

Guidelines & Procedures for the Leasing of Bank Instruments (MTN, BONDS,
EUROPAPERS, CD AND TREASURY BILLS)

Introduction

Provision of a project, commercial, balance sheet and credit enhancement Bank Instrument is assigned in personal or corporate name of the Applicant, as specified and agreed by Contract/Agreement. The Bank Instrument is made available as an enhancement instrument only.

Applicant/Borrower may assign the rights to use the Instrument, but ownership may not be transferred, nor may he sell or pledge the Instrument without approval of the provider.

If Applicant/Borrower wishes to do so, arrangements can be made with the banks in line with banking rules and regulations during any time of the validity of the Bank Instrument.

If Applicant/Borrower will use the leased Instrument as collateral, Borrower's Bank must undertake, by Swift, the irrevocable commitment to return the leased Instrument unencumbered, free and clear of any debts or claims.

As it relates to Bank Instrument leasing, our lenders offer the following services:

- Application for Leasing without Pre-Advice (with the option to receive the Proof of Funds [POF] as per separate procedure)
- Application for leasing with Pre-Advice (with option to receive the POF as per separate procedure)
- POF can be utilized to enter into a Trading Program, as collateral of a credit line, etc.

Only one Instrument for each contract and only one contract per customer are acceptable. Once a customer has performed the first contract, a second application can be accepted.

1. Specifications

A quoted Bank Instrument is available by a major international bank, assigned directly to your name. Because this is a relatively complicated and sophisticated transaction, the Applicant/Borrower should consult with his attorney, accountant and banker prior to initiating a Bank Instrument lease.

We are expressly NOT qualified nor licensed to provide legal or accounting advice. Because each client and each bank are unique, it is your responsibility to ascertain and assess your financing options.

2. Lease Instrument Size

Instrument Minimum: 10,000,000 EUR

Instrument Maximum: 1 Billion EUR +

Instruments are available immediately, subject to approval of the Applicant/Borrower, availability of Applicant/Borrower funds and on a "first come, first serve" basis. For Instruments having lower face value amount, unconditional prepayment of all service fees by Swift wire transfer is required.

3. Leasing Fees

Leasing fees vary, depending on the type of Instrument chosen. An additional 2% of the Face Value is charged per annual lease as a sales commission.

4. Call Option Fee

The contract will be sent for signature and at the same time the Borrower will receive an invoice for the call option fee to reserve the bank Instrument.

Instrument Face Value Call Option Fee

EUR 10 million - 499 million - EUR (TBA)

EUR 500 million - 999 million - EUR (TBA)

EUR 1 billion + - EUR (TBA)

This fee will be refunded or the Borrower may deduct this amount after successfully closing the transaction. Note: The Call Option Fee payable in Euro's, regardless of what currency the Instrument is in.

5. Type of Instrument and Re-Delivery

Subject to availability, the Bank Instrument/Collateral is being offered in the form of Certificates of Debt and may be MTNs, BONDS, EUROPAPERS, COMMERCIAL PAPERS, CDs or US TREASURY BILLS. Applicant/Borrower must return the Bank Instrument unencumbered to the Lender 15 days before its maturity date or rearranges its purchase. It is possible to extend the leasing period for an additional five years (yearly cost remains the same as the first year) with 15 pre-advice days.

6. Pre-Advice request

The Lender is willing to organize the delivery of:

- A) A pre-advice of Bank Instrument delivery, through Swift MT999 and MT799 to the Borrower's

designated bank, after the payment of EUR 85,000, made to a lender-designated clearing account.

- B) Delivery of POF, via Swift, after the payment of EUR 150,000, which covers banking fees and expenses.

Swift transmission will be:

- A) MT999 direct to Borrower designated bank, only if banks do not have same correspondent.

- B) MT799 direct to issuing bank correspondent in the Country where the Borrower's bank is located,

for final delivery to the Borrower's bank.

This money will be refunded after successfully closing the transaction. The Borrower has the right also to deduct it from the service fees total amount.

7. Commencement of Leasing Transaction

Within 48 hours after executing the agreement and wire transferring the call option fee (per above), the Lender will reserve the tranche of the selected Banking Instrument by the Clearing and Settlement Company (Lending Manager), who will then send to the Borrower a Pre-Advice of invoice with all details of the Bank Instrument, Corporate Deed of Assignment, Bond Power (if requested), Confirmation of Euroclear, Printout of Clearstream, Bloomberg or Security Card of the Stock Exchange market where the Instrument is quoted, Prospectus of the Issuing Program of the Bank (if available), to permit the designated Borrower's Bank Officer to check and authenticate the Instrument.

