**LEASE AGREEMENT**

**BETWEEN**

**<<BANK/LESSSOR>>**

**AND**

**LESSEEE**

**THE REPUBLIC OF UGANDA**

**IN THE MATTER OF THE CONTRACT ACT NO.7 OF 2010**

**LEASE AGREEMENT**

This **LEASE AGREEMENT** is made this <<Date>> between **<<Leesor>>** a limited liability company incorporated in Uganda whose registered office is at **<<Address>>(**hereinafter called “the **Lessor”)** of the one part;

**AND**

**<<Name of Lessee>>**(herein referred to as “**the Lessee”**, of **<<Address>>** which expression shall where the context so admits, include successors in title and assignees of the lessee)

**WHEREAS:**

1. The Lessee has requested the lessor to advance to it a Finance Lease Facility of **UGX/USD<<Amount Advanced in figures and words>>**
2. The lessee and the lessor have agreed to enter into this Lease Agreement upon the terms and conditions hereinafter appearing.
3. Whereas the Lessee has read, understood and obtained independent advice about this Lease Agreement and the attached Terms and Conditions which form part of this Lease Agreement and shall be read together with this Lease Agreement.

**NOW THEREFORE** it is hereby agreed by and between the parties hereto as follows:

1. **INTERPRETATION**
   1. The following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely:
   2. “FINANCED ASSET” shall mean the asset/ equipment financed by the Lease Facility and described in Schedule 1 of this Lease Agreement.
   3. “LEASE AGREEMENT” shall mean this Agreement as set out herein together with all annexes hereto;
   4. “LEASE FACILITY” shall mean the amount advanced to the Leasee by the Lessor.
   5. “LESSOR” shall mean Housing Finance Bank Limited,
   6. “LEASEE” shall mean the person or entity granted the Lease Facility.
   7. "PROHIBITED CONDUCT" means any Financing of Terrorism, Money Laundering or Prohibited Practice.
   8. "PROHIBITED PRACTICE" means any:
      * 1. Coercive Practice, meaning the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of a party to influence improperly the actions of a party;
        2. Collusive Practice, meaning an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party;
        3. Corrupt Practice, meaning the offering, giving, receiving or soliciting, directly or indirectly, of anything of value by a party to influence improperly the actions of another party;
        4. Fraudulent Practice, meaning any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial or other benefit or to avoid an obligation; or
        5. Obstructive Practice, meaning in relation to an investigation into a Coercive, Collusive, Corrupt or Fraudulent Practice in connection with this Loan or the Projects, (a) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (b) acts intending to materially impede the exercise of the contractual rights of audit or access to information.
        6. "PROJECT" has the meaning given to it in Clause 2.2
        7. "SANCTIONED PERSONS" means any individual or entity listed in one or more Sanction Lists. "Sanction Lists" means:

any economic, financial and trade restrictive measures and arms embargoes issued by the EU pursuant to Chapter 2 of Title V of the Treaty on European Union as well as Article 215 of the Treaty on the Functioning of the European Union, as available in the official EU websites <http://eeas.europa.eu/cfsp/sanctions/consol-listen.htm> and [http://eeas.europa.eu/cfsp/sanctions/docs/measures en.pdf](http://eeas.europa.eu/cfsp/sanctions/docs/measures%20en.pdf). as amended and supplemented from time to time or on any successor page; or

1.8.1.7. any economic, financial and trade restrictive measures and arms embargoes issued by the United Nations Security Council pursuant to Article 41 of the UN Charter as available in the official UN website http://www. un.org/sc/committees/list compend.

1. **THE FACILITIES**

|  |  |
| --- | --- |
| **Facility Type** | **Limit** |
| 1.1 Finance Lease  Facility (“Lease Facility”) | **UGX/USD<<Amount in Figures>> << Amount in Words>>** |

1. **PURPOSE OF THE LEASE FACILITY:**
   1. **The Lease Facility**

The Lease Facility is sanctioned to finance the **purchase of <<Name of asset>>**herein referred to as **“the *Financed Asset*.”**

3.2 The particulars of the Financed Asset are as stipulated in the lease **schedule** hereto attached.

1. **PURPOSE OF FINANCED ASSET**

The Lessor agrees to lease the **Financed Asset** to the lessee to use and to hire it out to other persons and entities (Herein after referred to as “the Project”).

