

Terms and Conditions for Letter of Credit (the “Agreement”)

1. The Bank may, at its discretion, issue the letter of credit issued pursuant to our application (“the Credit”) through (a) its head office or any branch in Singapore or (b) any of its branches outside Singapore. For the purposes of our application and this Agreement, branches of the Bank outside Singapore are to be considered as part of one and the same entity and not as separate banks. The advising and/or negotiation of the draft(s) and/or documents drawn under the Credit may at the Bank's discretion be confined to the Bank's branches or its agents even if our instructions are to issue freely negotiable credit. The correspondent(s) utilised by the Bank for advising the Credit shall be selected by the Bank in its absolute discretion. We agree that the Bank may from time to time arrange for the Credit to be reissued by a branch of the Bank in a jurisdiction outside Singapore if the Credit is to be issued in favour of beneficiaries incorporated in such jurisdiction. Our rights and obligations under this Agreement shall remain notwithstanding that the Credit has been reissued. Any reference in this Agreement to “we” shall include our successors, permitted assigns and personal representatives.
2. We authorise the Bank to accept or pay for my/our account the draft(s) and/or documents purporting to be presented or drawn under and tendered or negotiated pursuant to the Credit and to pay all sums which appear or purport to be claimed or demanded or which the Bank is liable to pay in accordance with or pursuant to the Credit, without any reference to or further authority from us and without inquiry into the justification for it or the validity, genuineness or accuracy of any statement or certificate received by the Bank with respect to or under the Credit and despite any contestation on our part. We agree that any such draft(s) and/or documents or claims or demands for payment of any such sums shall be binding on us and shall as between the Bank and me/us, be accepted by us as conclusive evidence of the matters stated therein.
3. (a) Without prejudice to any security credited herein and by general law, we irrevocably and unconditionally agree to pledge and do hereby pledge to the Bank as security for the payment obligations and/or liabilities arising under or in connection with the Credit as well as any other actual, future or contingent liabilities that may be owing by us to the Bank, any and all documents (including but not limited to, bills of lading, air waybills, any other carriage documents, warehouse receipt, cargo receipts, insurance policies and certificates and any other documents) received by the Bank under the Credit (hereafter, “the received documents”) and the Goods as well as any other goods owned by us now or at any time hereafter in the Bank's possession or

control, or that of any third party acting on the Bank's behalf, including such documents and goods as may be in transit by whatever mode to or from the Bank. Such security shall not be affected even if the presented documents or Goods are released to or upon our order on trust receipt.

(b) We hereby recognise and admit the Bank's special property in and unqualified right to the possession and disposal of the received documents and in and to the Goods. Without prejudice to the generality of the foregoing, the Bank is entitled to sell, transfer or otherwise dispose of the received documents and/or all or part of the Goods in the event of default of any payment by us pursuant to any liability arising hereunder or any other breach of this Agreement, in any manner (whether by public auction, private treaty or otherwise) the Bank deems appropriate without notice to us, and in and to the proceeds of each and all of the foregoing, until such time as all our obligations and/or liabilities to the Bank at any time existing under or pursuant to this Agreement, or the Credit, or any other unrelated obligation or liabilities incurred by us to the Bank, now existing or hereafter arising, have been fully paid and discharged, pending which, all such presented documents, Goods and proceeds of sale thereof shall, without prejudice to the foregoing security interest, be held on trust for the Bank's benefit.

(c) If the sale proceeds of the Goods or documents do not pay for all of the monies, interest, fees, commission and/or charges, obligations and liabilities, whether absolute or contingent, which are now or may at time hereafter be owing by us to the Bank, we shall immediately pay the remaining amount due to the Bank.

(d) We authorise the Bank, if, in the Bank's opinion, the received documents and the Goods then held by the Bank as security hereunder is deemed by the Bank to be inadequate for all our outstanding liabilities to the Bank (including but limited to those arising under or in connection with the Credit), to appropriate set-off and/or apply upon any and all of such liabilities, any and all moneys now or hereafter with the Bank on deposit or otherwise standing to our credit or belonging to us and/or, in the Bank's discretion, to hold any such moneys as security for any such obligations or liabilities. The Bank's rights hereunder shall not be prejudiced notwithstanding the release or substitution of any goods which may be held as security hereunder at any time.