At the same time, the Designated Lender's Bank will send a confirmation of his RWA to deliver the above mentioned bank Instrument. This confirmation will be sent directly to the Borrower's designated bank by Swift MT999, and by Swift MT799 through an official correspondent bank of the Borrower's Bank. The Lender's Bank Officer will carry out the necessary due diligence function by certified banking email and the Borrower's Bank will confirm his RWA to receive the selected Instrument to acknowledge and close the transaction, via Swift. Every Instrument is "screenable" on Euroclear, Clearstream or Bloomberg systems.

8. Delivery of Documents When No Pre-Advice is Required

Within 48 hours after executing the agreement and wire transferring the call option fee (per above), the Lender will reserve the tranche of the selected Banking Instrument by the

Clearing and Settlement Company (Lending Manager), who will then send to the Borrower a Pre-Advice of invoice with all details of the Bank Instrument, Corporate Deed of Assignment, Bond Power (if requested), Confirmation of Euroclear, Printout of Clearstream, Bloomberg or Security Card of the Stock Exchange market where the Instrument is quoted, Prospectus of the Issuing Program of the Bank (if available), to permit the designated Borrower's Bank Officer to check and authenticate the Instrument.

9. Payment of Fees

Acceptable methods of payment for the call option fee and leasing fee are:

- A) ICPO (Irrevocable Corporate Pay Order) endorsed by Borrower's bank. (see Attachment 1 for accepted format);
- B) Bank Backed Promissory Note(s) (see Attachment 2 for accepted format), in which expiration dates will be negotiated between the parties (Borrower's bank must be acceptable by Lender's bank). Payment must be made no later than 20 calendar days from Pre-Advice of Invoice date. An extension of leasing agreement validity can be requested by Borrower with the payment of EUR 10,000 (This money will be refunded after successfully closing the transaction or the Borrower has the right to deduct it from the service fees total amount).
- No other payment terms and conditions are acceptable. We are not willing to evaluate Joint Venture arrangements or change any of these conditions. Applicant/Borrower can pay the leasing fees by a bank backed promissory note (which expiration date will be negotiated between the parties) to be discounted by a provider bank against delivery of a proof of funds certification (this option must be declared in the application form as it foresees issuance of two agreements ((leasing and discounting agreements)). See separate procedure to receive the POF.

10. Global Master Security Lending and Borrowing Agreement

G.M.S.L.A. validity is 30 calendar days from issuing date. The contractual documentation is negotiated in line with Applicant/Borrower specific requirements. Once the parties have duly executed a Contract/Agreement, the Applicant/Borrower is the ONLY legal and authorized entity allowed to handle the leasing transaction, receive documents and maintain communication with the provider.

11. Knowledge and awareness of the bankers

The Borrower's Closing Bank must be acceptable and qualified, per the Lender's Bank, and Bank Officers must be fully aware and knowledgeable of the ongoing leasing transaction. This means that at any specific time, when a Bank-to-Bank communication will be established between the Borrower Bank(s) and the Provider's Bank, whether for the Pre-Advice transfer or for the Instrument transfer, the Bank Officer(s) of the Borrower's Closing Bank will be duly authorized and enabled to confirm payment for this

Instrument. (including a Guarantee to return the original bank Instrument to the issuing bank 15 days before its maturity date unencumbered and free of liens by Swift).

12. Extension Fee

The Borrower may extend the duration of the contract 30 days once it has expired after transferring EUR 10,000 to the Lending Manager. The 30-day extension begins on the first day this agreement expires. The Extension Fee will be refunded after successfully closing the transaction. The Borrower has the right to deduct it from the service fees total amount.

Detailed Leasing Procedures

1. Client submits an application requesting the lease of the Instrument. He receives information regarding one Instrument from our updated list.
2. Every request for our leasing service must be accompanied by a detailed description of the project or other purpose for which the Bank Instrument is being leased.
3. Contract sent for signature, and at the same time the Borrower will receive an invoice for the expenses due to cover the call option expenses to reserve the Bank Instrument, amounting to:

FOR INSTRUMENTS WITH A FACE VALUE OF:

FROM 5 Million TO 499 Million	-	THE COST IS EURO (TBA)
FROM 500 Million TO 999 Million	-	THE COST IS EURO (TBA)
FROM 1 Billion AND ABOVE	-	THE COST IS EURO (TBA)

If a Pre Advice is requested the cost will be EURO 85,000 for delivery of Bank Instrument – or, EURO 150,000 for delivery of POF to organize the delivery via Swift.

PLEASE NOTE: FEES ARE IN EURO'S REGARDLESS OF INSTRUMENT CURRENCY.

