

To: the Export Credits Guarantee Department ("ECGD")

**Undertaking by a UK Bank in respect of any Corrupt Activity associated with a Buyer Credit**

Borrower: .....

Supplier: .....

Buyer: .....

ECGD Reference: .....

Supply Contract: Contract dated..... between the Buyer and the Supplier for.....

Loan Agreement: Agreement for a loan to be made to the Borrower by [us][a syndicate of banks, including ourselves, lead by ....., as agent,] for the purpose of assisting the financing of the Supply Contract.

1 In consideration of ECGD's guaranteeing the Borrower's obligations under [and to providing interest rate support in relation to,] the Loan Agreement (which we acknowledge to be good and valuable consideration), we represent, warrant and undertake that:

1.1 the FSA regulates our compliance with the provisions of (1) the FSMA and any Regulations made under it, (2) Part 7 of the Proceeds of Crime Act 2002, (3) the Money Laundering Regulations 2003 and (4) any rules or guidance published from time to time by the FSA, including, without limitation, the FSA's Money Laundering Sourcebook;

1.2 either we are not aware, and have no reason to suspect, that the Supply Contract, or any arrangement connected with its financing or procurement, has been, or will be, used for the purposes of money laundering (as defined in the Proceeds of Crime Act 2002) or, where we have any such awareness or suspicions, we have complied with our obligations in that regard under the Proceeds of Crime Act 2002;

1.3 ~~neither we have not engaged, nor, to the best of our knowledge and belief, any Controlled Company or anyone (including any employee) acting on our, or that Controlled Company's, behalf with due authority or with our, or that Controlled Company's, prior consent or subsequent acquiescence, has engaged, or~~ and will not engage, in any Relevant Corrupt Activity; ~~and~~

1.4 we have not authorised any person to engage in any Relevant Corrupt Activity, or consented to, or acquiesced in, any Relevant Corrupt Activity on the part of any person and we will not authorise any person to engage in any Relevant Corrupt Activity, or consent

to, or acquiesce in, any Relevant Corrupt Activity on the part of any person;

1.5 ~~1.4~~ we have required and/or will require anyone (including any of our employees) authorized to act on our behalf and directly or indirectly involved in obtaining the mandate to finance the Supply Contract, or in the ~~Supply Contract's~~ subsequent financing of the Supply Contract under the Loan Agreement, not to engage in any Relevant Corrupt Activity and we will take such action as is in accordance with our internal procedures against any employee who freely admits to the Compliance Officer to having engaged in, or is found to have engaged in, any Relevant Corrupt Activity;

1.6 we have made reasonable enquiries for the purpose of ascertaining whether any Group Company has had, or is intended to have, any material part in the negotiation or obtaining of the mandate to finance the Supply Contract;

1.7 we have made reasonable enquiries regarding any Involved Group Company and its conduct in relation to the negotiation and obtaining of the mandate to finance the Supply Contract; and

1.8 the enquiries referred to in paragraph 1.7 above have given us no cause to believe, and we do not believe, that any Involved Group Company has engaged in any Corrupt Activity in relation to the negotiation and obtaining of the mandate to finance the Supply Contract.

2 We declare that the Compliance Officer has certified that neither:

2.1 we; nor

~~2.2 any Controlled Company which engages in any regulated activity (within the meaning of s.22 FSMA) and which is not an exempt person (as defined in s.417(1) FSMA); nor~~

2.2 ~~2.3~~ any person who is, or who was during the past five years, a board director of ours ~~or of any such Controlled Company and~~ whose principal place of employment is, or was, the United Kingdom

has, at any time, (a) admitted to engaging in any Corrupt Activity to the Compliance Officer or (b) to the Compliance Officer's knowledge, been found by a court in any competent jurisdiction to have engaged in any Corrupt Activity which, in each case, has not, prior to the date of this Undertaking, been notified to ECGD provided that the declaration in this paragraph 2 shall, in the case of any person referred to in sub-paragraph 2.3~~2~~ above, apply only to any Corrupt Activity committed by that person whilst employed by us ~~or by any Controlled Company~~ which engages in activities which are regulated by the FSA.

