

Standard Chartered Global Master Trade Terms

These are the **Global Master Trade Terms** (the "GMTT") referred to and incorporated into the Agreement between the Bank and each Borrower and are supplemental to the Global Master Credit Terms (Uncommitted).

(the "GMCTU").

1. Definitions

1.1 **Definitions in the Agreement:** Terms defined in the Agreement (and not otherwise defined in the GMTT) will have the same meaning when used in the GMTT

1.2 **Definitions in the relevant ICC Publication:** Terms (and their variations) defined in the relevant ICC Publication will be italicised and will have the same meaning when used in the GMTT

1.3 **Definitions:**

"**Affected Instruction**" means an Instruction the Bank thinks is unclear, conflicting, incorrect, incomplete, unauthorised or would breach any applicable law.

"**Application Form**" means an application form (including a supplemental application form) or Utilisation Request the Bank provides or makes accessible to each Borrower in which a Borrower may apply to the Bank for any Trade Service or utilisation under a Facility and where a Facility is utilised, such Application Form is designated as a Finance Document as defined in the GMCTU.

"**Draft**" means a bill of exchange or other written payment instruction issued by one person (the "**drawer**") to another person (the "**drawee**") to pay the drawer or a third person (the "**payee**").

"**Force Majeure**" means an event or circumstance which is beyond the control and without the fault or negligence of the party affected and which by the exercise of reasonable diligence the party affected was unable to prevent.

"**General Obligations**" means, in relation to a Trade Transaction, all present and future indebtedness and liabilities due, owing or incurred by a Borrower to the Bank (in each case whether alone or jointly, or jointly and severally, with any other person, whether actual or contingent or whether as principal, surety or otherwise).

"**Instruction**" shall have the meaning set out in the GMCTU and additionally it shall also apply to any Trade Service or Trade Transaction.

"**LC**" means a documentary letter of credit, and includes the term *credit* as defined in UCP.

"**Trade Payment Instrument**" means any irrevocable and independent payment instrument in any form which constitutes or evidences a Reimbursable Payment Obligation.

"**Trade Service**" means any trade-related product or service and includes any financing, lending or other financial accommodation which the Bank makes available in relation to any such transaction and which the Bank may provide to a Borrower via a request in the Application Form.

"**Trade Transaction**" means the transaction (or any related transaction) which is the subject of any Trade Service.

"**Transaction Items**" means:

- (a) any document of any kind (including a document of title);
- (b) any goods or other tangible things the subject of any such document; and

(c) any goods or other tangible things.

"**URC**" means the Uniform Rules for Collections, 1995 Revision, published by the ICC (ICC Publication No. 522).

"**URR**" means the Uniform Rules for Bank-to-Bank Reimbursements under Documentary Credits published by the ICC (ICC Publication No. 725).

1.4 **Interpretation:** The terms of the GMCTU apply to the GMTT and Trade Services, save that:

- (a) Clause (*Inconsistency*) of the GMCTU is superceded and if there is any inconsistency between the GMCTU and the GMTT, the latter prevails.
- (b) References to "repay", "repayment" and any variation in the GMCTU shall include any reimbursement obligation set out in the GMTT.
- (c) Clause (*Repayment*) of the GMCTU is supplemented in that repayments and reimbursements of all amounts due shall be in accordance with the Facility Letter and Advices.
- (d) Clause (*Payment of interest*) of the GMCTU – is supplemented in that interest may be deducted upfront for some Trade Services and as set out in the relevant Advices.

2. Underlying Trade Documents

2.1 **Underlying Trade Documents:** Each Borrower shall provide the Bank with the original or copy of any document (including invoices and transport documents) relating to a Trade Transaction upon the Bank's request.

3. Instructions

3.1 **Incomplete and inconsistent Instructions:** The Bank may act on incomplete or inconsistent Instructions if the Bank reasonably believes the Bank can correct or clarify such information without referring to the relevant Borrower.

3.2 **Refusing to act:** The Bank may not process a Borrower's Instruction if:

- (a) the Bank considers it an Affected Instruction; or
- (b) the Bank has a valid reason for doing so.

3.3 **Payment Instructions:** Each Borrower authorises the Bank to send their payment Instructions. Each Borrower also authorises the Bank, any Bank Member or any third party who receives such Instructions to act on them as if that Borrower had sent the Instructions directly to them.

3.4 **Notice:** If the Bank cannot process a Borrower's Instruction, the Bank will notify the relevant Borrower as soon as the Bank can.