THIS MONEY WILL BE REFUNDED AFTER SUCCESSFULLY CLOSING THE TRANSACTION OR BORROWER HAS THE RIGHT TO DEDUCT THE ABOVE MENTIONED AMOUNT FROM THE LEASING AND/OR SERVICE FEES TOTAL AMOUNT.

4. Upon receipt of all documents signed and of the deposit of the sum described above, the lender will provide a pro-forma invoice with all details of the Bank Instrument, Corporate Deed of Assignment, Euroclear and Clearstream printout, Bloomberg or

security chart of the stock exchange market where the Instrument is quoted, to permit the Borrower's bankers to verify.

5. Upon verification, the Borrower must provide for conditional payments made through:

· a. ICPO (Irrevocable Corporate Pay Order) ENDORSED BY BORROWER'S BANK OR

· b. BANK BACKED PROMISSORY NOTES (Having the Endorsement Per Availability of an Acceptable

Bank)

NO LATER THAN 20 CALENDAR DAYS FROM DATE OF PRO-FORMA INVOICE (POINT 4).

6. The Borrower may ask for an extension of the contract validity, by a simple request sent to the Lender before contract expiration date and transferring EURO 10,000 against invoice. The 30 day- extension begins on the first day this agreement expires. This money will be refunded after successfully closing the transaction, or the Borrower has the right to deduct the abovementioned amount from the leasing service fees total amount.

7. Upon receipt of the conditional payment, the lender will do the normal due diligence using their bankers or the appointed escrow agent/merchant bankers (by certified email communications). After that the Bank Instrument will be purchased and transferred by Swift MT760 to the designated account of the Borrower, transferring also all the right to use it.

8. Upon receipt of the Instrument, the Borrower's Bank has 8 hours time to unblock the leasing fees conditional payment.

9. 15 days before maturity, the Borrower's Bank must return the Instrument by Swift to the Lender's Bank, unencumbered and free of liens.

AT THIS STAGE THE TRANSACTION HAS CLOSED.

PROCEDURE TO LEASE A FINANCIAL INSTRUMENT AGAINST POF

This approach is often utilized by those investing in a trading platform, or as collateral to their credit lines. Borrower may pay the leasing fees by bank-backed Promissory Notes (signed per availability by an acceptable bank), drawn against a proof of funds (POF).

1. Leasing of the Instrument:

a. Borrower should submit the application form to lease a Bank Instrument with standard procedure described above. The only differences involve leasing and commission fees payments (refer to point c.) and for return of the leased Instrument (refer to point b.). When the Borrower applies for an Instrument with payment of fees by bank backed Promissory Notes to be discounted by the provider company, the Lender, instead of sending the Instrument to the Borrower's bank, will send it to the bank of the Provider who will discount the promissory notes (third party). In case pre-advice of POF is required by the Borrower, its cost will be negotiated and deducted from the amount of the Promissory Notes.

b. As the Provider will supply to the Borrower a POF (attachment 3), two different agreements will be issued i.e.:

1. Leasing Agreement between the Lender and Borrower;
2. Discounting Bank Instrument Agreement, between the Provider and the Borrower, which will bear all

references to the leasing agreement.

On Page 2 of the Application Form, an option allows you to accept or not accept the above payment terms, by replying YES or NO. By replying YES, Borrower can arrange for the payment of leasing and commission fees by Bank Backed Promissory notes (attachment 2) which expiration dates will be negotiated. By replying NO, the standard leasing agreement conditions and procedures will remain in effect.

In order to comply with Leasing Agreement terms and conditions, the Lender will authorize the Borrower's bank – which in that case is the bank of the Provider – to encumber or pledge the Instrument against an official letter, signed by two bank officers, undertaking the obligation to return the Instrument 15 days before its maturity date, unencumbered and free of liens.

Borrower must agree and confirm that funds remain on deposit and that none may be withdrawn by him.

2. Discount of the Bank Instrument:

an Agreement will be signed between the Provider company (third party) –capable of exchanging the Bank Instrument against a "Proof of Funds," in cash – and the company which has leased the Instrument (Borrower).

3. Proof of Funds (POF):

POF may be utilized to enter into a trading Program, as collateral of a credit line, etc.

4. Pre-Advice Request:

The Lender can deliver a pre-advice Swift MT999 and MT799 to the Borrower's designated bank, after the payment to a lender-designated clearing account in the amount of EUR 150,000, covering the banking expenses of the bank that will organize the delivery of the pre advice Swift. Swift transmission will be:

- MT999 direct to Borrower's designated bank, only if banks do not have same correspondent.
- MT799 direct to issuing bank correspondent in the country where the Borrower's bank is located, for final delivery to the Borrower's bank.

This payment will be refunded after successfully closing the transaction. The Borrower has the right to also deduct it from the service fees paid.