3 In this Undertaking:

~~“Controlled Company” means any company (incorporated in any jurisdiction) which is controlled by us;~~

“Compliance Officer” means the employee of ours who is the chief compliance officer or the head of the compliance department of our head office, or any person designated by ~~that~~such employee to provide any declaration contemplated by paragraph 2 of this Undertaking;

“control” and “controlled” means, in relation to a company (the “company controlled”), control of ~~that~~the company controlled (1) by virtue of ~~(1)~~ any contractual arrangements, including, without limitation, any provisions in ~~that, or any other, company’s~~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 (2) by virtue of ownership (whether directly or ~~by~~through nominees or trustees) of ~~the majority~~more than 50% of the voting share capital of ~~that company;~~the company controlled or (3) through a chain of companies, each of which controls the next by the means described at (1) and/or (2) above;

“Corrupt Activity” means any activity (including without limitation, the offering of any payment, reward or other advantage to any public official or other person) which:

- (1) is subsequently found by a court in a competent jurisdiction (after all available rights of appeal have been exhausted) to have rendered the Loan Agreement [or the related Overseas Guarantee] illegal, void, voidable or unenforceable under its governing law, or
- (2) we have, or ~~any Controlled Company or~~ anyone (including any of our, ~~or any Controlled Company’s,~~ employees) acting on our, ~~or its,~~ behalf (with due authority) or with our, ~~or its,~~ subsequent acquiescence has freely admitted (or, in the case of one of our employees, freely admitted to the Compliance Officer) to engaging in, or
- (3) is subsequently found by a court in any competent jurisdiction (after all available rights of appeal have been exhausted) outside the United Kingdom to constitute an offence under any applicable law (except by virtue of any changes to that law ~~being applied retrospectively), or~~having retrospective effect), or
- (4) is subsequently found by a court in the United Kingdom (after all available rights of appeal have been exhausted) to constitute an offence under the Relevant Acts ~~(except by virtue of an amendment to the Relevant Acts~~having retrospective effect)

and which activity, in respect of paragraphs (1), (2), and (3) above: ~~(a),~~ corresponds to an offence under the Relevant Acts ~~(except by virtue of an amendment to the Relevant Acts having retrospective effect); or~~

~~(b) would, if it had taken place in the United Kingdom, amount to such an offence (except by virtue of an amendment to the Relevant Acts having retrospective effect)~~

**provided that**, where, for the purposes of sub-paragraph (2) above, any such activity is admitted by either (i) a person other than a national of the United Kingdom (as defined in section 109(4) of the Anti-terrorism, Crime and Security Act 2001) or (ii) a body incorporated under the laws of a country other than the United Kingdom, such activity shall not, for the purposes of this Undertaking, constitute “Corrupt Activity” if such activity was not, at the time it was engaged in, unlawful under the laws and regulations of the country in which it took place;

“FSA” means the Financial Services Authority;

“FSMA” means the Financial Services and Markets Act 2000;

“Group Company” means a company (in any jurisdiction) which is controlled by us or which controls us or which is controlled by a company which controls us;

“Involved Group Company” means a Group Company which we, having made the reasonable enquiries referred to in clause 1.6 above, believe has had, or is intended to have, any material part in the negotiation or obtaining of the mandate to finance Supply Contract;

“Relevant Acts” means the Prevention of Corruption Acts 1889 to 1916 and Part 12 of the Anti-Terrorism Crime and Security Act 2001 (as from time to time amended or re-enacted); and

“Relevant Corrupt Activity” means Corrupt Activity in connection with (1) obtaining the mandate to finance the Supply Contract or (2) the Supply Contract’s subsequent financing under the Loan Agreement or (3) any agreement, undertaking, consent, authorisation or arrangement of any kind related to the Loan Agreement or the Supply Contract’s financing under it which has not, on or prior to the date of this Undertaking, been notified to ECGD.

For and on behalf of

**[Name of Bank]**

Signature: .....

Name: .....

Position: .....

Date: .....

(This undertaking must be signed by an authorised officer with appropriate responsibility)

(Form LoU-BC)

Document comparison done by DeltaView on Friday, March 10, 2006 18:00:28

Input:	
Document 1	file://G:/GCO/Business Division 4/Bribery & Corruption/LOU UK Banks (Nov 2004).doc
Document 2	file://G:/GCO/Business Division 4/Bribery & Corruption/LoU-BC - UK Banks (2006) FINAL.doc
Rendering set	ECGD

Legend:	
<u>Insertion</u>	
<del>Deletion</del>	
<del>Moved from</del>	
<u>Moved to</u>	
Style change	
Format change	
<del>Moved deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Redline Summary:		
No.	Change	Text
1-2	Change	"Settings\Temp\dvtemp768\dvoA" changed to "Settings\Temp\dvtemp768\dvmA"
3-4	Change	"A3.tmp\" changed to "A4.tmp\"
5-6	Change	".tmp\LOU UK Banks (" changed to ".tmp\LoU-BC - UK Banks ("
7	Change	"UK Banks (Nov 200" changed to "UK Banks (200"
8-9	Change	"2004)" changed to "2006)"
10	Change	".doc" changed to ") FINAL.doc"
11	Change	"Supply Contract" changed to "Supply Contract."
12	Change	"Crime Act 2002 (3) the Money" changed to "Crime Act 2002, (3) the Money"
13	Change	"1.3 neither we" changed to "1.3 we"
14	Change	"we," changed to "we have not engaged,"
15-16	Change	", nor, to the best of our...has engaged, or will" changed to ", and will"
17	Change	"will engage, in any" changed to "will not engage, in any"

