

# ALTERNATIVE VARIANT OF FINANCING THE COMMERCIAL INVESTMENT PROJECT

The company VENAMAX CAPITAL LIMITED offers an alternative variant of financing of commercial investment projects, by granting the investment loan:

## CONDITIONS OF THE INVESTMENT LOAN:

Form of financing - investment loan, by transfer of the sum of the loan (by tranches) to the bank account of the Client's company, according to the Investment Agreement.

Client - corporation/company of the European Union, Hong Kong or Singapore.

Loan amount - from 50'000'000 (Fifty million).

Currency - USD / EUR.

Period of loan - 24-120 months.

Interest rate - from 3% per annum.

Repayment of the loan and the payment of % - quarterly differentiated payments.

Deferment to payment of % - 12 months from the date of receipt of the entire amount of the loan.

Deferment for loan repayment - 12-24 months from the date of receipt of the entire amount of the loan.

Collateral for a loan - Provides the Investor/Lender instead of the Client under deposited and blocked cash funds of the Client in the amount of 10% (Ten percent) from loan amount in the Client's currency account at the appointed bank, for the period of the loan.

**Note:** Client's company should have the real legal address, not have credits, judicial requirements, financial or tax debts and other obligations etc.

**Note:** Client's company should not be majority-owned and/or controlled by a Municipality or by any other political, governmental or administrative body, agency or sub-division thereof.

**Note:** Client's company should have or open the account in one of following Banks - Credit Suisse (Switzerland) or HSBC (Hong Kong).

**Note:** Account of the Client's company in the specified bank should be opened behind two signatures (Client's Representative - Executive Director of the company and Investor's Representative - joint Director of the Client's company).

**Note:** Deposit (Cash funds) should be placement in Bank for the period of loan and not less than for 12 months. The Deposit (Cash funds) should not be changed, demanded, stopped or translated to other bank etc.

**Note:** The Client must also provide:

❖ The required amount of cash funds (recommended amount from 10'000 CHF / 55'000 HKD) at banking account of the Client's company to cover the running costs of the bank account (account administration, receive account statements etc.).

❖ Coating of overhead costs (an average from 50'000 USD / EUR), connected with the given variant of financing:

- Visas, transport charges (air flight, railway and auto travel, underground);
- Hotels and food;
- Services of an independent international expert & appraisal of the investment project;
- Services of the Lawyer / Notary.

## FOR DECISION TO INVEST THE CLIENT SHOULD:

- ✓ To give an Loan Application;
- ✓ To give a bank account statement of the Client about presence of cash funds in the sum of 10% from the sum of financing to confirm the readiness to placement Deposit (Cash funds);
- ✓ To give Business plans + Cash Flow of the investment project.

**Note:** Developing a Business plan & Cash Flow of the commercial investment project in accordance with UNIDO (United Nations Industrial Development Organization) and registration of papers according to IFRS (International Financial Reporting Standards) is the responsibility of the Client.

**Note:** We can ensure the development of Business Plan & Cash Flow of commercial investment project of the Client in accordance with the standards of business planning UNIDO for an additional charge.

## PRE-INVESTMENT PROCEDURE:

- Step #1. Sign the Agreement of Intentions (if it is necessary to the Client);
- Step #2. Open the Client's bank account in said Bank and place a Deposit (Cash funds) at 10% of the amount of funding in the bank account of the Client's company;
- Step #3. Designate an Investor's Representative by joint Director and joint signatory in the bank account of the Client's company;
- Step #4. Sign and notarize the Agreement Authority and Undertaking between the main shareholder of Client's company (having 51% or more) and Investor's Representative;
- Step #5. Sign, notarized and apostilled the Board of Directors of Client's company for the rights and powers of the Investor's Representative.

**Note:** Deposit (Cash funds) at 10% of the amount of funding is as a security deposit for the Investor to issue instead of the Client liquid collateral at 110% from the loan amount.

