

Terms and Conditions for the Application for Irrevocable Documentary Credit / Standby Letter of Credit

1. This application and the relevant DC and/or SBLC to be issued are subject to the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, the Trade Finance Security Assignment and Standard Terms for Banking Facilities as are in effect from time to time, the Letter of Hypothecation and any other agreement(s) previously signed and delivered to United Overseas Bank Limited (the "**Bank**") by the applicant of this application (the "**Applicant**"). In case of conflict, terms of this application shall prevail to the extent of conflict.
2. The Applicant undertakes to pay and reimburse the Bank any sum in connection with the DC and/or SBLC upon the Bank's demand and irrevocably authorizes the Bank to debit the Applicant's account(s) for any such sum or restrict the Applicant from withdrawing any such sum from the Applicant's account(s) at any time the Bank thinks appropriate. Such sum includes interest, costs, expenses, commissions, drawings and/or reimbursement claims from any nominated bank or confirming bank and any payment, prepayment or purchase effected by the Bank in connection with the DC and/or SBLC, all irrespective of any alleged discrepancies in the presented documents and/or any fraud that may be alleged at any time or discovered subsequent to such payment, negotiation, prepayment or purchase by any nominated bank, confirming bank or the Bank.
3. All documents presented under the DC and/or SBLC and the relevant goods will be automatically pledged to the Bank as security for the Applicant's liabilities and obligations owing to the Bank but the risk of the goods shall be with the Applicant at all times.
4. All the terms and conditions of the DC and/or SBLC must be identical to that of the master credit detailed overleaf ("**Master DC**"), if any, except as otherwise agreed by the Bank.
5. The Applicant agrees that the Bank may, at its sole discretion and without consent from the Applicant, amend the terms and conditions of the DC and/or SBLC stated in this application and/or insert additional terms and conditions into the DC and/or SBLC as the Bank thinks appropriate. The Bank may, subject to the beneficiary's consent, cancel the whole or any unused balance of the DC and/or SBLC.
6. The Bank is irrevocably authorized (but is not obliged) to (i) utilize documents presented under the DC for the drawing of the Master DC; (ii) negotiate the presented documents, prepay the deferred payment undertaking incurred by the Bank, purchase the draft accepted by the Bank under the Master DC or make any advance(s) against the documents presented ("**Financing**"); and (iii) directly apply the Financing proceeds of the Master Credit to settle the corresponding drawing(s) under the DC without first crediting such proceeds to the Applicant's account with the Bank, irrespective of discrepancies that may appear on the documents presented under the DC (all of which, if any, are hereby waived).
7. The Applicant undertakes to examine the customer copy of the DC and/or SBLC issued by the Bank and irrevocably agrees that failure to give a notice of objection about the contents of the DC and/or SBLC issued by the Bank within 5 banking days after the customer copy of the DC and/or SBLC is sent to the Applicant shall be deemed to be its waiver of any rights to raise objections or pursue any remedies against the Bank in respect of the DC and/or SBLC.
8. If the Applicant instructs the Bank to permit T/T reimbursement, the Bank is irrevocably authorized to pay and/or reimburse the relevant claiming bank or reimbursing bank upon receipt of a claim from such bank even prior to the Bank's receipt of the presented documents. The Applicant shall bear all the relevant risks (including non-receipt and non-compliance risks of the

presented documents) and shall reimburse and indemnify the Bank for any payment made under the DC and/or SBLC.

9. The Applicant agrees and acknowledges that it is the sole responsibility of the Applicant to (i) ensure clarity, enforceability or effectiveness of any terms or requirements incorporated in the DC and/or SBLC; and (ii) comply with all applicable laws and regulations regarding the underlying transaction to which the DC and/or SBLC relates and obtain all necessary documents and approvals from any governmental or regulatory bodies and produce such documents or approvals to the Bank upon request. The Bank is not responsible for advising and has no duty whatsoever to advise the Applicant on such issues. The Bank shall not be liable to the Applicant for any direct, indirect, special or consequential loss or damage, costs, expenses or other claims for compensation whatsoever which may arise out of such issues.
10. The Bank shall not be responsible for any delay, mistake or omission that may happen in the transmission of instructions by mail or teletransmission, or for the loss or delay in the forwarding of the documents, or for the validity, regularity or genuineness of the documents if apparently in order or for the description, quality, quantity or value of the property represented by such documents.
11. Where the DC calls for the insurance to be effected by the buyers, the Applicant shall keep the property covered by insurance and assign the insurance policy or certificate to the Bank upon its request, failing which the Bank is at liberty to insure for the Applicant's account until such time as the Bank deemed necessary.
12. Any action taken or omitted by the Bank or by any of its correspondents or agents in good faith under or in connection with the DC and/or SBLC shall be binding on the Applicant and shall not place the Bank or its correspondents or agents under any liability to the Applicant.
13. The Bank may act upon any instruction given to the Bank by facsimile, email or telephone so long as the Bank acting in good faith believes it to be the genuine instruction from the Applicant. The Bank is under no duty to inquire into the authenticity of any such instruction or the identity or authority of the person giving or purporting to give any such instruction before the Bank acts on it. Any transaction or service effected pursuant to any such instruction that the Bank acts on shall be conclusively binding on the Applicant for all purposes, regardless of whether such instruction was given with or without the Applicant's authority, knowledge or consent.
14. The Applicant further undertakes that it shall indemnify the Bank and the Bank's delegate(s) on demand (on a full indemnity basis) against all liabilities, losses, payments, damages, demands, claims, expenses and costs (including legal fees), proceedings or actions which the Bank or the Bank's delegate(s) may suffer or incur in connection with this application and the DC and/or SBLC.
15. If this application is executed by more than one party, the obligations and liabilities of each of the parties are primary as well as joint and several and the Bank will be at liberty to release, compound with or otherwise vary or agree to vary the liability of any one without prejudicing or affecting the Bank's rights and remedies against the others.
16. This application is governed by and construed in accordance with the laws of the Hong Kong SAR and the Applicant agrees to submit to the non-exclusive jurisdiction of the Hong Kong courts.