



IIB-DG FINANCING CONSORTIUM PROCEDURE



SPV- FUNDING PROCEDURE

1050 Connecticut Ave, NW, 5th Floor
Washington, DC 20036, USA.

Tél.: +1 571 207 0211 - Fax: +1 202 217 4050

E-mail: info@iibdevelopmentgroup.com – Web : www.iibdevelopmentgroup.com

CONSORTIUM SPV FUNDING PROCEDURE

STEP #1:

1. Signing of MoU
2. Registration of SPV in the Country by Project Owner, abbreviation IIB-DG to be included on SPV's upfront name.

STEP #2:

1. Proof of SPV creation, opening of 2 banks accounts by project owner(preferable International Banks(HSBC,Barclays,Citi, Standard Chartered etc..
2. IIB-DG to appoint on IIB-DG side a Director to serve in SPV (IIB-DG `s Board Resolution to be granted),in many cases consultant that brought the project is appointed temporary at this position as Director to speed up the process and avoid delay.
3. Signing of Shareholders Agreement between Project Owner company (Concessionaire) and IIB-DG `s Washington,DC
4. Signing of Loan Agreement with SPV `s Directors and IIB-DG (Loan is extended to the SPV, not to the Project Owner)

STEP #3

1. Project Package is now turned over to IIB-DG TECHNICAL TEAM
2. IIB-DG TECHNICAL TEAM to schedule :TECHNICAL AND FINANCIAL OPERATION AUDIT with Project Owner Team, so IIB-DG `s experts can be deployed on the ground to Audit the project. This audit process funded by IIB-DG can take up to 2 Months to complete.

STEP# 4

1. Funding starts immediately after the results of the Audit by IIB-DG Technical Team
2. IIB-DG Technical Team to work on the EPC contract with experts to start the project implementation phase.
3. Project owner will be granted 1% oversight management fee at each payment schedule

The above is applicable only on some projects that do require creation of SPV, not all. Loan is not given to the project owner, it is extended to the SPV

DEBT /EQUITY FINANCING IN SPV

1. In case Project Owner does not bring any guarantee, capital to the table:

- With this scenario, IIB shall seek 70% equity stake in the SPV
- 70% only during the period of loan repayment term and then at the maturity of the loan payment IIB-DG to hold only 30%.
- Project owner to keep 30% during the repayment period of the loan, then become majority with 70% after the maturity of the loan.
- Term of loan to the SPV: 1% interest rate to the SPV, 4 Years Grace Period, up to 25 Years, if needed.

2. In case Project Owner brings at least 35% SBLC/BG to the table:

- With this scenario, IIB shall seek 30% equity stake in the SPV, only during the loan repayment term and Zero equity after the maturity of the loan.
- Project Owner to hold 70% during the loan repayment term and then 100% equity stake after the maturity of the loan.
- Term of loan to the SPV: 1% interest rate to the SPV, 4 Years Grace Period, up to 25 Years, if needed.

3. Concession granted to IIB-DG by the Government:

- IIB may hold 100% equity stake in the SPV
- Term of loan to the SPV: 1% interest rate, 4 Years Grace Period, up to 25 Years on the loan term, if needed

IIB to pay all taxes, redevances, concession fee etc to the Government per executed concession agreement.

IIB-DEVELOPMENT GROUP FINANCING MODEL/MODELE DE FINANCEMENT

Project Finance

Project finance is a long-term financing of infrastructure and industrial projects where the source of debt repayment is limited to the cash flow generated by the underlying project with non or limited recourse to the project sponsors. It has been widely used especially to finance large-scale projects worldwide due to such recourse characteristics.