## INVESTMENT PROCEDURE:

1. After implementation of Pre-Investment Procedure, the Client's company provides to the Investor:
  - ✓ Apostilled and notarized copies of registration documents of the Client's company (Certificate of Incorporation, Certificate of Shareholders, Memorandum & Articles, Directors Appointment);
  - ✓ Scan copies of passports of Directors & Secretary (if any) of the Client's company;
  - ✓ Business plan + Cash Flow (UNIDO) of the project, certified by the Client's company;
  - ✓ Expert Report from appraisal company on the investment project of the Client;
  - ✓ Account Statement of the Client's company in said Bank for Deposit (Cash funds) at 10% from the sum of financing;
  - ✓ Copy of document confirming the origin of Deposit (Cash funds) of the Client's company;
  - ✓ Apostilled and notarized Board of Directors of rights and powers of the Investor's Representative;
  - ✓ Notarize the Agreement Authority and Undertaking between the main shareholder of Client's company (having 51% or more) and Investor's Representative.
2. After verification of the above-stated documents of the Client's company (Compliance & Due Diligence. This process will be on the average 2-3 working days), the Investor provides the Draft of Investment Agreement.
3. After the coordination and signing of the Investment Agreement by both Parties, the Investor makes registration and opening of financing for the investment project of the Client's company (This process will be on the average of 45 banking days and not more than 90 calendar days maximum).

**Note:** Upon fact of available of financing (issuance of the formal written statement of funding available from Investor), the Client's company should also sign with the Investor's company the "Trust Agreement" or "Shares Pledge Agreement" notarized and apostilled at 51% of shares of the Client's company for period of before full return of investments and payment of %.

**Note:** This 51% of the shares of the Client's company is as a security for investment funds of the Investor. That is, if the Client will not be able to provide a timely return the investment loan and/or payment of %, the Investor can use the 51% of the shares of the Client's company to cover his losses and/or to appoint his Manager to implement this investment project.

4. Within 3 (three) banking days after available of financing and signing the "Trust Agreement" or "Shares Pledge Agreement", the Investor begins financing the investment project of the Client's company by transfer of the sum of the investment loan (by tranches) to the bank account of the Client's company, according to the Investment Agreement.
5. The Client's company receives an investment loan, makes realization of the investment project, return of the sum of the investment loan and payment of %, according to conditions and terms of the Investment Agreement.

## ADVANTAGES OF THE GIVEN INVESTMENT LOAN:

- ✓ Absence of any risk for the Client as the Client completely supervises safety of Deposit (Cash funds) on the bank account of the Client's company in Bank since his Representative (Executive Director of the Client's company) has the blocking signature in this bank account. The Deposit (Cash funds) of the Client is always on this bank account of the Client's company in Bank, anywhere is not transferred, is not on sale (cession) and not pawned.
- ✓ Absence of the latent and other commissions etc.
- ✓ Comprehensible conditions and minimal requirements to collateral etc.

**NOTE:**

- ✓ The Investor (on behalf of the Investor's Representative – joint Director of the Client's company) makes the control over target use of means, observance of terms of return of the sum of the investment loan and payment of %, according to the Investment Agreement.
- ✓ The Client's company for inadequate execution of conditions and terms of return of the sum of the investment loan and payment of %, according to the Investment Agreement, answers with the full legal responsibility and all actives (movable, immovable), and also intellectual property (at presence those), including the present Deposit (Cash funds) at 10% from the loan amount & 51% of the shares of the Client's company.
- ✓ In case of default or inadequate execution of the obligation, according to conditions and terms of the Investment Agreement, the guilty party pays to other Party the penalty at a rate of 0.1% from the sum of the proved requirement for each calendar day of delay. Paying of the penalty does not release a guilty party from execution of obligations.
- ✓ The Parties will take all measures to the resolution of disputes and disagreements which can arise in connection with Investment Agreement performance, by negotiations. In a case if the Parties will not agree about the peace resolution of dispute all disputes, disagreements and the requests arising from the present contract or in connection with it, including its concerning performances, infringements, the terminations or nullity, are submitted in the London Court of International Arbitration (United Kingdom), according to its regulations.

With hope for mutually advantageous and long-term cooperation.

Best Regards,

**VENAMAX CAPITAL LIMITED**

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