4. The Bank shall not in any circumstances be held responsible for any detention, loss or deterioration of, or any damage to the any part or all of the Goods or for any failure to insure them, or for their quantity, quality, condition or delivery or the correctness, validity, sufficiency or genuineness of any of the documents relating to them.
5. We irrevocably and unconditionally agree that if the Credit specifies shipments in installments or drawings within stated periods, and the shipper fails to ship or



drawings on the Credit are not made in such stated period, subsequent installment shipments or drawings may nevertheless be made in their respective designated

6. period and the Bank may honour such drafts/payment obligations at the Bank's sole discretion without reference to us.
7. Any discrepancies or non-conformity in the received documents wrongly advised by the Bank to us would not be considered a discrepancy or non-conformity entitling us to reject such documents provided that the Bank confirms in writing that the discrepancy or non-conformity originally advised does not amount to a discrepancy or non-conformity. We agree that the Bank shall not in any way be liable to us for any loss or damage suffered by us either directly or indirectly, arising from or in connection with its initial advice of discrepancy or non-conformity.
8. Where discrepancies are noted by us, we will notify the Bank of such discrepancies within 3 banking days of our receipt of documents. We agree that, where, following such notification, documents are rejected by the Bank, we will reimburse/indemnify the Bank even in the event that the rejection of documents is subsequently held by a court of law, a tribunal or any other body to be invalid for any reason whatsoever.
9. If Goods financed by the Credit are released to us pursuant to a shipping guarantee or a letter of indemnity, we should be deemed to have accepted and/or waived all discrepancies in the documents presented under the Credit.
10. We undertake to keep the Goods satisfactorily insured and in full protection of the Bank's interests therein, by first class insurers acceptable to the Bank, and to assign the policies or certificates of insurance to the Bank, or to name the Bank as the loss payee in the insurance policy, at the Bank's option. In the event that any monies arising under such insurance are paid to us, we shall forthwith pay them to the Bank without deduction or detention and until so paid to hold such monies to the Bank's order and on the Bank's behalf.
11. We undertake, where required by the Bank, to procure and obtain the necessary blank or special endorsement of bills of lading presented under or in connection with the Credit and written attornments or receipts from any third party, including warehouse keepers, in the Bank's favour.
12. On arrival of the Goods the Bank shall be entitled to have them warehoused in the Bank's name and insured against fire, theft and pilferage at our cost and expense but



without obligation on the Bank to so warehouse and insure and the Bank will be in no way responsible for any loss or damage entailed through the Bank's omission to so warehouse and insure.

13. We shall not without the Bank's prior written consent create encumbrance of any kind over or dispose of any or all of the Goods.
14. We irrevocably appoint the Bank and such of the Bank's officers as may from time to time be in charge of our accounts to be our agent and in our name to execute and deliver all documents and do all acts as the Bank or such officer deems desirable for perfecting the Bank's security over the goods or for the purpose of exercising any rights hereunder including transferring goods in the goods to the purchase thereof.
15. We undertake that we will at our costs at the Bank's instructions commence (in our name or jointly with the Bank, as instructed by the Bank) and continue any court or arbitration proceedings in any jurisdiction in respect of any claim arising under the Credit or any insurance policy issued in connection with the Goods. Without prejudice to the foregoing, we agree to extend to the Bank all necessary co-operation in such proceedings, or in any proceedings which may be commenced by the Bank in its name, including the attendance of witnesses and discovery of documents.
16. We agree that upon the non-performance of any payment obligation herein, all payment obligations shall fall due and we shall furnish satisfactory additional security (if demanded by the Bank) or to make payments on account as agreed, or to perform or comply with any other term of this Agreement. In addition, in the event of presentation of any winding-up or bankruptcy petition, judicial management, administration, receivership, restructuring and/or appointment of receiver, execution or attachment any of the Goods by order of court or legal process, all obligations (including payment obligations) shall become immediately due hereunder. Apart from any lien right of set-off or other right which the Bank may have, the Bank shall be entitled at any time and without notice to us to combine or consolidate all or any of our accounts and liabilities with the Bank anywhere whether in or outside Singapore whether such liabilities be actual or contingent, primary or collateral, several or joint notwithstanding that the credit balances on such accounts and the liabilities on any other accounts may not be expressed in the same currency and the Bank is hereby authorised to effect any necessary conversions at its own exchange rate then prevailing.