Financement de projet/TRADUCTION/FRANCAIS

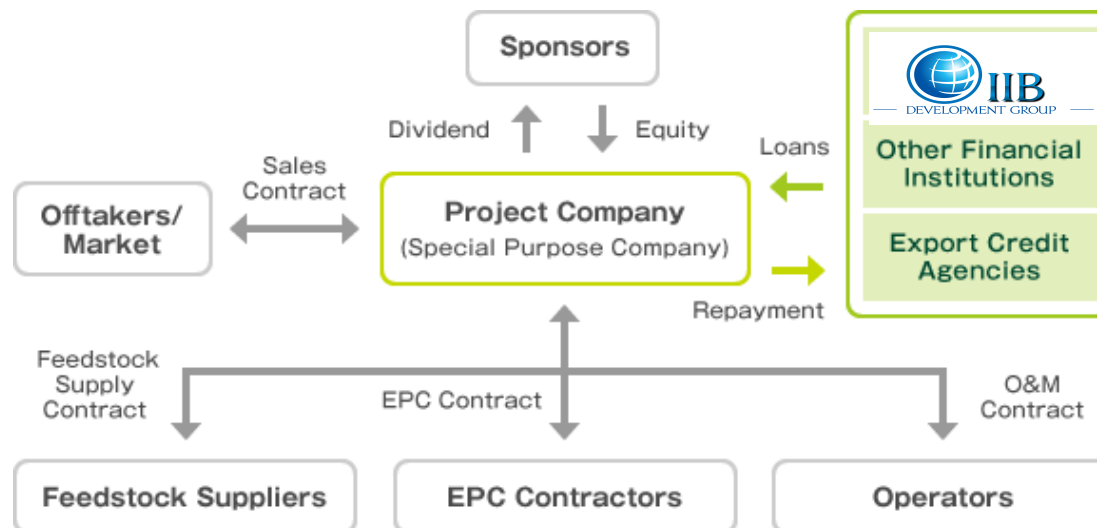
Le financement du projet est un financement à long terme d'infrastructures et de projets industriels dans lesquels la source du remboursement de la dette est limitée au flux de trésorerie généré par le projet sous-jacent avec un recours non ou limité aux promoteurs du projet. Il a été largement utilisé notamment pour financer des projets de grande envergure dans le monde entier en raison de ces caractéristiques de recours.

Project company: La Filiale qui sera créée, reçoit les prêts, l'argent, les actions de participations et paye les intérêts, les dividendes aux sponsors en fonction de leur participation au projet, c'est la rentabilité du projet qui paye les dettes aux investisseurs et banques.

Sponsors: Bailleurs de fonds donne l'argent sous forme de prêt à la filiale (Project Company),

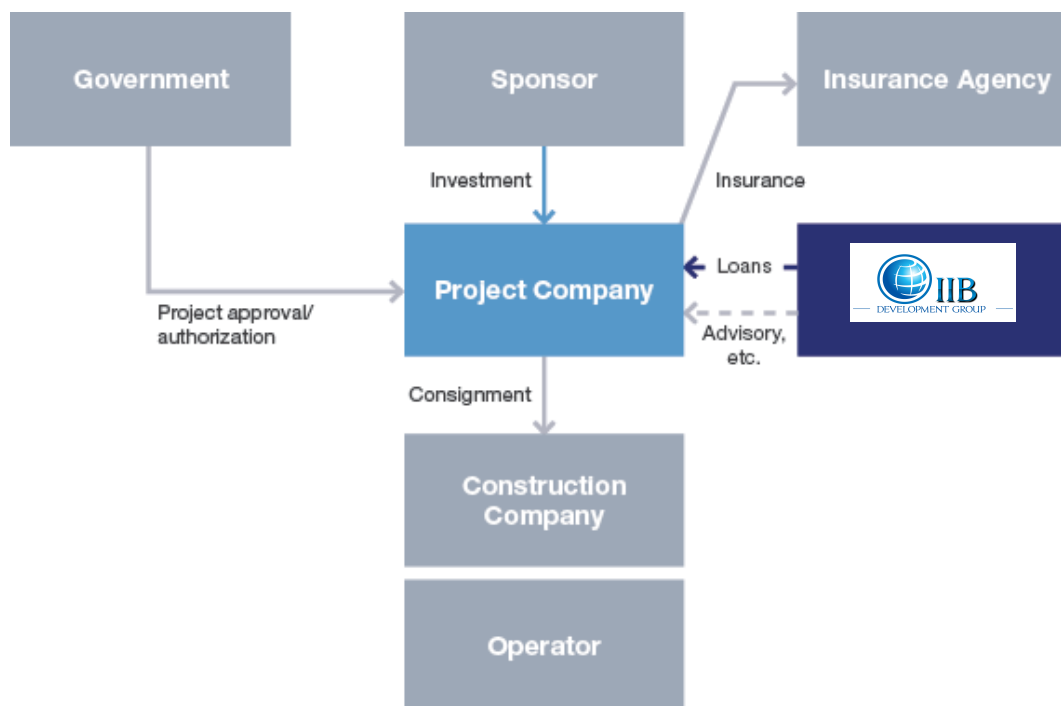
Offtakers: Les acheteurs de produits et services générés par le Project.