3.5 **Stopping a Trade Transaction:** The Bank will try to stop or cancel a Trade Transaction when a Borrower asks the Bank to but the Bank will not be responsible if the Bank cannot do so.

4. Termination

4.1 **Effect of termination of the Agreement:** Without prejudice to any other provision in the Agreement, each Borrower's obligations, including its obligation to reimburse, provide cash cover, not sell or encumber any item the subject of any Security Interest to the Bank and obligation to provide assistance, shall survive termination of the Agreement. Any rights or obligations

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which have accrued on or before the termination shall remain in full force and effect.

4.2 **Termination:** The Bank may terminate the whole or any part of a Trade Transaction, Trade Service or the Agreement immediately without prior notice if:

- (a) a Borrower breaches any term of the Agreement or any other agreement between the Parties;
- (b) a Borrower is the subject of any insolvency proceedings in relation to all or any part of its revenue or assets;
- (c) it is or is likely to become unlawful for any Party to perform its respective obligations under the Agreement;
- (d) complying with the Agreement may cause the Bank to breach any law; or
- (e) the Bank reasonably considers exceptional any circumstance affecting a Borrower or the Trade Service.

4.3 **Surviving provisions:** The provisions relating to clawbacks, indemnities, limitation of liability, disclosure of information, payments, reimbursements, satisfying its obligations in a call for cash cover, set-off, currency conversions, taxes and governing law and jurisdiction survive termination of the Agreement.

5. Suspension

5.1 **The Bank's suspension:** The Bank may suspend a Trade Service at any time. If the Bank does so, the Bank will notify the relevant Borrower as soon as practicable.

5.2 **Instructions prior to termination or suspension:** Any Instruction given or any Trade Transaction made prior to or at the time of termination or suspension will not affect a person's accrued rights and liabilities unless otherwise agreed.

5.3 **Force Majeure:** The Bank may suspend providing any Trade Service until a Force Majeure event has ceased.

6. Amounts and Expenses

6.1 **Currency conversions:** The Bank may make currency conversions in respect of any amount received by the Bank from a Borrower or due to a Borrower from the Bank or arising from a Borrower's Instructions using the Bank's applicable prevailing exchange rate. Each Borrower must pay the Bank's usual charges for such conversion.

6.2 **Clawbacks:** The Bank may cancel, reverse or debit any payment the Bank makes under the Agreement or for any Trade Transaction (including any interest paid):

- (a) to correct a mistake;
- (b) where the Bank has not received cleared and immediately available funds in full or promptly;
- (c) where the Bank is required to return the funds to the relevant payer or drawer; or
- (d) where the Bank has reasonable grounds for doing so.

7. Indemnity and Limitation of Liability

7.1 **Indemnity:** Without prejudice to the GMCTU, each Borrower indemnifies the Bank on demand against any losses, damages, demands, claims, liabilities, costs (including legal costs) and expenses arising from or incurred by the Bank in connection with:

- (a) the Bank providing any Trade Service;
- (b) a Borrower or its Authorised Person not complying with any obligation under the Agreement;
- (c) the Bank acting or declining to act on a Borrower's Instructions; and
- (d) the Bank making currency conversions in accordance with the Agreement,

provided always that the indemnity shall not apply to losses arising from documentary risk, or the credit or country risk of the LC *issuing bank* where the Bank has added *confirmation* of a LC or where the Bank has agreed to *honour* or *negotiate* the LC on a without recourse basis.

7.2 **Monetary Limitation:** In relation to any Trade Service or Facilities provided herein or accessed through a Channel, the Bank's total liability for any claim for any loss arising from (a) any failure by the Bank whether as a result of negligence or otherwise or (b) any failure or disruption of such Channel, in any calendar year shall not exceed the higher of the total sum of any charges paid by the relevant Borrower for the ninety (90) days before the date of such loss or USD100,000

8. Trade Service Specific Terms

8.1 **Trade Service Specific Terms:** Clauses 9 to 21 of the GMTT shall apply to each respective Trade Service in accordance with the following table. For the avoidance of doubt, Clauses 1 to 7 of the GMTT as well as terms and conditions contained in any relevant Advices shall also apply to any Trade Service.