17. The Bank shall not be responsible for: (a) the correctness of the description, existence, character, quality, quantity, condition, packing, value or delivery of the Goods; (b) any difference in character, quality, quantity, condition or value of the Goods from that expressed in documents; (c) the genuineness of received documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (d) from any ambiguity in any instructions given to the Bank whether by us or another party; (e) the loss or delay in the forwarding of the documents or (f) errors, omissions, interruptions or delays in transmission or delivery of any messages, notice or other communication. The Bank shall also not be responsible for any act, error, neglect or default, omission, insolvency or failure in business of any of the Bank's correspondents, and that the happening of any one or more of the contingencies referred to in the preceding sentence shall not affect, impair or prevent the vesting of any of the Bank's rights or powers hereunder. It is hereby further agreed that any acts or omission taken or suffered by the Bank under or in connection with the Credit or the received documents, or the Goods shall be binding upon us and shall not place the Bank under any liability to us.
18. We irrevocably and unconditionally undertake and agree:
- a. to pay interest at the rate fixed by the Bank from time to time from the date of the draft(s) and/or documents to the date of payment by us;
 - b. to pay the Bank's usual commission and all expenses and the Bank's agents' charges, if any;
 - c. to pay the current rate of exchange at the date of payment as conclusively determined by the Bank unless otherwise agreed; and
 - d. that where any goods and services tax or other taxes levies or charges whatsoever are now or hereafter required imposed or enforced by law (including the Goods and Services Tax Act (Cap 117A)) or required to be paid on or in respect of any monies (including fees payable to the Bank or its agent banks or any fees costs and expenses incurred by the Bank or its agent banks), they shall be borne by or chargeable to us and payable by us to the Bank on demand in addition to all other monies payable to the Bank and the Bank is entitled to debit any of our account with the Bank for payment of the Bank's commission, expenses, costs (legal or otherwise) and agent charges if any together with such taxes under or in connection with or in respect of this Agreement and the transactions contemplated thereunder.
19. Where the Credit is a usance letter of credit, we hereby confirm that the Bank may, if it so wishes, prepay, finance, discount documents, accept or incur a deferred payment obligation to the beneficiary prior to maturity of the Credit.

20. We irrevocably and unconditionally agree that the Bank may take instructions on and release all documents received from one of us singly without reference to the rest of us in the case of a joint application.
21. Words denoting the singular shall also include the plural and vice versa and if this Agreement is or purports to be signed or executed by or on behalf of more than one person the liability of each such person hereunder shall be joint and several and the bank is to be at liberty without thereby affecting the Bank's rights hereunder to release discharge compound with or otherwise vary or agree to vary the liability under this Agreement of or make any other arrangements with any one or more of the undersigned.
22. We confirm that the issuance of the Credit in favour of a Beneficiary on behalf of the third party for our account is of commercial benefit to us and we acknowledge that the Bank's issuance of the Credit is in reliance of our confirmation herein. We further confirm that we will not dispute the existence of such commercial benefit.
23. We undertake to pay to the Bank on demand all amounts paid by the Bank under the Credit or in the case of draft(s) and/or documents accepted under the Credit to place the Bank in funds to meet such draft(s) and/or documents on or before maturity. It shall not be a defence to any demand hereunder and our obligations to the Bank shall not otherwise be affected or reduced by the fact that the Bank were or might have been or might be justified in refusing to make a payment or otherwise incur a liability in connection with the Credit. As between the Bank and us, any draft negotiated under any Credit shall be conclusive evidence that the Bank are or will be liable to pay under the same. We further undertake to forthwith execute all documents and take all actions upon the Bank's request with a view to protecting the Bank's interests in the Goods. In each case payment will (unless otherwise agreed or required by the Bank) be made in Singapore Dollars in Singapore or in the foreign currency which is the legal tender in the respective currency settlement centre together with the Bank's commission and all interests, charges and expenses payable to or incurred by the Bank under or in connection with or in respect of the Credit. Interests for these purposes shall accrue upon such amounts as stated above, from the date when such amounts were first paid by the Bank until payment of them by us in full (both after as well as before judgment), at such percentage rate per annum above the cost to the Bank (as conclusively determined by the Bank) of acquiring such funds in such currency and manner as the Bank may from time to time decide. The Bank may take such action as the Bank may think fit to reimburse itself in respect of any payments



made or other liabilities incurred by the Bank under or in connection with or in respect of the Credit.

