

ExxonMobil Nigeria Contractor Finance Scheme – Frequently Asked Questions (FAQs)

General

Q What is ExxonMobil Nigeria Contractor Finance Scheme?

A ExxonMobil Nigeria Contractor Finance Scheme (EMNCFS) is an initiative targeted at Nigerian vendors seeking access to better funding options to fulfill ExxonMobil awarded contracts/orders

Q What benefits would I enjoy as a result of my participation in the scheme?

A Contractors participating in the scheme will have access to competitive loan rates from participating banks. Loan processing time will also be significantly reduced due to upfront definition of eligibility criteria by the banks.

Q Does the scheme cover all my contracts and services types?

A All contract and services types are covered under the scheme. Loan approval for each transaction is however subject to the bank's risk and credit evaluation criteria and guidelines.

Q Is participation restricted by location?

A Participation in the scheme is not restricted by location. Contractors from all locations are allowed to participate in the scheme once they meet the eligibility criteria.

Q Will my participation in the scheme afford me any advantage in doing business with ExxonMobil?

A Participation in the scheme will not guarantee advantage while doing business with ExxonMobil. However the cheaper cost of fund obtainable under the scheme may translate to competitive advantage if it is effectively transferred to the prices quoted by the supplier.

Enrolment

Q How do I enlist as a Contractor to participate in the scheme?

A Contractor shall be eligible to join the ExxonMobil Contractor Finance Scheme if the Contractor is registered with an ExxonMobil Affiliate in Nigeria and has a valid contract with the Company. All Contractors seeking to join the scheme shall proceed as follows;

1. Contractor will approach an EMNCFS participant Bank of choice to open an account if you are a new customer or changing from your current Bank.
2. Contractor will notify Vendor Master (Account Payables Department) of interest to participate in the scheme and complete the scheme enrollment form and Vendor Master Update form.
3. Upon satisfaction of all conditions, Account Payables Department will update Vendor Master with the Contractor bank account details.
4. Following Vendor Master, Account Payables Department will update the ExxonMobil Contractor Finance Scheme Database with Contractor details and generate a notification letter to Contractor with the bank in copy, informing Contractor that they have joined the scheme and their account details have been updated.

Q Can I participate in the scheme while maintaining my current bank?

A Not in all cases, if the contractor's current bank is one of the participant banks then the contractor may maintain their current bank for the scheme. However, you are required to still complete steps 2 to 4 above. Contact the Bank for more details.

Q What documentation is required to enlist on the scheme?

A Contractor must be a registered company in Nigeria. However, other requirements vary from Bank to Bank. Refer to attached eligibility criteria of the Banks on the rates page.

Q Can I exit the scheme any time I want to? What would be required of me should I choose to exit the scheme?

A A contractor may exit the scheme should they choose to at any time. The contractor would however be required to submit a letter of non-indebtedness from the current bank as evidence that the contractor is free from any obligations to the bank.

Q Can I change from one bank to another under the scheme?

A A contractor may change from one bank to another under the scheme after presenting a letter of non-indebtedness from the current bank as evidence that all existing obligations to the bank have been met

Q Is enlistment in the scheme automatic for all registered ExxonMobil contractors?

A No. Interested contractors are required to apply for enrollment to participate in the scheme.

Q Is participation in the scheme optional?

A Participation in the scheme is completely optional. ExxonMobil however encourages contractors' to participate in order to enjoy the benefits derivable under the scheme.

Q Will ExxonMobil control my price quotations under the scheme?

A ExxonMobil will have no control over contractors' quotation under the scheme. Although contractors' price quotations will remain independent of ExxonMobil's influence, the Company however hopes that the cheaper cost of funds obtainable under the scheme will be reflected in the competitiveness of the contractor's quotation.

Q Will ExxonMobil have access to my financial information from the bank?

A The memorandum of understanding executed between ExxonMobil and the banks does not give ExxonMobil access to the contractor's financial information under the Contractor Finance Scheme.