18	Deletion	Corrupt Activity; and
19-20	Insertion	1.4 we have not...the part of any person;
21	Change	"we have required" changed to "1.4 we have required"
22-23	Change	"employees) authorized" changed to "employees) authorised"
24	Change	"Supply Contract, or in the" changed to "Supply Contract or in the"
25	Change	"or in the Supply Contract's subsequent" changed to "or in the subsequent"
26	Change	"s subsequent financing under the Loan" changed to "subsequent financing of...Contract under the Loan"
27-28	Change	"Corrupt Activity." changed to "Corrupt Activity,"
29-30	Insertion	1.6 we have made...the Supply Contract;
31-32	Insertion	1.7 we have made...the Supply Contract; and
33-34	Change	"2 We declare" changed to "1.8 the enquiries...Contract. 2 We declare"
35	Deletion	2.2 any Controlled...in s.417(1) FSMA); nor
36	Change	"any person who" changed to "2.3 any person who"
37	Change	"director of ours or of...and whose principal" changed to "director of ours whose principal"
38-39	Change	"sub-paragraph 2.3 above, apply" changed to "sub-paragraph 2.2 above, apply"
40	Change	"employed by us or by any...Company which engages" changed to "employed by us which engages"
41	Deletion	"Controlled Company"...company (incorporated
42	Moved from	in any jurisdiction) which is controlled by us
43	Deletion	;
44-45	Change	"designated by that employee to" changed to "designated by such employee to"
46	Change	"to a company, control of" changed to "to a company (the...controlled)", control of"
47-48	Change	"control of that" changed to "control of the"
49	Change	"company by virtue of" changed to "company controlled (1) by virtue of"

50	Change	"by virtue of (1) any contractual" changed to "by virtue of any contractual"
51-52	Change	"arrangements, including," changed to "arrangements. including,"
53	Change	"limitation, provisions" changed to "limitation, any provisions"
54-55	Change	"provisions in that, or...company's memorandum" changed to "provisions in the memorandum"
56	Change	"and Wales) and/or (2)" changed to "and Wales) of the company...other company and/or (2)"
57	Change	"and/or (2) ownership (whether" changed to "and/or (2) by virtue of ownership (whether"
58-59	Change	"directly or by nominees or" changed to "directly or through nominees or"
60-61	Change	"trustees) of the majority of the voting" changed to "trustees) of more than 50% of the voting"
62-63	Change	"capital of that company;" changed to "capital of the company...at (1) and/or (2) above;"
64	Change	"other person) which:" changed to "other person which:"
65	Change	"we have, or any...or anyone (including" changed to "we have, or anyone (including"
66	Change	"(including any of our, or...Company's, employees)" changed to "(including any of our employees)"
67	Change	"acting on our, or its, behalf (with" changed to "acting on our behalf (with"
68	Change	"or with our, or its, subsequent" changed to "or with our subsequent"
69	Deletion	to that law being applied retrospectively), or
70	Moved to	having retrospective effect)
71	Insertion	, or
72	Deletion	Relevant Acts (except by...to the Relevant Acts
73	Moved from	having retrospective effect)
74	Change	"paragraphs (1), (2), and (3) above" changed to "paragraphs (1), (2) and (3) above"
75	Deletion	and (3) above:
76-77	Change	"(a) corresponds" changed to ", corresponds"
78	Deletion	Relevant Acts (except by...effect); or
79	Deletion	(b) would, if it had...retrospective effect)
80-81	Change	"it took place;" changed to "it took place."

82	Insertion	"Group Company" means a company (
83	Moved to	in any jurisdiction) which is controlled by us
84	Insertion	or which controls us or...which controls us;
85	Insertion	"Involved Group Company"...finance Supply Contract;
86	Change	"1889 to 1916 (as from time" changed to "1889 to 1916 and Part 12...Act 2001 (as from time"

<b>Statistics:</b>	
	Count
Insertions	41
Deletions	41
Moved from	2
Moved to	2
Style change	0
Format changed	0
<b>Total changes</b>	<b>86</b>

<b>Redline options :</b>	
	Status
Redline Statistics at End of Document	ON
Include Redline Comparison Summary	ON
Show Line Numbering	OFF
Show Change Numbers in Left Margin	ON
Show Change Bars On Left	ON
Show Hidden Text	OFF
Detect List Numbering Changes	ON
Compare Headers/Footers	ON
Compare Footnotes	ON
Display DeltaView Footers	OFF
Ignore Embedded Objects/Images	OFF
Compare at Character Level	ON
Compare Numbers at Character Level	ON
Show Moved Deletions	OFF
Show Changes to Spaces	OFF
Show Paragraph Changes	OFF
Ignore Case Changes	OFF