1. **MAINTENANCE**
   1. The lessee shall maintain the Financed Asset(s) in good working condition and repair and any such maintenance, replacements and repairs shall be done by qualified persons
   2. All accessories and parts added hereto shall become the lessor’s property but the lessor shall not be under obligation to make such replacements, maintenance and repairs.
   3. Where the Lessee fails to effect repairs on the Financed Asset, the lessor may at its own expense effect the necessary repairs and the lessee shall indemnity the lessor for expenses reasonably incurred by the lessor in effecting such repairs.
2. **PERIOD**

The period of the Lease Facility shall be **<< Period of time>>**.

1. **PAYMENTS REQUIRED**

Repayments are to be made by debit order on a **monthly** basis from your current account No. **<<Account Number>>**

1. **INITIAL PAYMENT:**

The lessee shall pay an initial contribution of **UGX/USD <<Amount in Figures>> << Amount in Words>>** of the total proforma invoice price of the Financed Asset to be paid to the respective suppliers with documented proof of deposit prior to disbursement of the facility.

1. **RENTALS:**

The Lease Facility is to be repaid by **<<Date>>** equal **monthly** rentals of **UGX/USD<<Amount in Figures>> << Amount in Words>>** inclusive of capital and interest. The installments will be determined by the facility amount at the time of disbursement and is to commence one month after delivery of the Fina]nced Asset to the Lessee.

1. **OPERATION**
   1. Upon receipt of Confirmation of the Lessee’s contribution of the prices quoted on the proforma invoice in favour of the Lessor as under Clause 7 above, paid to the supplier, the Lessor will order for the Financed Assets and debit the Lessee’s account with the costs, which may arise, as stipulated in clause 14 below, thereafter, the lease will commence.
   2. Upon receipt of an Irrevocable Letter of Undertaking from one of the Lessor’s approved insurance companies and a signed insurance premium agreement by the Lessee, the Lessor will pay insurance premium directly to the insurance company thereafter insurance premium payments will commence.

1. **SECURITY REQUIRED:** 
   1. An Original logbook or document of title for the Financed Asset in this case a **brand new <<Name of the asset>>** registered in the names of the Lessor.
   2. Irrevocable letter of undertaking from the insurance company to refund any un-utilized portion of the insurance premium in case of cancellation of the insurance policy.
   3. Business proceeds of the lessee shall be channeled through the Borrower’s account held with the Bank throughout the duration of the facility.
   4. Comprehensive insurance cover over the Financed Asset with Housing Finance Bank mentioned as the first loss payee.
2. **INSURANCE:**

* 1. The Financed Assets are to be fully insured for the duration of the facility, with an insurer approved by the Lessor, with the Lessor noted in the policy as the first loss payee.
  2. In addition to Comprehensive Insurance for motor vehicles and or all risks insurance cover for other assets; Top up Insurance policy may also to be taken, to cover the Financed Asset by the lessee.
  3. COMESA Yellow Sticker and an extension for Full Material Damager (FMD)
  4. The lessee shall also provide to the lessor an Irrevocable Letter of Undertaking from an approved insurer to refund any unused portion of the premium paid on a pro-rata basis in case of cancellation of the insurance policy.

1. **INDEMNITY:**

The Lessee shall indemnify the Lessor against any third-party claims arising out of damage to property, accidents or injuries occasioned to a third party by or with the Financed Asset.

1. **INVOICE**:

Invoice(s) for the Financed Asset from the Supplier are to be addressed to the Lessor as for the Lessor to make payment thereof.

1. **COSTS**:

Costs, which may arise such as, stamp duty, bond costs, Valuations, lawyer’s fees, or any other costs fees or disbursements that may be incurred, will be debited on the Lessee’s account provided that the lessee shall be notified of the costs.