EPC contract: Les compagnies qui fournissent le service



FRENCH/FRANCAIS

Le Modèle de financement de projets par IIB-DG n'est pas une dette pour le pays. Le Groupe de développement IIB finance et exécute les projets à 100%. Le retour à l'investissement est récupéré sur la base des revenus ou rentabilité du projet, avec un mode de livraison PPP-BOOT. Les études de faisabilité sont importantes pour déterminer la rentabilité du projet, les revenus générés par le projet doivent être suffisants pour payer les charges, les dettes et dividendes aux bailleurs de fonds.



ENGLISH: 1.The sponsor establishes and invests capital in the project company, which will serve as the borrower.

FRANCAIS : Le sponsor établit et investit un capital dans la société de projet (Filiale), qui servira d'emprunteur

ENGLISH 2.The project company signs contracts with various parties involved in the project.

FRANCAIS: La société de projet signe des contrats avec diverses parties impliquées dans le projet

ENGLISH 3.The project company signs a loan agreement with the Financial institutions, and borrows funds for the completion and operation of the project.

FRANCAIS: La société de projet signe un accord de prêt avec les institutions financières et emprunte des fonds pour l'achèvement et l'exploitation du projet.

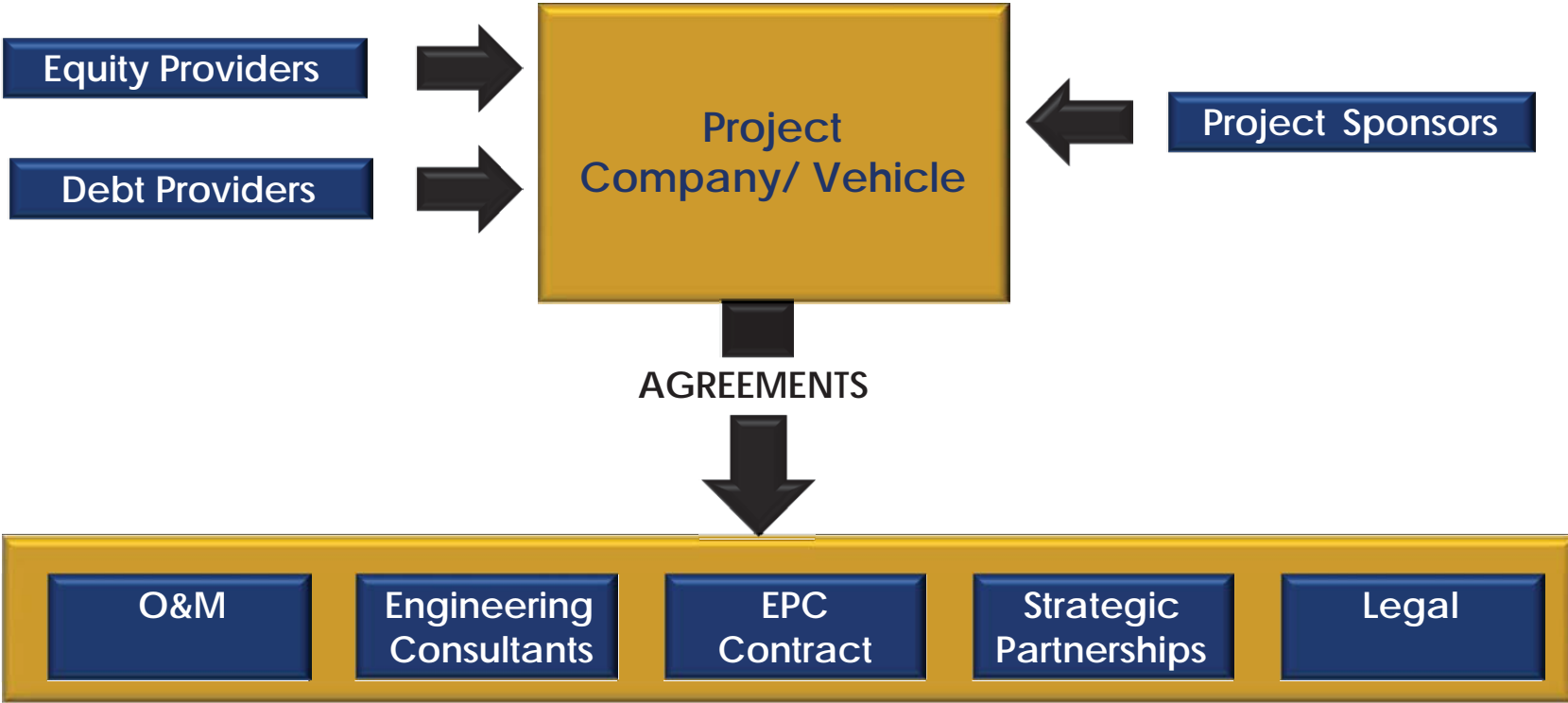
ENGLISH 4.The project company uses cash flows that are generated from the project to repay the loan.

FRANCAIS: La société de projet utilise les flux de trésorerie générés par le projet pour rembourser le prêt.

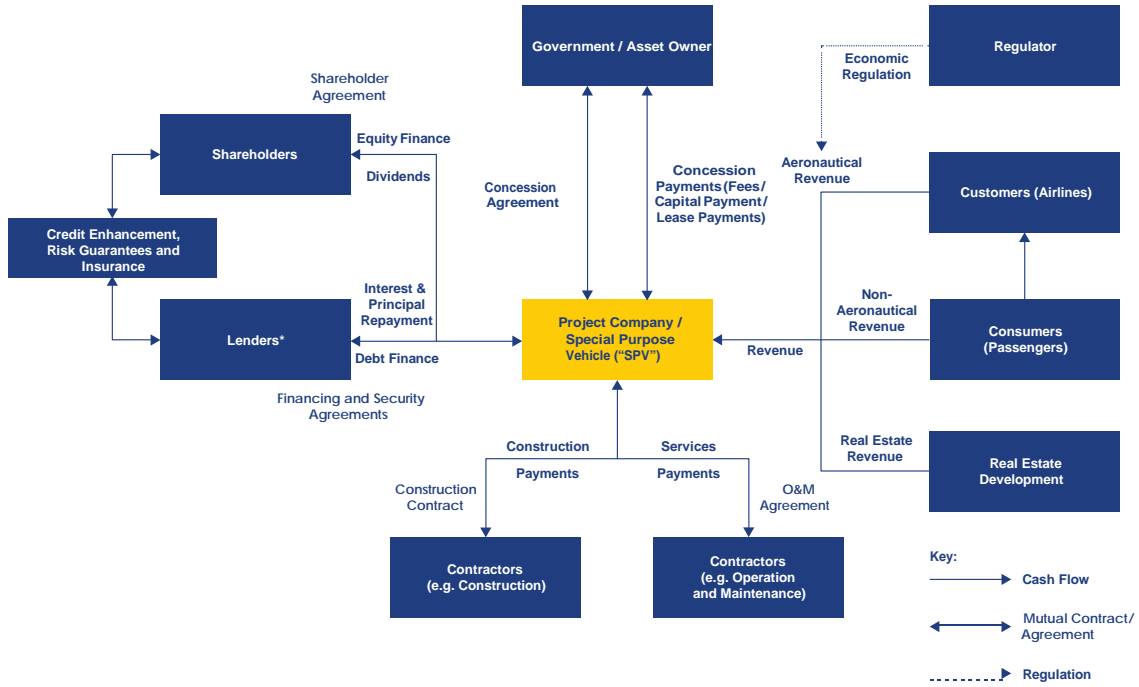
The IIB-DG Project Funding Model is not a debt for the country. Development Group IIB finances and executes projects 100%. The return on investment is recovered based on project revenues, with a PPP-BOOT delivery method. Feasibility study is important to evaluate technical and cash flow enough to support debt service, operating expenses and pay investors.