| Product | Trade Service | Clauses |
|--|--|--------------|
| Issuance of Letter of Credit & Back to Back Letter of Credit | <ul style="list-style-type: none"> • Import LCs – unsecured • Transferable LC – unsecured • Back-to-back LCs – unsecured • Red / Green Clause LCs • Revolving LCs | 9 and 20 |
| | <ul style="list-style-type: none"> • Import LCs – secured • Transferable LC – secured • Back-to-back LCs – secured | 9, 20 and 21 |
| Import Finance | <ul style="list-style-type: none"> • Import Loan (IML) • Freight Loan (FL) | 10 |
| | <ul style="list-style-type: none"> • Loans against Trust Receipt (LATR) | 10 and 21 |
| Import Invoice Finance | <ul style="list-style-type: none"> • Import Invoice Financing • Proforma Invoice Financing | 11 |
| Banker's Acceptance Avalisation of Draft under Import Bills | <ul style="list-style-type: none"> • Banker's Acceptance • Avalisation of Draft under Import Bills Collection | 12 and 20 |
| Pre-shipment Finance | <ul style="list-style-type: none"> • Pre-shipment Financing under Export LC • Pre-shipment Financing under Export Orders | 13 |
| Documentary Presentation under Export LC | <ul style="list-style-type: none"> • Credit Bills Negotiated – Clean | 14 |
| | <ul style="list-style-type: none"> • Credit Bills Negotiated - Discrepant / With Recourse | 15 |
| Export LC Transfer | <ul style="list-style-type: none"> • LC Transfer | 16 |

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| Export Invoice Financing | <ul style="list-style-type: none"> Export Invoice Financing | 17 |
| Export Bills under Collection | <ul style="list-style-type: none"> Export Bills Discounting DA (Documents Against Acceptance) Export Bills Discounting DP (Documents Against Payment) Local Bills Discounting – not under LC Discounting of Avalised Draft under DA (Documents Against Acceptance) | 18 |
| Shipping Guarantees and Letters of Indemnity | <ul style="list-style-type: none"> Shipping Guarantee Letter of Indemnity | 19 and 20 |

9. Issuance of Letter of Credit & Back-to-Back Letter of Credit

- 9.1 Unless otherwise specified in the Application Form:
- the LC must be issued subject to UCP which will be incorporated in the LC.
 - the LC may be subject to URR, and if it is, URR will be incorporated in the LC.
- 9.2 The Bank retains the right to advise and/or restrict the availability to *honour* or *negotiate* the LC to such person(s) the Bank specifies, even if a Borrower stipulates otherwise in the Application Form.
- 9.3 The Bank may select the *advising bank* without consulting the relevant Borrower even if a different *advising bank* was stipulated by that Borrower in the Application Form.
- 9.4 The Bank will *honour* (for the relevant Borrower's account) all *complying presentations* and presentations accepted by the Bank as the issuing bank.
- 9.5 The Bank may reject any non-complying presentation under the LC even if:
- the Bank has notified the relevant Borrower that the *presentation* was compliant; or
 - a Borrower instructs the Bank to waive all discrepancies.
- 9.6 If the Bank receives a *complying presentation* the Bank will comply with the Bank's Reimbursable Payment Obligation even if the Bank mistakenly informs the relevant Borrower that the *presentation* was non-compliant. The Bank is not liable to a Borrower for any cost, loss or expense that Borrower suffers or incurs as a result of such mistake.
- 9.7 Each Borrower must ensure that any goods under the LC are permitted to be imported in the relevant country.
- 9.8 **Back-to-Back LC:** Clauses 9.8 to 9.15 will apply if the Bank issues any Back-to-Back LC on a Borrower's Instruction or otherwise on a Borrower's behalf:
- 9.9 **Definitions:**
- "Back-to-Back LC"** means an LC (also known as the **"secondary credit"** or **"slave credit"**) issued against another LC (also known as the **"primary credit"** or **"master credit"**) of higher value where the applicant of the secondary *credit* and the beneficiary of the primary *credit* are the same person and (as the case may be) where the settlement of the secondary *credit* is obtained by presenting documents received under the secondary

credit with substituted invoices or other documents to *honour* or *negotiate* the master *credit*.

"Incoterms ® 2010" means the ICC Official Rules for the Interpretation of Trade Terms published by the ICC (ICC Publication No. 715).