24. Where the Bank or any other bank negotiates, pays or accepts the draft(s) and/or documents received or tendered under the Credit after acting in good faith and without gross negligence to determine that they comply with the Credit, such draft(s) and/or documents tendered shall be deemed for all purposes to be complying strictly with the terms of the Credit and we irrevocably agree in such an event to pay to the Bank for the amount or amounts of the draft(s) and/or documents and, without prejudice to the foregoing, the Bank is duly authorised to debit our accounts accordingly.
25. We shall if requested by the Bank, and such request may be made at the sole discretion of the Bank, state whether the documents tendered are to be accepted in spite of discrepancies, if any, and such reply or response shall reach the Bank within 2 banking days of the receipt of the request. In the event we do not respond or delay in responding, the Bank may reject discrepant documents without further reference to us.
26. We irrevocably and unconditionally agree that the Bank will in its sole discretion determine, on the basis of the documents presented, whether inconsistencies in documents constitute discrepancies warranting rejection or are merely typographical errors and we shall be bound by such determination which we undertake not to challenge. Where discrepancies have been noted and the Bank rejects the related drawing/presentation of documents as a result of such discrepancies, we further irrevocably and unconditionally agree to reimburse and/or indemnify the Bank in the event that the rejection of documents is subsequently held by any court of law to be invalid and the Bank is irrevocably authorised to debit our account(s) with the amount payable together with all interest, charges and all related costs including all losses, costs (legal or otherwise) and expenses incurred, sustained or suffered by the Bank in connection therewith.
27. We shall indemnify the Bank in full and keep the Bank indemnified in full against all liabilities, losses, damages, costs, expenses, claims and demands which the Bank may suffer, incur or sustain by reason or on account of the Bank opening or issuing or establishing the Credit or arising in relation to or out of the Credit or otherwise howsoever, including without limitation, all legal and other costs (on a full indemnity basis), charges and expenses the Bank may incur in connection with the enforcement,



or attempted enforcement of the Bank's rights under or in connection with this Agreement or under or in connection with or in respect of the Credit.

28. We authorise the Bank to debit our accounts with the Bank all amounts owing or payable by us to the Bank under or in connection with this Agreement or under or in connection with or in respect of the Credit. Without prejudice to the generality of the foregoing, where the Credit contains a price escalation provision for the Goods and the amount which may be paid under the Credit varies according to the price of such Goods, the full amount payable by the Bank under the Credit even if because of the price fluctuation of the Goods this vastly exceeds the amount that we were originally prepared to pay.
29. In addition to any general lien, right of set-off or any other right to which the Bank may be entitled by law or contract, the Bank may at any time at the Bank's discretion and without notice to us earmark, debit, set-off or transfer any sum or sums standing to the credit of our account from time to time (including any fixed deposit account, notwithstanding that any deposit on such fixed deposit account has not matured or any of the special conditions applicable to the deposit have not been satisfied) in or towards payment or satisfaction of all or any monies or liabilities (whether actual or contingent) due or owing to the Bank under or in connection with or in respect of the Credit. Any and all currency conversions shall be at the Bank's prevailing foreign exchange rate unless otherwise arranged beforehand.
30. Pursuant to any sanctions now and from time to time imposed by the United States of America, the European Union, the United Nations and/or any other regulatory or supervisory authority or body, the Bank shall not examine, accept, reject, discount or otherwise handle or deal with any documents, shipments, goods, payments and/or transactions in connection therewith that may relate, whether directly or indirectly, to any sanctioned countries, persons and/or parties. Accordingly, any presentation that may violate any of the aforesaid sanctions and/or applicable laws giving effect to the same may be rejected at the Bank's sole discretion without any liability whatsoever on the Bank's part. Without prejudice to the generality of the foregoing, we accept that all transactions contemplated herein (including, without limitation, the issuance of the Credit) are subject to all Applicable Laws (defined herein) and that we shall at all times comply with all Applicable Laws in connection with such transactions and we further represent and warrant that (a) we and the Bank will not be in breach of any Applicable Laws as a result of entering into and/or executing any of the transactions contemplated herein or taking any other action directly or indirectly in connection with such transactions; and (b) we shall comply with all applicable export laws,