1. **PRICING:**
   1. **Interest Rate:**

The interest rate on the Facility will be charged at a rate of **<<Percentage>>.%, that is, the Lessor’s current prime lending rate <<percentage>>% plus a margin of << percentage>>% as premium per annum**

***“Prime Rate”*** *is the publicly quoted basic rate of interest per annum ruling from time to time* at which the Lessor leases.

* 1. The Bank reserves the right to change the interest rates applicable at its sole discretion depending on the changes in the market conditions and the risk rating of the facility. A thirty [30] days’ notice shall be served on the Lessee in respect of any variation of any interest rate. Any failure by the Bank to advise the Lessee of downward variation of interest shall not prejudice in any way howsoever the recovery by way of interest by the Bank charged subsequent to any such change. Notice of variation of interest may be made in a newspaper of wide circulation.
  2. **Pre-Delivery Interest:**

All payments made by the Lessor before delivery of the Financed Assets will attract interest at the prime rate quoted in clause 15.1.1 above. The Lessee will either pay this Interest to the Lessor at the commencement of the lease or it will be added to the cost of the Financed Asset.

16.4 **Interest on Arrears:**

5*%* (Five percent) above the agreed interest rate will be charged on the amount in arrears due.

**17. FACILITY PROCESSING FEES**

17.1 The Lessee shall, where applicable, be required to pay the following non-refundable fees prior to disbursement of the facility amount:

* 1. Application Fees of UGX.<<Amount>>
  2. Arrangement Fees of <<Percentage>> of the loan amount.
  3. Bank charges of UGX.<<Amount>>
  4. Other fees per the bank’s tariff guide shall apply.

17.2 This document fee will attract VAT at the standard rate*.*

**18. MARKET ADJUSTMENT CLAUSE**

**18.1** The Lessor may immediately amend the pricing structure applicable to the Facility if there is a change in;

18.2 Law, regulation, policy or the issue of a directive with which the lessor must comply; or

**18.3** Market conditions resulting in an increasing cost to the Lessor.

18.4 If the Lessor amends the pricing structure referred to in Clause 16.1 above, the the

Lessor will advise the Lessee accordingly.

**18.5** The Lessor reserves the right to recover such additional costs from the Lessee on

demand; and the lessee hereby consents.

**19. TAX**

19.1 The monthly rental payments will attract VAT (Value Added Tax) at the standard rate.

19.2 The lessee agrees that the rental payments herein are net of any tax payable or due on the Financed Asset /the facility and hereby agrees to pay all taxes, sales, use, excise, personal fees, assessment, fines, penalties and similar charges imposed on the ownership, possession or use of the Financed Asset during the term of this lease (except for the Lessor’s net income taxes)

**20. MATERIAL DETERIORATION:**

20.1 In the event that there is a material deterioration in the lessee’s financial position:

20.1.1 The Lessee must immediately make such disclosure to the Lessor.

20.1.2 The Lessor reserves the right to immediately withdraw from current arrangements and or, renegotiate the terms and conditions of the agreements and/or call for additional security.

**21. HEDGING OPTION:**

21.1 The Lessor will have the right of first refusal (but not the obligation) to arrange and provide all Hedge Transactions arising from the Facilities and the right to match any proposal or bona fide offer given by another party. The right of first refusal shall survive until the maturity of the Facilities.

21.2 For the avoidance of doubt, the Lessee will only approach other local and/ or International Lessor in the event of not reaching closure on securing such Hedge Transactions from the Mandated Lead Arranger and/or its affiliates.

**22. CONDITIONS PRECEDENT:**

The Lessor will make the Facility/ies available to the Lessee subject to the fulfillment of the following conditions precedent to the satisfaction of the Lessor:

22.1 A signed copy of this Lease letter of offer accepting the terms and conditions stipulated herein and in the lease terms and conditions.

