

LOAN APPLICATION

COMPANY AND PROJECT DESCRIPTION.

FINANCING STRUCTURE AND GUARANTEES.

A. COMPANY DESCRIPTION

1. Name and legal status of company requesting FREE loan:

2. Shareholders structure:

Full name	Ownership (%)

Notes: (i) Please list shareholders owning more than 5%; (ii) For shareholders - juridical persons, having more than 35 % of shares, please mention their own shareholders structure.

3. Board of Administration (BoA):

Full name	President/Member of BoA	Executive/management position within the company (if applicable)

4. Description of company's activities:

4.1. Evolution of company's activity during the last 3 years.

4.1.1. Please, make a short description of company's evolution, including evolution/changes in products structure and / or services provided.

4.1.2. Please, provide the structure of the annual turnover / net sales as follows:

I. On main products / services;

II. On export and domestic market.

Please indicate the total percentage of compensated products (barter) of total annual turnover/net sales if it is more than 10%.

4.1.3. What market opportunities have been analyzed/followed in the last 3 years? Please specify any aspect that had a major impact upon the company in the last 3 years.

4.2. Current activity and the activity for the next 2-3 years.

4.2.1. Please describe the most important factors that influence the company's activity, currently and in the next 2-3 years.

4.2.2. What is the actual and future internal and external market position of the company, regarding its products / services, their quality, used technology, etc.?

4.2.3. What are the market opportunities of the company for today and for future?

4.3. Market size. Market share. Competitors.

4.3.1. Please describe the company's market and company's market share: history, present and future estimates.

4.3.2. Please, describe the main competitors and their market shares and the company's competitive advantage compared to its competitors, taking into account the structure of turnover/net sales mentioned at 4.1.2.

4.4. Please, mention all quality certificates owned by the company.

5. Energy consumption:

Energy	Annual Consumption and unit	Annual Costs (RON)	Supplier
Electricity			
Thermal Energy			
Natural Gas			
Fuel (type)			
Solid Fuel (type)			
Others (type)			

The energy costs represent _____ % from the total production costs _____ % from the operational costs. Has it been performed and energy audit for the company? Please, provide details.

6. Financial information:

6.1. Financial criteria

Please fill in the following financial information (in RON):

YEAR	2004	2005	2006
Turnover/ Net sales			
Of which, export			
Operational profit			
Financial profit			
Profit before taxes			
Net profit			

Note: For the current year (the year when the Loan Application is filled in), please provide the financial indicators from the above table for the number of months available.

6.2. Clients and suppliers

Please list the significant clients and suppliers, respectively having minim 20% of total clients and total suppliers. Please provide any additional comments, if relevant.

6.3. Debts to financial institutions (RON, USD, EURO):

Lender	Total loan size	Maturity date	Outstanding loan *)	Please list the guarantees provided for each loan

*) At the date of filling in the Application Form 2a).

6.4. Leasing facilities:

Please indicate the total amount of leasing contracts, of which the amount outstanding (in USD), at the date of filling the Application Form 2a).

6.5. Overdue debts to the state budgets (in RON):

Type of the debt/taxes	Overdue amounts	Reasons for overdue amounts

Note: In case the company has signed conventions for rescheduling of the state budgets, please provide indicate this fact.

6.6. Extraordinary activities

Are there any extraordinary activities that can influence the company's activity and its capacity to pay back the FREE loan? If yes, please, provide details.

B. PROJECT DESCRIPTION

1. Project description:

1.1. Please describe (maximum 3 pages) the project for which you request the FREE loan. Please, describe the advantages resulting from the project implementation and their impact on company's activity.

1.2. Please specify the main components of the total cost of the investment (based on the available proforma invoices, if available) and the financial sources (own sources, FREE, other sources).

Component	Cost (USD)	Financial Source
(Pre)Feasibility study		
Equipment		
Civil works		
Erection works		
Managerial costs		
Control and monitoring		
Other costs		
Total		

Proposed date for project implementation: from _____ to _____.

1.3. Environmental authorization (yes, no, in progress): _____

Other comments: _____

1.4. Please estimate the energy savings in (i) kWh, Gcal, GJ, tones of fuel etc. and in (ii) value terms (USD), on an annual basis. Please, compare the energy savings with the current energy consumption

and energy costs, production and operational costs. Specify the estimation range regarding the energy savings and prices.

1.5. What is the simple payback period (years/months) considering all the estimated savings?

1.6. Are there any technical and/or (pre)feasibility studies? If yes, please attach them. If no, what is the basis of the above-mentioned declaration regarding energy savings, etc.?

2. Other remarks:

Please mention any other aspects concerning the project which you are considering as being important and which has not been mentioned above.