restrictions, and regulations of any Singapore or foreign agency or authority and will not export or re-export, or allow or authorise the export or re-export of, any commodity, product, technology or other asset(s) pursuant to transaction(s) which form the subject matter of the Credit and/or any other transaction contemplated herein in violation of any such laws, restrictions or regulations. For the purpose of this Agreement: (i) "Applicable Laws" means, with respect to any person, any and all applicable constitutions, treaties, conventions, statutes, laws, by-laws, regulations, ordinances, codes, rules, rulings, judgments, rules of common law, orders, decrees, awards, injunctions or any form of decisions, determinations or requirements of or made or issued by, governmental, statutory, regulatory, administrative, supervisory or judicial authorities or bodies (including without limitation, any relevant stock exchange or securities council) or any court, arbitrator or tribunal with competent jurisdiction, regardless of jurisdiction, as amended or modified from time to time, and to which such person is subject, including without limitation such of the foregoing as relates to anti-money laundering and counter-financing of terrorism; (ii) words importing persons shall include firms, corporations, partnerships, sole proprietors, consortiums, societies, associations, business units and such other organisations set up solely for business purposes; and (iii) any reference to a statute, statutory provision, law, by-laws, regulation, rule, decree, directive, statutory instrument or order includes a reference to any amendment, modification, consolidation, replacement or re-enactment of it for the time being in force and all statutes, statutory provisions, laws, by-laws, regulations, rules, decrees, directives, statutory instruments or orders made or issued pursuant to it.

31. We irrevocably consent to the disclosure by the Bank, the Bank's officers, agents and the Bank's overseas branches, in any manner howsoever, of any account information relating to us including but not limited to details of our facilities, the securities taken, our credit balances and deposits with the Bank to (i) the Bank's head office, any of the Bank's representatives, documents checking and processing centres and branch offices in any jurisdiction, affiliates, (ii) any regulatory or supervisory authority including fiscal authority in any jurisdiction, (iii) any potential assignee of the Bank or any other participant in any of the Bank's rights and/or obligations in relation to our facilities, (iv) any guarantors, third party pledgors or security providers and the Bank's agents, independent contractors and any of the entities referred to in Clause 30A, (v) any insurers with whom insurance cover is taken out in connection with the Credit, and (vi) any third party for use in connection with the provision of Bank's products or services.

This Clause 30 shall survive the termination of this Agreement.

30A. We agree that the Bank may, from time to time, delegate, subcontract, outsource or otherwise appoint its related corporations (together with the Bank, the “OCBC Group”) or any independent contractor, agent or other person (including any intermediary or partner bank) wheresoever located which provides any service (including administration, information technology, payment, securities clearance, credit investigation or debt collection service) or product to or on behalf of any member of the OCBC Group (collectively, the “Third Party”) on such terms as the Bank in its sole and absolute discretion deems fit (including that such members of the OCBC Group or Third Party may further delegate, subcontract, outsource or otherwise appoint any other person) to perform: (i) any of its obligations under this Agreement and/or (ii) various functions or operations in connection with the Bank's business.

32. Unless otherwise instructed, the Credit application, this Agreement, the Credit and any amendments to the Credit would be subject to and governed by the provisions of The Uniform Customs and Practice for Documentary Credits, ICC Publication No. 600 or such later version of the document in force at the time of the application (“UCP”). In the event of any inconsistency between the provisions of this Agreement and the provisions of UCP, the provisions of this Agreement shall prevail. Where the Credit permits reimbursement by the nominated bank, such reimbursement is subject to Uniform Rules for Bank-to-Bank Reimbursement under Documentary Credits, ICC Publication No. 725 or such later version of the document (“the Uniform Rules for Bank-to-Bank Reimbursement under Documentary Credits”). In the event of any inconsistency between the provisions of this Agreement and the provisions of the Uniform Rules for Bank-to-Bank Reimbursement under Documentary Credits, the provisions of this Agreement shall prevail.

33. Each of the provisions of this Agreement shall be several and distinct from one another. If any one or more of the provisions contained in this Agreement shall be deemed invalid, unlawful or unenforceable in any respect under any applicable law, the validity, legality and enforceability of each of the remaining provisions contained herein shall not in any way be affected, prejudiced or impaired thereby.

34. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act (Cap 53B) to enforce any of the terms and conditions herein.

35. This Agreement shall be governed by and construed in accordance with the laws of Singapore. We agree to submit to the non-exclusive jurisdiction of the courts in Singapore in respect of any disputes arising out of or in connection with this



Agreement. Without prejudice to the foregoing, we undertake not to commence proceedings or suits against the Bank in the courts of any other jurisdiction. In the event of any proceedings or suits commenced by us against the Bank, we agree that Singapore Courts shall have exclusive jurisdiction in respect of any disputes arising out of or in connection with this Agreement. We agree to waive and do so waive any right vested on us by the laws of the jurisdiction in which we carry on business to challenge the validity or legality of any part of this provision.