22.2 Insurance cover policy(s) which include, but are not limited, Comprehensive Insurance for Motor vehicles assets and or an All risks Insurance cover for other assets or other insurance cover as recommended for the Market value over any of the assets, which the Lessor holds as security, with an Insurance company approved by the Lessor, and with the Lessor’s interest noted as first loss payee. The insurance policy document should be embossed with the Uganda Revenue Authority stamp before it is submitted to the Lessor.

**Please note** that in the event that the insurance policy is not renewed in time, the Lessor shall have no option but to arrange cover with an insurance company of its choice and will debit the Lessee’s account or accounts held with the Lessor with any expenses incurred.

22.3 A Proforma Invoice for the Financed Asset in the Lessor’s name from the supplier.

22.4 A Certified copy of the registered resolution/ signed minutes of the meeting of partners where they agreed to accept the Facility/ies, provide the security and agree to the terms and conditions of the facility/ies.

22.5 Make payment of all costs and documentation fees.

22.6 Setting of standing orders on an account against which lease rentals shall be debited.

22.7 In no circumstances will the Financed Assets be paid for without the finance lease and terms and conditions being signed.

**23. MONITORING**

23.1 The Lessor shall at all times, after giving reasonable notice, have the right to monitor the

performance of this facility which shall include but not be limited to;

23.2 Enter and inspect premises on which the Financed Asset is stationed or affixed.

22.3 Require the lessee to provide financial information to the Lessor from time to time

22.4 Inspect Books of Accounts.

22.5 Any other form of monitoring the Lessor may deem appropriate for the purpose of the facility.

**24. ENVIRONMENTAL RESPONSIBILITY:**

24.1 The Lessee warrants and represents to the Lessor that it is in full compliance with all applicable laws, regulations and practices relating to the protection of the Environment applicable to it in each Jurisdiction in which the Lessee conducts business (its “Environmental Responsibility”) and hereby undertakes to continue to do so for so long as the Lessee is indebted to or owes any obligations to the Lessor under or in terms of this Facility Letter.

24.2 The Lessee warrants that it is not aware of any circumstances which may prevent full complianc***e*** with its Environmental Responsibility in future.

24.3 The Lessee hereby undertakes to indemnify the Lessor against any loss, damage, claims, costs or any other liability, which may arise (because of this or any other banking facility and/or the Lessor having an interest in the Lessee’s asset) in respect of a breach of, or a failure, by the Lessee to meet its Environmental Responsibility.

**25. DEFAULT:**

25.1 A lessee shall be default on this Lease Agreement where the lessee or his or her appointed agent commits an **Act of Default**.

* 1. An **event of default** will occur where:
     1. The Lessee fails to make payment by due date of any amount due in terms of the

Lease Facility

25.3.1 the Lessee or guarantor breaches any obligations, term or condition of this Letter of

Offer or any other facility the Lessor may grant to the Lessee and the Lessee fails to remedy the breach within 7 (seven) days of receiving written notice to do so; or

* + 1. The lessee or guarantor makes any incorrect or material misrepresentation, warranty or undertaking made in connection with this Lease Agreement.
    2. The Lessee or any guarantor is subject to insolvency proceedings of whatever nature or becomes insolvent. That notwithstanding, the Asset shall not form part of the lessee’s property in the event of insolvency.
    3. The Lessee acts in any way which, in the opinion of the Lessor , may have a material adverse effect on the Lessee’s business, financial condition or Financed Asset, or its ability to perform its obligations under the Lease Facility; or
    4. If any guarantor in respect of the Lessee’s indebtedness to the Lessor delivers a valid and effective notice of termination of liability under such guarantee; or the guarantor should pass on and or no other guarantor is replaced for the facility to carry on the liability.
    5. any security for any of the Lessee’s indebtedness to the Lessor becomes enforceable or subject to seizure by a court or a government body or an authority, whether such security is enforced or not; or
    6. where a writ of execution has been issued by any competent court, attaching any asset belonging to either the Lessee or any guarantor that remains unsatisfied for more than 7 (seven) days after the date on which it is issued; or
    7. Where there is a material deterioration in the lessee’s financial position.
    8. Where the Lessee is involved or suspected in any illegal or terrorist activities.

