

IFF

MASTERING PROJECT FINANCE DOCUMENTATION

Three days of training on the documents, the risks
and the consequences

Contact:

www.iff-training.com
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This course will analyse - in detail - all the key project and financing documents. You will delve far beyond the basic features of these agreements, and will end up with a deeper knowledge of:

- The documents' core structure and key variants
- The issues which are likely to be most contentious in the discussions between sponsors, lenders and others

YOU WILL LEARN ABOUT

- ★ The various risks throughout a project's development and operation, and identify how they are addressed in the various operational and financial contracts
- ★ The relevant clauses in the contractual documents, and explain the interface between the actual conduct of the project and the contractual arrangements and obligations
- ★ The potential consequences of failing to implement project documentation in a prudent way

This course is valuable for developing project debt financiers' sponsorside negotiators and financial advisers from investment banks, accounting firms and commercial bank advisory teams. Undoubtedly, a lender's appetite for risk acceptance and the provision of high levels of debt will be a key factor in the success of a project financing. Borrowers and financial advisers have a keen interest in understanding what makes a particular agreement "bankable" and capable of supporting high earning. Legal firms should consider the course as means of sensitising staff to the particular issues of project financing documentation.

COURSE LEADER

RICHARD CAPPS



Trainer Richard Capps has a rare blend of experience pertaining to Finance Documentation.

He graduated in law from Trinity College, Cambridge, and studied at the Inns of Court Law School, whereafter he

became a Barrister-at-Law. He then spent six years at Chase Manhattan Bank as a corporate relationship manager, gaining experience from a lender perspective. Five subsequent years in M&A advisory and corporate restructurings at two investment banks gave him experience of structured finance and workout documentation. Richard later became CFO of a large public company, gaining the perspective of a corporate borrower and then was appointed by KMPG to be General Manager of a company in severe financial difficulties. This gave him valuable experience of insolvency in several different jurisdictions.

Richard has been incorporating his experience into his training courses for over twenty years.

Hear from the trainer himself at: www.iff-training.com/VIDPFD

ABOUT IFF

IFF has been the chosen training provider of the world's best finance professionals since 1991. We are part of Informa PLC and the learning partner of the SuperReturn, GAD and RiskMinds series of events.

- We continually develop and improve our training to make it more effective for you
- You'll learn from practising, highly-experienced financial experts
- You'll experience interactive and practical training - implement what you learn straight away
- We limit class sizes so the trainer can adapt the content to suit you

DATES & PRICE

Please contact a member of our team for more details

CONTACT US

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IN-COMPANY TRAINING

IFF's bespoke training solutions will help you address your specific key business challenges. The programme is designed for you, with content focusing on the issues you and your teams are facing. The course can then be delivered at your choice of location face-to-face, digitally or a combination of the two.

- ★ Tailored content - 100% targeted to cover your needs
- ★ No travel or time out of the office – we will come to you
- ★ Value for money – train teams of staff at the same time
- ★ Risk free – we've been doing this for over 30 years

For more information please contact:

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email: Leigh.Kendall@informa.com

COURSE AGENDA



Risk & its Management

- The distinguishing features of project finance
- The objective of managing risk
- The six ways in which risk can be managed
- The project finance structure overview, relationship of the parties

Governing Law & Enforcement of Rights

- Conflicts of law
- Two requisites of project finance contracts
 - reversal of plaintiff/defendant positions
 - avoidance of litigation to enforce rights
- Alternative Dispute Resolution Procedure

Pre-Completion – Construction Contracts

- FIDIC and other standards
- Liquidated damages
- Performance bonds and retentions
- EPC and functional specification
- Fixed price, lump sum, control of variations
- Completion guarantees
- Two-phase financing
- Force majeure

Concession & Offtake Agreements

- The origins of PPP and BOT
- The pricing basis
- The treatment of performance shortfalls
- Termination, step-in rights
- Direct agreements
- Compensation
- Volume risk – take-and-pay; take-or-pay; marketing agreements
- Exclusion clauses



CASE STUDY

Addressing the Risks, Protecting the IRR

Negotiating the protection for the financiers, defending the IRR of the Sponsors

Financing Agreements

- The loan syndication process
- The term sheet
- Particular features of project financings
 - the cashflow waterfall
 - the role of the project cashflow model
 - LLCR and ADSCR
 - cash sweeps
 - distribution lockups
- The layout of the loan agreement
- key issues for Lenders:
 - material adverse change
 - drawdown stops
 - waivers and rectification
 - market disruption, increased costs
 - negligence – of Agent bank or consultants
 - disclaimers
 - legal opinions
 - non-exclusive jurisdiction

- loan liquidity, sell-down, novation, assignments
- enforcement implications
- environmental liability
- Key issues for Sponsors
 - conditions precedent to distributions to Sponsors
 - the potential to 'hide' recourse, how and why
 - the trigger for recourse
 - the quantum of recourse
 - 3-dimensional leverage, incl. maturity, grace, sculpting
 - majority lenders, snooze 'n' lose
 - removing individual financier participants, 'yank the bank', super majorities
- Other key issues:
 - reps and warranties, repeating reps
 - sponsor lock-ins, change of control
 - sponsor insolvency
 - appropriations, partial payments
 - illegality and severance
 - the effects of Basel 3 and Solvency 2
- Lender rights upon default
- Reschedulings, restructurings



CASE STUDY

Dealing with Defaults

Illustrating the limited options when the facility is fully drawn, the assets are immovable, and the loan is in default

Security

- A classification of security:
 - mortgages
 - fixed and floating charge
 - liens and pledges
 - hypothecation
 - assignments
- The limitations of security in project financings
- Avoiding security:
 - use of the unincorporated joint venture
 - use of the bankruptcy remote vehicle
- The role of a security trustee
- Guarantees:
 - the common law treatment
 - variations, additionality, on-trust, continuing security, termination, ruling off, joint and several, conclusive evidence, indemnity, liability post-insolvency



CASE STUDY

Designing the Security Structure

Negotiations for the optimisation of the security structure from the divergent perspectives of Lenders and Sponsors

Other Legal Issues

- Insurances – CAR, ALOP, Marine, DSU, public liability
- Political risk insurances – FX convertibility, insurrection, expropriation
- Monoline insurance, credit enhancement structures
- Security trust vs. security agency
- Intercreditor agreements

Contact:

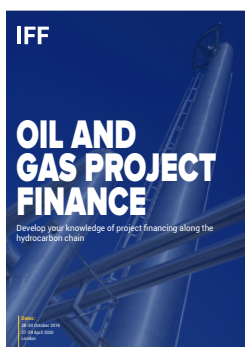
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CPD Certified:

IFF is recognised by the CPD Certification Service and have been approved to award CPD points towards professional development certifications. Attendance at this course will earn you 40 CPD points.

COURSES IN THE IFF PROJECT FINANCE PORTFOLIO



See the website for full details www.iff-training.com

IFF is the learning partner of

QuantMinds

GAD

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FINOVATE EUROPE