



4X Loan Application Proof of Funds Guidelines

In order to formally apply to The Global 4X Loan Program the borrower must provide a valid Proof of Funds (POF) for the required deposit amount that will generate the multiples for the loan to fund the project (and correspond with the project budget). The minimum deposit amount is €10 EUR after discounting, if applicable.

There are multiple ways to provide your POF and the guidelines are outlined here.

1) Self Funded POF Requirements:

- a) The borrower provides a copy of their Bank Account statement that shows:
 - i) The name and address of the bank
 - ii) The name of the account holder (needs to match borrower's details)
 - iii) The account balance
 - iv) The date of the account statement needs to be visible and valid for 30 days

2) Third Party Depositor POF Requirements:

a) INVESTOR

The borrower will need a letter from the investor who is providing the funds for the deposit. This letter needs to clearly state that they are making their funds available to the project to serve as the borrower's initial funds. The investor's letter should be on their company letterhead or on their personal stationary.

Along with the letter the investor needs to provide a copy of their account statement that clearly shows:

- i) The name and address of the bank,
- ii) The name of the account holder (needs to match the investor/company details of the letter)
- iii) The account balance (account number should be redacted)
- iv) The date on the account statement needs to be visible and valid for 30 days

b) LENDER

If the deposit is sourced from a formal lender rather than an investor, it may be possible (depending on their terms and how they are written) for the lender's Term Sheet to serve as the POF for the loan application intake package.



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EXAMPLE 3rd PARTY INVESTOR's LETTER

On Company Letter Head / From the Desk of XXX XXXXXX

Business Address Phone number Email address

DATE

Attention: 4X Lender

Gentlemen:

Re: PROJECT NAME

After discussions with Borrower's NAME at Borrowing COMPANY NAME, I confirm my full expectation and plan to invest \$XX,000,000 in the project to serve as COMPANY's Initial Funds Deposit in the above mentioned development project, based on Borrowing COMPANY's \$XX,000,000 loan application to your 4X Loan program.

Such \$XX,000,000 investment is being made available to COMPANY to be placed as the loan loss reserve which will either be held at the Investment Bank or in our commercial bank account. We understand there is a process that must be followed to set up the account that keeps the "initial deposit funds" in our own bank and that blocked funds will see an inter-banking discount of 20% applied to the deposit amount. These initial deposit funds will be used to produce the successful funding of a \$00,000,000 4X Loan to COMPANY. Further these funds will remain unencumbered and undepleted for the term of the loan and until it has been repaid or otherwise settled. It is our arrangement with the COMPANY that our deposit will be repaid to us in full in 12-14 months, with monthly repayment from their draw schedule.

Furthermore, the Initial Funds Deposit shall be made subject to our chosen safekeeping option and in accordance with the Deposit Agreement and all established protocols, which we have reviewed in detail and which will be fully executed by all relevant parties when that time comes.

Signature

Name

Title

www.wellcomecapital.com



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3) Bank Instrument POF Requirements

Utilization of a Bank Instrument (SBLC or BG) is possible for positioning the “Initial Funds Deposit” on a **case by case basis** and use of it needs to be **pre-approved by the lender in advance of your formal application.**

The steps described here must be followed and are non-negotiable. This is the only way to proceed if you intend to use an SBLC or BG as your deposit method.

As follows:

a) This Proof of Funds method requires this information be provided in a **SINGLE EMAIL** from the **ISSUING BANK** sent directly to the borrower which is then forwarded to us along with the loan application package and sent to the lender.

The email must contain the following information:

- i) The issuing bank’s Stand By Letter of Credit verbiage (**not the actual SBLC**)
- (ii) The issuing bank’s Ready Willing and Able “RWA” verbiage (**not the actual RWA just the language**)
- iii) The Banker's Card (full contact details and title of the individual handling the transaction)
- iv) Attached to this email should also be the Proof of Funds that is backing the instrument

This POF method requires direct bank to bank communication between the issuing bank and the receiving bank coordinated by the Settlement Agent.

IMPORTANT: We need the banker’s email as outlined above PLUS the POF for the funds backing the instrument.

NOTE 1: Minimum value of the SBLC is \$10M EUR after discounting

NOTE 2: It is important to know that SBLCs are evaluated by the receiving bank and the receiving bank will discount the instrument, typically offering around 70 -75% of its face value. In order for the lender to tell you what level of discounting you will receive on the instrument you are presenting, we must have the email and information outlined here, to be able to provide you with that information.



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Below is sample SBLC verbiage (note that the SBLC must conform to UCC600 standards). The additional assurance/guarantee relating to the SBLC is contained in a separate document drawn up by the banks and the lawyers, and is lodged along with the SBLC at the receiving bank.

The lending group will provide assurance that **the instrument will never be drawn against** by the receiving bank

With this assurance offered the issuing bank will be able to confirm for you that the funds will continue to be held in their account and are completely safe from any risk.

APPROVED SBLC LANGUAGE

For the value received, we, the undersigned _____, with an address located at _____, hereby irrevocably and unconditionally, without protest or notification, issue and promise to pay, against this Standby Letter of Credit number _____, on first demand, to the order of the beneficiary: beneficiary account No _____, or its assignees, the sum of \$ _____, the lawful currency of _____; for a period of one year plus one day from the day it is issued. Payment is available by your first written demand, or by SWIFT or Telex systems, marked drawn under the Standby Letter of Credit number _____, dated _____, on maturity date, and no later than fifteen days (15) after the maturity date. This Standby Letter of Credit is valid until fifteen days after its expiration date, and will expire automatically and in full if your request for payment made at our counters, our address, or by SWIFT or Telex, is not received by us on or before that date. We engage with you that demand drafts under and in compliance with the terms of this Standby Letter of Credit shall be duly honored, partial drawings and multiple presentations are allowed. Such payment will be made without set-off and free and clear of any deduction or charge, fee or withholding of any nature, presently or in the future imposed, levied, collected, withheld or assessed by the government of the country where the issuing bank is located, or any political subdivision or authority thereof or therein. We hereby confirm this Standby Letter of Credit is backed by good clean, cleared cash of non-criminal origin and from legal sources.

This Standby Letter of Credit is confirmed, irrevocable, unconditional, divisible, assignable, freely transferable without notice or presentation to us, and without payment of any fees. All charges are for the account of the applicant.

This Standby Letter of Credit is subject to "UPC600", the uniform customs and practice for documentary credits, ICC Publication No 600, July 2007 or latest revision, that



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govern the operation of any documentary credit including both Bank Guarantees and Standby Letters of Credit. This Standby Letter of Credit is an operative instrument that can be transmitted by electronic means (SWIFT or Telex), it may be confirmed on a bank to bank basis. However, documents will follow.

For and on behalf of _____

Bank Officer 1

Authorized Signature: _____

Name: _____

Title and ID: _____

Bank Officer 2

Authorized Signature: _____

Name: _____

Title and ID: _____

CONTACT

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