



APPLICATION, INDEMNITY AND CONSENT FOREIGN EXCHANGE FACILITY GUARANTEE (FXG)

This Application, Indemnity and Consent consists of 3 separate agreements: (1) Application for FXG Support, (2) Exporter Indemnity, and (3) Exporter Consent to Disclosure of Information.

Each of the 3 agreements contained in this Application, Indemnity and Consent will be governed by the laws of the Canadian province or territory in which the Exporter (identified in Section A of the Application for FXG Support below) has its registered head office, and if the Exporter has no registered head office in Canada, by the laws of the Province of Ontario. The Exporter and the Financial Institution (identified in Section D of the Application for FXG Support below) have explicitly requested and agreed that this Application, Indemnity and Consent and the documentation related thereto be written in the English language. Les parties aux présentes ont expressément demandé et convenu que la présente Proposition, Indemnisation et Consentement et toute documentation y rattachée soient rédigées dans la langue anglaise.

APPLICATION FOR FXG SUPPORT

SECTION A - EXPORTER PROFILE

Legal Name of Exporter: _____

Street Address: _____

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

Website: _____

Contact Name: _____ Contact Title: _____

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

SECTION B – GENERAL EXPORTER INFORMATION

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)	\$ _____	\$ _____	\$ _____

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).

Please briefly summarize the Exporter's export business: _____

Please briefly summarize the Exporter's current and future sales/marketing efforts in relation to markets/buyers outside Canada:

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

If Yes, please provide information on the environmental risks: _____

The total value of foreign exchange contracts (expressed in Canadian Dollars) entered into by the Exporter for the 12 month period immediately preceding the date of this application was: \$ _____. The maximum duration of foreign exchange contracts entered during this period was: _____.

The foreign exchange contract facility was signed between the Exporter and the Financial Institution (as defined in Section D below) on: _____ (the "FX Facility").

SECTION C - EDC SUPPORT REQUESTED

We request the FXG currency to be in: CAD USD EURO

We request coverage for a margin requirement /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 – EXPORTER AGREEMENTS, REPRESENTATIONS, AND WARRANTIES

The Exporter agrees, represents, and warrants the following:

Confirms Information Contained in this Application for FXG Support is True and Correct

(1) the information contained in this Application for FXG Support 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 for FXG Support and that, when supplied, any such additional information will form part of this Application for FXG Support;

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) neither we, nor our Affiliates, 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 Affiliates, 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 Section E(3), "Affiliates" means any persons who: (a) are directly or indirectly controlled by us or by any persons that also directly or indirectly control us; (b) any persons that directly or indirectly control us; or (c) are agents of us or of any persons described in Sections E(3)(a) or (b), and "control" means de facto control;

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 for FXG Support;

Confirms FX Activity Is Not With Respect to "Speculation" Activity

- (6) it understands that the FXG is to be used by the Exporter to minimize currency conversion risks, i.e. hedging activity, and that EDC may refuse to extend further FXG support to the Exporter if EDC determines that the Exporter has used this FXG to carry out speculative foreign exchange activity; and

Understands Exporter Indemnity and Agrees to Be Bound

- (7) it understands the nature and effect of, and agrees to be bound by, the terms of the EXPORTER INDEMNITY (set forth below), and has had the opportunity to obtain independent legal advice in relation thereto.

KEEPING CORRUPTION OUT AND COMBATING DISCRIMINATION

As reflected in Section E(3) of this Application for FXG Support, 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 E(4) of this Application for FXG Support, 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 E(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 www.edc.ca.

EXPORTER INDEMNITY

Definitions

1. Terms used in this Exporter Indemnity have the meanings ascribed to them above in the Application for FXG Support and the reference to "Indemnity" hereunder shall refer to this Exporter Indemnity.

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 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 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, 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 FXG. 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 agrees it will not, without obtaining EDC's prior written consent, assign, cancel, terminate, materially amend or change the FX Facility supported by the FXG.
- 8. The Exporter 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 Indemnity.
- 9. 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.
- 10. The Exporter will allow EDC and its representatives such access to its property and records as EDC may reasonably request.
- 11. The Exporter waives the benefit of all privileges and defences which now or hereafter may be available to indemnitors, including the benefit of discussion and division, and the Exporter waives diligence, presentment, demand, protest and notice of every kind.

Representations of the Exporter

- 12. 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 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

- 13. 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.
- 14. 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.
- 15. 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:

for the Exporter:

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

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

- 16. 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 the Application for FXG Support.

17. The Exporter understands the nature and effect of, and agrees to be bound by, the terms of this Indemnity and has had the opportunity to obtain independent legal advice in relation thereto.

EXPORTER CONSENT TO DISCLOSURE OF INFORMATION

1. Terms used in this Exporter Consent to Disclosure of Information have the meanings ascribed to them above in the Application for FXG Support.
2. The Exporter consents and agrees to EDC's disclosure of all non-publicly available information provided to EDC by the Exporter in connection with its support hereunder (the "Information") (a) to the Financial Institution, (b) to EDC's shareholder, employees, officers, directors, agents, advisors, consultants, legal counsel, and potential or actual reinsurers, co-insurers and insurers, (c) pursuant to the requirements of law, regulation, legal process, and audit, and (d) pursuant to EDC's and Canada's international commitments.

FINANCIAL INSTITUTION SIGNATURE

In accordance with the information given above in the Application for FXG Support, the Financial Institution hereby applies to EDC for an FXG. The Financial Institution declares that the information contained in Sections C and D of the Application for FXG Support 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 in form and substance satisfactory to EDC, agreeing to indemnify EDC for any payment that EDC may make to the Financial Institution under the FXG.

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

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

Authorized Signature: _____

Name & Title (please print): _____

EXPORTER SIGNATURE

IN WITNESS WHEREOF, the Exporter hereby consents and agrees to each of the Application for FXG Support, Exporter Indemnity, and Exporter Consent to Disclosure of Information, certifies the truth and accuracy of all representations and warranties contained herein, and has affixed its corporate signature, attested by its proper officer in that behalf, to this Application, Indemnity and Consent.

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

Authorized Signature: _____

Name & Title (please print): _____