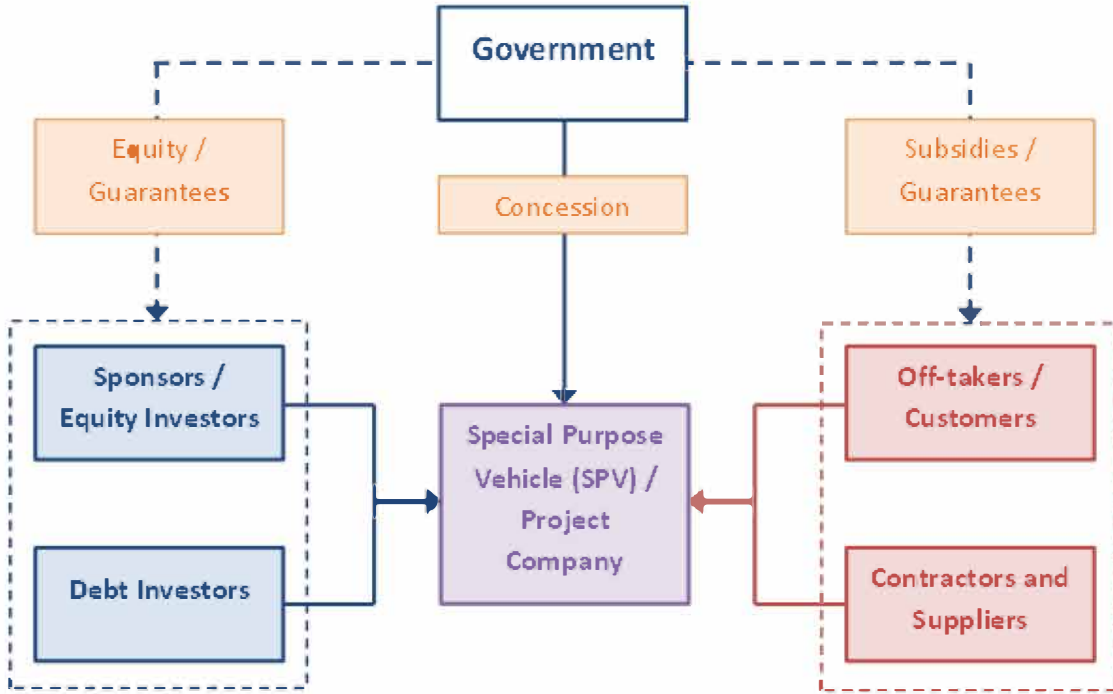
Project Structure

IIB-DG assists in assembling strong project consortiums to ensure project bankability



Indicative Airport Concession Commercial Structure





IIB-DG
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APPROVED



IIB

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