Q What channels are available for lodging complaints regarding services provided by the banks under the scheme?

A Contractors may send their complaints to the email address provided on the ExxonMobil Contractor Finance Scheme website.

Accessing Credit

Q Are there limits to the amount of funds accessible under the scheme?

A The scheme does not limit the value of loans obtainable. However the loan amount is dependent on the bank's approval based on their credit evaluation criteria and guidelines.

Q Are there hidden charges other than the interest rates published under the scheme?

A There may be other processing charges applied by the banks at the time of loan disbursement. You should contact Company if a Bank request additional fees not stated on the website.

Q How long will it take the bank to advance the loans I apply for under the scheme?

A Bank reserves the right to accept or reject credit requests received from Contractor within 7-10 days of application. Bank shall process all valid credit facility requests within one week (7 days) of receipt of complete documentation from Contractor.

Q Would I have to domicile my bank account with a bank to be able to participate in the scheme under the bank's platform?

A Contractors will be required to domicile their accounts with the bank under which they are joining the scheme. This is a key condition for enrollment in the scheme.

Q Will ExxonMobil guarantee the loan I obtain from the banks?

A ExxonMobil will not guarantee any loans advanced to contractors. A contractor shall bear full responsibility and obligation for the loans obtained under the scheme.

Q Can the bank unilaterally change interest rates for loans obtained under the scheme?

A Banks are not allowed to change interest rates under the scheme without the consent of the company. This is to ensure that new rates are adequately reviewed, negotiated and agreed before they become effective and binding to the contractor under the scheme.

Q Will the same interest rates apply to all loans under the scheme?

A Interest rates will vary between participating banks and based on other factors such as the loan amount, tenure and contractor credit evaluation performed by the bank. However the rates published on the ExxonMobil Contractor Finance Scheme site are the maximum rates obtainable under the scheme. Contractors may negotiate lower rates.

Q Can I contact the Company to intervene if Bank is requesting increase in rates?

A Yes, Contractor should contact Company only if the increase is now higher than what is stated on Company website. As long as the requested rates are within Company's published rates, Company will not intervene.

Q Will the same tenure apply to all loans under the scheme?

A No. The tenure of loans obtained under the scheme will vary depending on the material/service delivery lead time, loan amount and agreed terms between the contractor and the bank.

Q What happens to my running loans if the relationship between ExxonMobil and the bank is terminated when the loan tenure has not expired?

A In the event that this relationship is terminated, both the Company and the bank shall ensure the all terms and conditions guiding the scheme are in effect until such time when all sums owing to the Bank by Contractors under the scheme are fully settled and thereafter shall have no obligation to Bank.

Q Will participation in the scheme reduce the invoice payment period from the usual 45 days?

A No. Participation in the scheme neither modifies, excludes nor affects existing contract terms and conditions between ExxonMobil and the contractor, including but not limited to satisfactory job performance, invoice payment terms.

Others

Q. Where can I obtain additional information regarding the scheme?

A Additional information about the scheme can be obtained at ExxonMobil Contractor Finance Scheme website (http://prodwip.exxonmobil.com/Nigeria-English/PA/community_vendors_financing.aspx)

Q How do I enlist as a Bank to participate in the scheme?

A The steps for a bank's enlistment in the scheme are outlined as follow:

1. Notify Procurement Support Manager of intention to participate in the ExxonMobil Contractor Finance Scheme in writing and submit their proposal.
2. Procurement Support will review proposal and organize negotiation meetings with the bank, with the participation of Treasurers Department.
3. Following agreement of rates, Procurement Support Department will forward MoU to the bank for review and organize terms and conditions negotiation meetings if required. The Law departments of ExxonMobil as well as that of prospective Bank may be in attendance.
4. Following successful negotiations, Procurement Support Department will coordinate the execution of the MoU between the Company and the Bank.

Please contact the scheme administrator at mpnprocurementsupport@exxonmobil.com or helpdesk at 01- 2801100 Ext 26834 for any clarification.