

SOVEREIGN RISK INSURANCE LTD.

APPLICATION FOR INVESTMENT

(Note: all financials should be quoted in the currency of the loan agreement)

1. APPLICANT

- A) Name: _____
Address: _____

Telephone: _____ Telefax: _____
- B) Nationality: _____

- C) Ownership: _____

2. THE FOREIGN ENTERPRISE

- A) Name: _____
- B) Address: _____

- C) Host country: _____

- D) Location of facilities: _____
- E) Is this a new or existing enterprise? _____
- F) Year of start-up? _____
- G) Year in which the Applicant became involved in enterprise? _____ H)
Type and extent of the Applicant s involvement?

- I) Legal form of organisation (corporation, branch, partnership, etc) _____
- J) Investment/project description:

- K) Foreign investment approvals/ licences received?

III. ***OWNERSHIP OF THE FOREIGN ENTERPRISE***

1) Please describe the ownership of the foreign enterprise and please note any equity participants controlled by the host government directly or through parastatal agencies:

Equity Participant	Nationality	Participation	Host Government Interest
Applicant			

IV. ***THE FOREIGN INVESTMENT***

1) Please indicate currency of investment: _____

2) The Applicant's equity contribution, specified in:

- a) currency of investment _____
- b) U.S. dollar equivalent _____
- c) percentage ownership _____
- d) number of shares _____

3) The Applicant's expected value of retained earnings (average over the policy term):

- a) currency of investment _____
- b) U.S. dollar equivalent _____

4) The Applicant's loans/guaranties to The Foreign Enterprise (including maximum expected accrued but unpaid interest)

	Currency of Investment	U.S. Dollar Equivalent
Loans - cash		
Loans - machinery/equipment		
Guaranties		

- 5) Payables due to the Applicant (average over the policy term):
- a) currency of investment _____
 - b) U.S. dollar equivalent _____

- 6) Receivables due from the Applicant (average over the policy term):
- a) currency of investment _____
 - b) U.S. dollar equivalent _____

Total of Invested Equity, Loans, and Guaranties: (U.S.\$) _____

V. ***FUTURE INVESTMENTS***

Please advise of any anticipated new investments (i.e.: equity or debt contributions) which are planned to go into the Foreign Enterprise within the next 36 months.

Anticipated Date	Equity	Debt	Total

VI. ***FOREIGN EXCHANGE EXPOSURES***

Estimated remittances from the Foreign Enterprise:

	Total	To the Applicant
1) Loan repayments	_____	_____
2) Earnings or dividend remittances	_____	_____
3) Management or technical service contracts	_____	_____
4) Return of capital	_____	_____

5) What is the normal process for converting local currency into U.S. dollars?

6) What approvals are required to convert local currency into U.S. dollars?

7) What is the amount of time typically required to convert local currency into U.S. dollars?

8) Has permission been granted from all necessary government agencies for such transfer of funds, and if so, state any limitations on the transfer of local funds into U.S. dollars:

VII. ***THE OPERATIONS***

1) Please describe the business of the Foreign Enterprise: _____

2) Please discuss the following benefits to the Host Country of the Foreign Enterprise:

a) Foreign exchange earnings _____

b) Technology transfer and training programs _____

c) Market access _____

d) Import substitution _____

e) Development of infrastructure _____

f) other (e.g. medical care, education...) _____

3)

Please estimate the level of exports at normal operating volume: _____

a) Exports as a percentage of annual revenues: _____

b) Exports to the Applicant as a percentage of annual revenues _____

c) Total imports as a percentage of annual costs _____

4) Does the Applicant have effective control of the Foreign Enterprise? _____

5) Number of local nationals in:

managerial positions _____ technical positions _____

6) Number of foreign nationals in:

managerial positions _____

technical positions _____

5) Total number of employees? _____

6) Is the work force unionised? _____

VIII.

HOST GOVERNMENT AGREEMENTS

1) What documents, permits and licences are necessary for legal operation in the Host Country; have they been obtained and are they currently valid? _____

2) Are there any limitations on operations, on importing or exporting? _____

3) Is the Foreign Enterprise required to obtain import or export licences? If so, have they been obtained and when do they expire? _____

4) Have any special agreements been negotiated between the Applicant and the Host Government beyond those normally afforded foreign investors under the investment code of the Host Country (e.g.: tax holidays, monopoly agreements, subsidies, special tariff protection or quota concessions, etc.)? _____

_____ 5) Is the Applicant experienced in doing business in the Host Country; if so, has it or any affiliate ever experienced serious operational difficulties or interruptions as a result of acts of the foreign government, or difficulties with obtaining or remitting foreign exchange? _____

6) Briefly describe the Applicant's experience in doing business in other developing countries: _____

7) Does the Applicant have knowledge of any facts which might give rise to a claim under the policy? If so, it is agreed that any claim arising therefrom may be denied under the proposed policy of investment insurance. Please include any disputes with host or local governments, _____

whether or not related to the Foreign Enterprise. _____

8) Does or will the Foreign Enterprise conform to all legal and regulatory requirements in the Host Country, including those relating to the environment? _____

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X. ***PLEASE SPECIFY THE COVERAGES REQUIRED***

	<u>sum requested (U.S.\$)</u>	<u>period requested</u>
(years)		
Confiscation/Expropriation/Nationalisation	_____	_____
Political Violence/ War	_____	_____
Currency Inconvertibility	_____	_____
Business Interruption (please complete following section)	_____	_____
Import/Export Cancellation/Embargo	_____	_____

BUSINESS INTERRUPTION: *Applicant s Estimated Net Profits*

Annual value last 12 months _____

Annual value next 12 months _____

XI. ***FURTHER COVERAGE***

Will the Applicant have insurance cover for physical damage to property due to strikes, riots, civil commotion (SRCC) or terrorism/sabotage (PTS) as part of its standard property policies for the Foreign Enterprise? If yes, please describe.

I/We declare to the best of my/our knowledge that the above statements and facts are correct and that no material fact has been withheld or misstated.

Completion of this application does not bind coverage. Applicant s acceptance of pricing and coverage indication is required prior to binding coverage and policy issuance. It is agreed that the information contained in and with this application shall be the basis upon which a policy may be issued and that Sovereign Risk Insurance Ltd. is relying upon the truth and validity of this application.

Signed: _____
Name (print): _____
Title: _____
Applicant : _____

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

Please include with this application a copy of your most recent annual report, project feasibility study, and draft or final project agreements.

This information is considered privileged information and will be held in the strictest confidence by Sovereign Risk Insurance, Ltd..

