the request of EDC, may (i) make any amendments to the Bonds, (ii) waive any breach by the Exporter of any of its obligations to EDC, (iii) agree to extend or renew or substitute the Bonds, or (iv) refuse to extend or renew or substitute the Bonds.

Undertakings of the Exporter

8. The Exporter agrees that it will cooperate with EDC and any other person who issues or reinsures a Bond and will, if so required by EDC or any such person, assign and transfer the Exporter's rights, title and interest under or in respect of the Contract, including rights under related subcontracts, supply contracts and bonds securing any subcontractors supply contracts, security on any assets, tools, plant equipment and materials necessary for the performance of the Contract, where any such assignment is necessary for the obligations under the Bonds to be discharged by EDC or any such person.
9. The Exporter agrees it will not, without obtaining EDC's prior written consent, assign, cancel, terminate or materially change or amend the Contract.
10. The Exporter agrees and hereby expressly declares that all funds due or to become due under the Contract are, whether in the possession of the Exporter or another, trust funds for the benefit of and payment to all persons to whom the Exporter incurs obligations in the performance of the Contract. If EDC assumes or discharges any such obligation, it shall be entitled to assert the claim of such person to the trust funds. The Exporter will, if so instructed by EDC in writing, cause all monies payable to the Exporter under the Contract to be deposited in a segregated account for use in the performance of the Contract and will not permit any such monies to be transferred to any other account or applied to any other purpose until completion of the Contract.
11. The Exporter agrees to maintain available all assets, tools, plant, equipment and materials necessary for the performance of the Contract and permits EDC and its representatives to take possession of same.
12. The Exporter hereby waives any right of counterclaim, set-off, deduction or 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.
13. The Exporter will keep EDC informed as to the progress of the Contract and provide EDC with information requested from time to time as to its financial status and allow EDC to examine its books and records in that regard.
14. 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.
15. The Exporter will allow EDC and its representatives such access to its property, records and premises occupied or utilized for the performance of the Contract as EDC may reasonably request.

16. The Exporter will obtain the return of the original Bonds from the beneficiary upon completion of its obligations under the Contract and promptly deliver same to EDC.
17. The Exporter will, upon demand of EDC, which may be made at any time, deposit with EDC, sufficient collateral in a form acceptable to EDC, to offset any claim that is or, in the opinion of EDC, may be made by the obligee under a Bond.

Representations of the Exporter

18. 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, enforceable against the Exporter in accordance with its terms.

General

19. 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 and any person that issues or reinsures the Bonds at the request of EDC.
20. This Indemnity will be governed by the laws of the Canadian province or territory in which the Exporter has its registered head office, and if the Exporter has no registered head office in Canada, by the laws of the province of Ontario.
21. EDC's rights, powers and remedies under this Indemnity are cumulative and in addition to, and not in substitution for, any rights, powers or remedies provided or hereafter acquire by law or equity or under any other agreement with EDC.
22. As a condition of issuing the Bonds, EDC may require additional indemnitors to jointly and severally indemnify EDC against all claims and demands made under the Bonds 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

23. 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.**

SECTION J - SIGNATURE

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): _____

FOR BROKER USE ONLY (if applicable)

Legal Name of Broker: _____
Street Address: _____
City: _____ Province/Territory: _____ Postal Code: _____
Contact Name: _____ Contact Title: _____
Telephone: _____ - _____ - _____ Fax: _____ - _____ - _____ E-mail: _____
Website: _____
<p>The Broker represents and warrants that it has completed this Application and Indemnity, in consultation with the Exporter, and that it has obtained and read and understands and agrees to be bound by the terms of EDC's "Broker Compensation Policy for Contract Insurance and Bonding (CIB) Products" that is in effect as at the date on which the Broker signs this Application and Indemnity as set out below.</p> <p>The Broker also represents and warrants that it is a registered insurance broker licensed to carry on business as an insurance broker in the province or territory indicated above, in accordance with applicable provincial and territorial insurance laws.</p> <p>Lastly, if Surety Bond Fronting support is requested by this Application and Indemnity, the Broker also represents and warrants that it has actively sought support from the surety market in respect of this transaction, without success.</p>
Date Signed: _____ (day) _____ (month) _____ (year)
Authorized Signature: _____
Name & Title (please print): _____