Step-by-Step Procedures to Lease Against POF

1. The Borrower will execute the Application as per normal Leasing Procedures with an option to obtain POF. Application shall include copy of the Joint Venture Agreement (JV) between the client and the trader stating under what terms the JV is established, who is paying the POF related fees, the responsibilities of the client and the trader after the POF is secured as well as the Trader's Bank coordinates as to where the MT760 of the POF will be delivered. Furthermore, if Trader is the party paying for the POF fees on behalf of the client, the application to obtain the POF shall also include the Trader's CIS, copy of his passport and POF fees coordinates.
2. POF must be obtained by using Promissory Notes from the Client/Trader's Bank or by unconditional Swift MT 103 paid by the Client or Trader. POF is blocked specifically for the Trading Purpose; POF Fees (...% TBD) and 2% commission fees MAY NOT be paid through trading profits.
3. After reviewing the application, the manager may send a full Corporate Offer or Lending Agreement following the specific requests contained in the application.
4. If a full Corporate Offer is sent, client must approve the Offer, and a contract will be drawn between the parties and the business will be closed following the procedure. If a Lending Agreement/Contract is sent, client will execute the Agreement and the business will be closed following the procedure.
5. After the contract approval and signature, the Provider will send a Corporate Invoice with corporate deed of assignment.
6. CLIENT MUST DEPOSIT IN A DESIGNATED ACCOUNT OF THE CLEARING AND SETTLEMENT COMPANY APPOINTED AS LENDING MANAGER BY BOTH PARTIES, TO COVER THE SCREEN, BANKING, STOCK

MARKET TESTING EXPENSES AS WELL AS THE CALL OPTION FEE: FOR INSTRUMENTS WITH A FACE VALUE:

- FROM 5 Million TO 499 Million - THE COST IS EURO (TBA)
- FROM 500 Million TO 999 Million - THE COST IS EURO (TBA)
- FROM 1 Billion AND ABOVE - THE COST IS EURO (TBA)

If Pre Advice is requested the cost will be EURO 85,000 for delivery of Bank Instrument – or, EURO 150,000 for delivery of POF to organize the delivery via Swift.

7. After receipt of all documents signed and of the deposit of the sum above described above, the Lender will provide a Pro-Forma Invoice and delivery of the Instrument of POF, with all details of the Bank Instrument, Corporate Deed of Assignment, Euroclear and Clearstream printout, Bloomberg or security card of the stock exchange market where the Instrument is quoted, to permit the Borrower/Trader's Bankers to verify. Also invoice for commission fees will be sent at that time.

8. At the same time, the manager will offer these solutions:

- Pre-advice by Swift MT799 and MT999. The banking cost for the Pre-Advice Swift must be covered by client.
- Closing of the deal by Euroclear screen system and client will cover the Euroclear bank expenses.

9. Upon verification, the Borrower must provide for POF fees payments:

Unconditional MT103 or (Promissory notes signed per availability by an acceptable bank)

In an amount not higher than Euro 5 million each, not later than 20 days from date of proforma invoice.

10. If paying POF fees by way of unconditional MT103, see Step 14. When Promissory Notes are ready and signed per availability by Borrower Bank, Borrower must send them for approval by E-mail to the Lender Representative.

11. Upon Lender Bank approval of the available signatures, the Borrower will receive by Email the instructions with address of where to send original Promissory Notes.

12. Upon receipt of the Promissory Notes, existing procedures to lease the Instrument, Discount it, and supply the POF will begin.

13. The client must grant his bank permission to confirm that the client has the funds available to pay the agreed price to obtain POF and pay the 2% consultant fees.

15. The payment of lease fees must be determined as usual prior to MT760 regardless of transaction type, bank to bank only, and must be made known prior to receiving the POF but if fees are being paid using bank promissory notes they shall be issued in 5 million increments that can be made payable for a maximum of 270 days.

16. Consultant 2% commission fees must be paid within 48 hours upon receipt of the POF or at the time leasing fees are paid, whichever applies first.

17. If required from the Provider on the leasing and/or discount agreement or as agreed between the parties, trader accepts and agrees to cover the full amount of the Instrument leasing fees with the first profit of the trading program, in favor of the Lender.

18. Within 10 banking days Provider will instruct his bank to issue to Borrower's Account a certified proof of cash funds for the sum equal to 90% of the Instrument face value on an account opened in the name of the Borrower with the provider bank. Borrower must agree and confirm that funds remain on deposit and cannot – neither total nor in part – be withdrawn by him/her and that trading is the sole purpose of such POF.

The cost of the Call Option, Pre-Advice or the cost of Eurolcar bank settlement must be covered by client. Procedures may change on case by case basis without previous advice