* 1. Where an event of default occurs then, in any such event, the full amount of the Lease Facility and any other facilities accorded to the Lessee by the Lessor, then outstanding, and all charges accrued thereon, together with additional interest as defined above shall immediately become due and payable and the Lessor shall be entitled to demand payment of any breakage costs. In addition, the Lessor shall have the right to exercise all other remedies available under the Laws of the Republic of Uganda.
  2. The default procedure in clause 23.3 above will not apply if the Lessor in any way knows or suspects that the Lessee is involved in any illegal or terrorist activities.
  3. Where the Lessor closes, restricts activity or suspends access to the Lessee’s credit limit, reduced credit limit, or the Lessee’s account for any reason, the Lessor will not be liable, directly or indirectly, for any damages howsoever arising as a result of such action that the Lessee or any 3rd (third) party may suffer.
  4. In the circumstances under Clauses 23.4 and 23.5 the Lessor may terminate the Lessee’s account and this facility and call for immediate repayment of all amounts owing by the Lessee to the Lessor. The Lessor shall thereafter within a reasonable time notify the Lessee of such termination.

**26. COOLING OFF**

* 1. The lessee shall have the right to terminate (cooling off) this facility within 10 days of signing this Lease Agreement upon satisfactory return of the Financed Asset and the disbursed sums credited to their account plus any interest and any other payments incurred within the time before termination.
  2. **The conditions** for cooling off under the facility are:
     1. This right shall only be applicable to facility amounts of at least UGX Three (3) million AND
     2. with a facility tenure of at least One (1) year AND
     3. The written communication by the lessee to the authorized personnel of the Lender delivered personally or by registered mail within the 10 days of signing This Lease Agreement.
  3. **Satisfactory return** under Clause 23.1 shall constitute:
     1. immediate return of the Financed Asset;
     2. The leased equipment is in a reasonably good state of repair at the time of return:
     3. Full payment by the lessee of all obligations herein;
     4. Payment of the accrued interest at the time of cancellation of the Lease Agreement;
     5. Payment of any other administrative fee or charge for costs which have been reasonably incurred by the Lessor.

**27. CONFLICT:**

The terms and conditions of this Lease Agreement and any other appendices to this Lease Agreement shall be read together, provided that should a conflict exist or arise, the General terms and conditions attached hereto relating to a particular Facility shall prevail.

**28. INDEPENDENT ADVICE**

The Lessor hereby recommends the lessee to seek independent advise in understanding the terms and conditions herein and the lessee may seek such advise of their own free will regarding this facility.

**29. ACCEPTANCE**

29.1 The lessee by affixing his/her mark on to this document, affirms and accepts the terms mad conditions herein and those contained in the General Terms and Conditions attached hereto.

28.2 This offer remains open for acceptance for a period of 30 (thirty) days from the date hereof after which time this offer will lapse unless an extension has been agreed to in writing by the Lessor.

**30. DISPOSAL OF FINANCED ASSET**

30.1 Where the Leasing of the Financed Asset is terminated pursuant to this Lease Agreement or by law or expires by effluxion of time and either the Financed Asset is returned to the lessor or the lessor recovers undisputed possession of the same, the lessor shall use reasonable endeavours to arrange a sale of the Financed Asset and for such purpose unless the leasing is terminated pursuant to non-payment and for so long as the Lessee complies with the terms of this Lease Agreement, shall appoint the lessee as the Lessor’s exclusive agent for purpose of sale of the Financed Asset.

30.2 The agency of the lessee shall continue until the earlier of; the expiry of 3 months from the date the leasing expires by effluxion of time and, the date of the sale of the Equipment. The lessor shall in its absolute discretion, be entitled to determine the means, terms ,conditions and timing of any such sale provided that the sale of the Financed Asset shall be in accordance with the terms of this Lease Agreement in relation to Sale. Any sale of the Financed Asset shall be on an “as is where is” basis.

30.3 No express or implied representation ,undertaking, guarantee or warranty whatsoever shall be given by the lessee on behalf of the lessor in connection with any such sale save that the lessor shall pass to the purchaser such title as the lessor has in the Financed Asset.