- 9.10 Where the master *credit* is not advised by the Bank, the relevant Borrower will promptly notify the Bank upon becoming aware of any amendment proposed to be made to the master *credit*. No Borrower will agree to or reject any amendment to the master *credit* without the Bank's consent. Any amendment to the slave *credit* will require the Bank's consent and will only take effect after the Bank receives consent from the relevant parties to the slave *credit*.
- 9.11 Where both the master *credit* and the slave *credit* call for the application of CIF terms in accordance with Incoterms ® 2010, the Bank may in the slave *credit* stipulate an insured value plus an appropriate higher percentage to match the insured value plus percentage required by the master *credit*, to avoid the master *credit* being "underinsured".
- 9.12 After documents are *presented* under the slave *credit*, the relevant Borrower will, on the Bank's demand, deliver to the Bank that Borrower's Draft, invoice and any other document required to facilitate a *complying presentation* under the master *credit*.
- 9.13 The Bank may:
- retain possession of any document presented under the slave *credit*;
 - take any action including *presenting* documents to obtain payment under the master *credit*;
 - honour* or *negotiate* the master *credit*; and
 - apply the proceeds of any drawing or *negotiation* under the master *credit* to pay the corresponding drawing under the slave *credit* irrespective of any discrepancy in any document *presented* under the slave *credit*.
- 9.14 No Borrower will, without the Bank's prior written consent, assign any of the proceeds of the master *credit* to any person.
- 9.15 Each Borrower must ensure that any amount which is due to it by any person (including any *issuing bank* or *confirming bank*) under or in relation to the master *credit* or related underlying Trade Transaction is paid directly to the Bank.
- ## 10. Import Finance
- 10.1 The Bank retains the right to provide financing only in relation to LCs issued by the Bank or import *collections* processed by the Bank and to utilise the financing to settle the reimbursement obligation under the relevant LC or import bill *collection*.
- 10.2 The Bank retains the right to remit any proceeds of a Freight Loan to the relevant Borrower's carrier (or other freight invoicing party) or their respective orders.
- 10.3 Without prejudice to any other representation in the GMCTU, each Borrower represents to the Bank that:
- it has not obtained any other financing or granted any Security Interest (other than to the Bank) in relation to the underlying Trade Transaction or any related document of any kind (including a document of title) and that each invoice, purchase order or any other similar document or instrument which is presented to the Bank for financing represents a genuine sale and delivery of goods and/or services; and
 - Freight Loans:** In respect of Freight Loans, the financing extended shall be used only for payment of freight incurred or to be incurred for the carriage of goods.
- 10.4 The Bank may apply any amount received by the Bank on a Borrower's behalf or for a Borrower's account from any person against any amount the relevant Borrower owes the Bank.

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10.5 **Trust receipt:** If the Bank requests, a Borrower must sign a trust receipt in such form as the Bank may stipulate in relation to any Delivered Pledged Item.

11. Import Invoice Financing

- 11.1 The Bank retains the right to remit the proceeds of a financing granted to a Borrower to that Borrower's seller or their respective orders.
- 11.2 The Bank reserves the right to inspect the original invoices and transport documents as and when required.
- 11.3 Without prejudice to any other representation in the GMCTU, each Borrower represents to the Bank that it has not obtained any other financing or granted any Security Interest (other than to the Bank) in relation to the underlying Trade Transaction and that each invoice, purchase order or any other similar document or instrument which is presented to the Bank for financing represents a genuine sale and delivery of goods and/or services.
- 11.4 The Bank may apply any amount received by the Bank on a Borrower's behalf or for a Borrower's account from any person against any amount the relevant Borrower owes the Bank.
- 11.5 **Proforma Invoice Financing:** Upon delivery of goods or services, the commercial invoice and evidence of delivery accepted or acknowledged by the buyer must be submitted within the time period specified or upon request, if not specified.

12. Banker's Acceptance or Avalisation of Draft under Import Bills Collection

- 12.1 Each acceptance or aval the Bank provides shall be a Reimbursable Payment Obligation.
- 12.2 Each acceptance or aval may be evidenced on a Draft or separately as the Bank shall deem appropriate.
- 12.3 Each Borrower's obligation to reimburse the Bank shall not be affected by whether or not presentation of the Draft or other demand has been made or not.
- 12.4 No Borrower will in any circumstances claim that such Reimbursable Payment Obligation should not be fulfilled.
- 12.5 In the case of avalisation, a Draft must be accepted by the relevant Borrower before the Bank adds its aval.