C. FINANCING STRUCTURE & GUARANTEES

1. Financing structure

Total value of the project is in USD _____, without VAT, of which:

- I. Loan FREE USD _____;
- II. Own contribution
In cash USD _____;
In kind USD _____ (please list the components of the in kind contribution).
- III. Financing obtained from other institutions (please list the name of each financing institution and the amount in USD):

- IV. Other sources USD _____.

2. Collateral

2.1 If the loan is guaranteed with a **mortgage on a land or/and building**:

- I. Textual description, maps and photos of the guarantee proposed
- II. Copy of ownership document (sell/purchase contract etc.)
- III. Estimated value (ANEVAR report, if available) and/or accounting value.

2.2 If the loan is guaranteed with a **pledge**:

- I. Textual description, maps and photos of guarantee proposed
- II. Copy of ownership document (sell/purchase contract etc.)
- III. Estimated value (ANEVAR report, if available) and/or accounting value.

2.3 If the loan is guaranteed with **assignment of receivables**:

Copy of the contract from which can be identified the nature, the value and the maturity of receivables.

2.4 Other guarantee proposed - please provide a minimum level of details.

LIST OF DOCUMENTS¹

(to be attached to the Application Form 2a)

No.	Document	Remarks
1	Registration Certificate - Commercial Registry	Copy
2	Constitutive Act with all changes	Copy
3	Certificate issued by the Registry of Commerce	Minimum content: Identification information (company name, number of order from Commercial Registry, Unique Registration Code), Headquarter validity, Social/share capital, Shareholders structure, Administrators (Board of Administration/Directors), Censors and/or Auditors
4	Financial statements	Last two years: Balance Sheet and Profit and Loss Account, including annexes. Administrators report. Censors and/or auditors report, Trial balance. Half year results: Balance Sheet and Profit and Loss Account, including annexes. Administrators report. Censors and/or auditors report. Trial balance. Last month: Trial balance.
5	Business Plan	If available.
6	Opportunity studies, (pre)feasibility studies or similar studies	See the note below. The studies need to demonstrate the necessity of the project, technical solution, estimated savings and other advantages.
7	Energy audit	If available.
8	Statement	Statement of the management regarding the involvement/ non-involvement of the company and of the management in lawsuits.
9	Permits	Copy of Permits if required by the law
10	Procurement	Bidding organization, Call for offers, Offers, Winner selection

Note: If there are no such studies, please provide minimum information regarding: energy suppliers, technological risks, existence of natural sources of combustible (if available), commercial agreements, if exist, for procurement of energy, the area of implementation of the necessary technology.

¹ These documents will be attached to the Application Form 2a.

FREE – USE OF FUNDS²

According to FREE's investment policy, the funds are to be utilized for financing:

- Purchasing, proper installation and commissioning of the equipment, machinery and other tools for energy efficiency investments. Main energy efficiency equipments are considered the following: burners and boilers, variable speed drives, condensers for condensers for power factor improvement, compressors, controls and steam traps, etc. It is acknowledged that the above listing should be used as indicative and far from being exhaustive;
- Technical assistance and advice for proper installment of the above mentioned purchased equipment;
- Know-how procurement (advanced technologies, etc);
- Training of staff in using properly the equipment and new technologies;
- Equipment Leasing;
- Transportation and logistic support;
- Rehabilitation of the buildings for developing those activities;
- Rehabilitation of other used facilities.

In respect of its investment policy FREE funds cannot be used to finance:

- Rental for buildings and equipment;
- Purchase of land and buildings for production and administrative offices;
- Purchase of transportation means which are not directly linked with the technological production flow;
- Salaries for own staff of the borrower;
- Raw materials (fuels, etc.); and
- Investment in Prohibited Activities (see next page).

² According to FREE's Operational Manual.

"Prohibited Activities" means:

- Large-scale mining, oil and gas exploration or development and supporting services, if such services are directly related to exploration or development.
- Speculative real estate investing or trading.
- Production or activities involving harmful or exploitative forms of forced labor or harmful child labor.
- Production or trade in a product or activity that is illegal under the laws of Local government or international conventions and agreements.
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine).
- Production or trade in tobacco.
- Gambling, casinos and equivalent enterprises.
- Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora.
- Production or trade in radioactive materials.
- Production or trade in unbounded asbestos fibbers.
- Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest.
- Production or trade in products containing PCBs.
- Production or trade in pharmaceuticals subject to international phase-outs or bans.
- Production or trade in pesticides/herbicides subject to international phase-out or bans.
- Production or trades in ozone depleting substances subject to international phase-out.
- Drift net fishing in the marine environment using nets in excess of 2.5 kilometers in length.

Name of the legal representative

Position and stamp

Signature of the legal representative

**Date of submitting the Loan
Application to FREE**