30.4 The Lessee shall promptly pay, discharge and indemnify the lessor and keep the lessor fully indemnified against all taxes in respect of or which arise in relation to or are assessed with regard to sale of this Financed Asset and all charges or other sums payable to any institution or person, arising there from.

30.5 For avoidance of doubt the equipment shall be disposed off at a nominal fee of **1% (one percent)** of the Lease amount.

**31. INTERPRETATION CLAUSE**

**“Hedging or Hedge Transactions”** means any interest rate, currency, or foreign exchange hedging arrangement and any other derivative products, or related treasury services.

“Material deterioration” means a significant change in the lessee’s position that has or may affect the lessee’s ability to meet his/her obligations under this Lease Agreement.

**“Financial information”** means all information pertaining to the financial position of the Lessee or any of its agents, partners and associates which may include, but not limited to; Bank Statements, books of accounts, profit and loss account statements, debentures, charges and other such information deemed necessary to establish financial position.

In witness whereof the parties hereto affix their respective and or mark;

**THE COMMON SEAL OF THE LESSOR, <<Bank/Lessor>> IS HEREUNTO AFFIXED IN THE PRESENCE OF:**

**<<Name>> <<Signature>>**

**NAME IN LATIN CHARACTER DESIGNATION USUAL SIGNATURE**

**<<Name>> <<Signature>>**

**NAME IN LATIN CHARACTER DESIGNATION USUAL SIGNATURE**

**SIGNED by the said LESSEE:**

<<Name>> <<Signature>>

**NAME SIGNATURE**

In the presence of:

Name: : **<<Name>>**  Occupation: << Occupation>>

Address: :<<Address>> Signature: :<<Signature>>

**DRAWN BY**

:<<Address>>

**ANNEX “A”**

**GENERAL TERMS AND CONDITIONS**

1. **The Project**

The Lessee shall:

* + - * 1. Use the loan proceeds exclusively for the purpose of financing the relevant Project;
        2. Complete the funded project within the specified project timelines, not exceeding the loan period, and as envisaged in the financing request submitted by the Lessee to the Lessor prior to the date of this Loan Agreement/as part of the Lessee’s application for this loan.

1. **Purchase and Insurance of Assets and Equipment for the project**

The Lessee shall:

* 1. Purchase equipment, secure services and order works for the relevant Project by open international tender or other acceptable procurement procedure in force at the date of this Loan Agreement, including with the European Investment Lessor’s policy as described in its Guide to Procurement (available at: http://www.eib.org/infocentre/publications/all/guide-to-procurement.htm);
  2. Ensure that all equipment, services and works pertaining to the Project, are procured in order to seek the most economically advantageous option following appropriate procurement procedures in the light of the circumstances and taking into account quality and efficiency.
  3. Maintain, repair, overhaul or renew all property forming part of the relevant Project as required to keep it in good working order
  4. Maintains the technical and financial expertise to select all equipment, services and works pertaining to the Project in question in a manner appropriate to the Project's size and taking due account of issues of price, quality and efficiency.
  5. Obtain acceptable environmental impact assessment prepared by consultants of National Environmental Management Authority (NEMA) in accordance with the environmental assessment.
  6. Unless the Lessor has given its prior consent in writing, retain title to and possession of all or substantially all of the assets comprising the relevant Project or, as appropriate, replace and renew such assets and maintain the relevant Project in substantially continuous operation in accordance with its original purpose, provided that Lessor may withhold its consent where the proposed action would prejudice the interests of the Lessor, its partners and or lenders.

1. **Insurance**

The Lessee shall ensure that all works and property forming part of the relevant Project are fully insured for the duration of the facility, with an insurer approved by the Lessor with the Lessor noted in the policy as the first loss payee.