13. Pre-shipment Finance

- 13.1 If the Bank provides any pre-shipment financing, the Bank may pay any proceeds of any pre-shipment financing directly to the relevant Borrower's seller(s).
- 13.2 Each Borrower will deliver to the Bank the original LC and all the original documents required for presentation under the relevant LC or the original or copy of the confirmed purchase order, sales contract (or other relevant contract) or proforma invoice in relation to the underlying Trade Transaction (as the case may be) as soon as possible and, if the Bank requires, the relevant Borrower will ensure, for the financing of any LC, that it is restricted to the Bank or freely available.
- 13.3 Each Borrower must ensure that any amount which is due to it by any person (including any *issuing bank* or *confirming bank*) under or in relation to the underlying Trade Transaction is paid directly to the Bank and accordingly the relevant Borrower must give an irrevocable payment instruction to such person. Each Borrower will provide all assistance the Bank requires to allow the Bank to collect any such amount.
- 13.4 The Bank may convert any pre-shipment financing to post-shipment financing when the relevant LC is issued and the Bank receives the documents required to be presented under the LC. If

the Bank exercises its discretion not to convert the pre-shipment financing to a post-shipment financing, the relevant Borrower will be required to pay the Bank all amounts when due.

- 13.5 If any amount which is due to be paid to the Bank under clauses 13.3 or 13.4 above is not paid on time and in full, or any amount so received by the Bank has to be refunded, or any document delivered to the Bank is forged or contains information a Borrower knows is incorrect, any financing that the Bank has made available to that Borrower in relation to the underlying Trade Transaction will become immediately due and payable by the relevant Borrower, and the Bank may reverse any payment that the Bank may have credited to the relevant Borrower's Account.

14. Credit Bills Negotiated – Clean

- 14.1 The Bank may on a Borrower's Instructions make a *presentation* under UCP.
- 14.2 The Bank may negotiate, prepay, purchase or otherwise provide financing against or in relation to an LC subject to the version of the UCP stated in the LC. Where the Bank is requested to make an early payment before the maturity date of an LC which it had issued, the Bank will nevertheless have recourse to the relevant Borrower (and that Borrower undertakes to indemnify and keep the Bank harmless against any losses, claims and expenses) if: (a) a court injunction is issued against the Bank, preventing the Bank from paying the proceeds of the LC on maturity date (when the Bank already made payment under the LC); (b) a dispute arose between that Borrower and the applicant of the said LC with regard to the underlying agreement; or (c) there is fraud or an allegation of fraud on the part of the relevant Borrower by the applicant of the said LC.
- 14.3 Unless the Bank expressly agrees otherwise (or the Bank has confirmed an LC issued in a Borrower's favour and that Borrower has *presented a complying presentation* to the Bank), any utilisation of the Facility whether by way of *honour*, *negotiation*, prepayment, purchasing or financing the Bank may provide to the relevant Borrower is with full recourse to that Borrower in all circumstances for the principal amount (together with interest) in the currency in which the Bank has negotiated, prepaid, purchased or financed and for any losses arising from any event whereby the Bank is prevented or prohibited in any way from converting an amount (in full or in part) from one currency into another fully convertible currency (as determined by the Bank). Without prejudice to the foregoing, where the Bank has (a) confirmed a LC issued in a Borrower's favour, or (b) negotiated or discounted a LC on a without recourse basis; and the Bank has agreed to provide any *negotiation*, prepayment, purchasing or financing in a currency which differs from the currency in which the LC is denominated, the Bank shall have recourse to the relevant Borrower for the principal amount (together with interest) in the currency in which the Bank has *negotiated*, prepaid, purchased or financed and for any loss arising from any event where the Bank is prevented or prohibited in any way from converting any amount received (in full or in part), denominated in the currency in which the LC was denominated, into another fully convertible currency.
- 14.4 Without prejudice to any other representation in the GMCTU, each Borrower represents to the Bank that it has not obtained any other financing or granted any Security Interest (other than to the Bank) in relation to the underlying Trade Transaction and that each invoice, purchase order or any other similar document or instrument which is presented to the Bank for financing represents a genuine sale and delivery of goods and/or services.
- 14.5 The Bank may apply any amount received by the Bank on a Borrower's behalf or for a Borrower's account from any person against any amount the relevant Borrower owes the Bank.