1. **Lessee’s Warranties and Representations**

The Lessee hereby warrants and represents to the Lessor that:

1. any information or document given to Lessor in connection with the relevant Project is true and correct, and
2. to the best of the Lessee’s knowledge, no funds invested in the Project by the Lessor are of illicit origin, including products of Money Laundering or linked to the Financing of Terrorism
3. **The Lessee’s undertakings**

The Lessee undertakes:

1. To appoint and maintain auditors acceptable to the Lessor, when the loan concerns a project involving an allocation equal to or exceeding the equivalent of EUR 200, 000 (Two Hundred Thousand Euros);
2. To request any disbursements from and make any payments to the Lessor under the Loan Agreement to a Lessor account(s) of the Lessee held at the Lessor.
3. To maintain in force all rights of way or use and all permits necessary for the execution and operation of the relevant Project and, if requested by the Lessor, provide evidence of such authorisations;
4. Implement and operate the relevant Project in compliance with all laws and regulations to which it is subject and in particular in compliance with Environmental Law and immediately inform the Lessor is any Environmental or Social Claim has been commenced or is threatened against it; and
5. To retain, in a single location, for inspection during 6 (six) years from the conclusion of each contract financed by means of the loan, the full terms of the contract itself, as well as all material documents pertaining to the procurement process and to the execution of the contract and to procure that the Lessor or its agents or other authorized persons, including the Lessor’s lenders may inspect the contractual documents that the contractor is obliged to retain under its supply contract.
6. **Prohibited Conduct**

The Lessee undertakes:

1. To promptly inform the Lessor if at any time if becomes aware of the illicit origin (including Money Laundering or the Financing of Terrorism) of any funds invested in the Project;
2. To promptly inform the Lessor of a genuine allegation, complaint or information with regard to a Prohibited Conduct related to the Project;
3. To not engage in (and not to authorise or permit any affiliate or any other person acting on its behalf to engage in) any Prohibited Conduct in connection with the Project, any tendering procedure for the Project, or any transaction contemplated by the Loan Agreement;
4. To take such action as the Lessor shall reasonably request to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct;
5. Not to enter into a business relationship with any Sanctioned Person or make any funds available to or for the benefit of, directly or indirectly, any Sanctioned Person;
6. To ensure that contracts (if any) financed by the Loan Agreement include the necessary provisions to enable the Lessor to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the Project;
7. To take within a reasonable timeframe appropriate measures in respect of any member of its management body who becomes a Sanctioned Person, or is the subject of a final and irrevocable court ruling in connection with Prohibited Conduct perpetrated in the course of the exercise of their professional duties, in order to ensure that such member is excluded from any Lessee’s activity in relation to the loan and to the Project and promptly inform the Lessor of such measures being taken to that extent;
8. **Site Inspections**

The Lessee will allow any agents of the Lessor or persons designated by the Lessor to:

* 1. Visit the sites, installations and works comprising the Project and to conduct such checks as they may wish for purposes connected with the financing of the Project, and
  2. Interview representatives of the Lessee, and not obstruct contacts with any other person involved in or affected by the Project,
  3. Review the Lessee’s books and records in relation to the execution of the Project and to be able to take copies of related documents to the extent permitted by the law, and
  4. Facilitate any inspection and investigations of the Lessor or its lenders and any other official bodies, including those of the European Union, in connection with any alleged or suspected occurrence of Prohibited Conduct, and provide all the necessary assistance for the purposes described in this paragraph;

1. **Consent to divulge information**

The Lessee hereby grants consent to the Lessor to divulge any information requested for by the Lessor relating to the Lessee and the Project, as the case may be, to any of its Partners, lenders and any other relevant official bodies.

Terms and conditions accepted this <<Date>>

**SIGNED the said LESSEE:**

**<< Name of 1st signatory >>**  **<<Designation>>**  **<<Signature>>**

NAME DESIGNATION SIGNATURE

**<< Name of 2nd signatory >>**  **<<Designation>>**   **<<Signature>>**

NAME DESIGNATION SIGNATURE

**<<Common Seal>>**

COMMON SEAL

In the presence of:

Name: <<Name>> : Occupation: : <<Occupation>>

Address: <<Address>> Signature: <<Signature>>

**DRAWN BY**

<<Address>>