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- 14.6 Each Borrower must ensure that any amount which is due to it by any person (including any *issuing bank* or *confirming bank*) under or in relation to the underlying Trade Transaction is paid directly to the Bank and accordingly the relevant Borrower must give an irrevocable payment instruction to such person. Each Borrower will provide all assistance the Bank requires to allow the Bank to collect any such amount.
- 15. Credit Bills Negotiated – Discrepant / With Recourse**
- 15.1 The Bank may on a Borrower's Instructions make a *presentation* under UCP.
- 15.2 If the documents presented do not constitute a *complying presentation* or the *honour, negotiation*, prepayment or purchase is on a with recourse basis, a Borrower may utilise the Facility.
- 15.3 Unless the Bank expressly agrees otherwise, any utilisation of the Facility whether by way of *honour, negotiation*, prepayment, purchasing or financing the Bank may provide to the relevant Borrower is with full recourse to that Borrower in all circumstances for the principal amount (together with interest) in the currency in which the Bank has negotiated, prepaid, purchased or financed and for any losses arising from any event whereby the Bank is prevented or prohibited in any way from converting an amount (in full or in part) from one currency into another fully convertible currency (as determined by the Bank). Without prejudice to the foregoing, where the Bank has negotiated or discounted a LC on a without recourse basis; and the Bank has agreed to provide any *negotiation*, prepayment, purchasing or financing in a currency which differs from the currency in which the LC is denominated, the Bank shall have recourse to the relevant Borrower for the principal amount (together with interest) in the currency in which the Bank has *negotiated*, prepaid, purchased or financed and for any loss arising from any event where the Bank is prevented or prohibited in any way from converting any amount received (in full or in part), denominated in the currency in which the LC was denominated, into another fully convertible currency.
- 15.4 Without prejudice to any other representation in the GMCTU, each Borrower represents to the Bank that it has not obtained any other financing or granted any Security Interest (other than to the Bank) in relation to the underlying Trade Transaction and that each invoice, purchase order or any other similar document or instrument which is presented to the Bank for financing represents a genuine sale and delivery of goods and/or services.
- 15.5 The Bank may apply any amount received by the Bank on a Borrower's behalf or for a Borrower's account from any person against any amount the relevant Borrower owes the Bank.
- 15.6 Each Borrower must ensure that any amount which is due to it by any person (including any *issuing bank* or *confirming bank*) under or in relation to the underlying Trade Transaction is paid directly to the Bank and accordingly the relevant Borrower must give an irrevocable payment instruction to such person. Each Borrower will provide all assistance the Bank requires to allow the Bank to collect any such amount.
- 15.7 If the LC *issuing bank* subsequently accepts the documents, the Bank may, at its sole discretion, reduce utilisation by the amount of the relevant accepted *presentation* under the Facility.
- 15.8 If the documents *presented* are a *complying presentation*, the Bank may, at its sole discretion, still allow utilisation under the Facility.
- 16. Export LC Transfer**
- 16.1 This Trade Service is offered subject to the Agreement and the following provisions, all of which shall apply to any LC the Bank (the "transferring bank") transfers on a Borrower's (the "*first beneficiary*") Instruction or otherwise on a Borrower's behalf.
- 16.2 The relevant version of the UCP which governs the *transferable* LC will apply in relation to the transfer of the LC provided that if there is any inconsistency between that UCP and these terms, the latter will prevail.
- 16.3 Each Borrower will deliver to the Bank the original *transferable* LC and any amendments that it receives. No Borrower will inform the *issuing bank, applicant* or the transferee (the "*second beneficiary*") of the acceptance of any *amendment* to the original *transferable* LC before obtaining the Bank's approval in writing. Where all rights under the LC are *transferred*, the Bank will advise the *second beneficiary* of any *amendments* even if the Bank does not have the Borrower's approval.
- 16.4 Each Borrower waives in favour of the relevant *second beneficiary*, their rights in the transferable LC to the extent that it is to be transferred to the *second beneficiary*.
- 16.5 For an unconfirmed *transferable* LC, the Bank will only be obliged to pay the relevant Borrower and the second beneficiary if the Bank receives the corresponding payment from the *issuing bank* in immediately available funds. The Bank will pay the *second beneficiary* the amount of the *presentation* under the *transferred* LC, and the relevant Borrower the remaining amount under the *transferable* LC.
- 16.6 For a *transferable* LC *confirmed* by the Bank, the Bank will pay the *second beneficiary* the amount of their *presentation* under the transferred LC in accordance with the tenor of the LC upon a *complying presentation*. Upon a Borrower's substitution and *complying presentation* under the *transferable* LC, the Bank will pay the relevant Borrower the remaining amount under the *transferable* LC in accordance with the tenor of the LC.
- 16.7 All the Bank's fees and charges are payable by the relevant Borrower prior to the transfer, but any confirmation fees or charges will be payable by the relevant Borrower upon the Bank's *confirmation*. The Bank may also deduct any amount owed to the Bank from any payment the Bank receives from the *issuing bank* before the distribution of proceeds to the *first beneficiary* and transferees.
- 16.8 If a Borrower does not deliver documents or correct any discrepancies in the documents it delivers to the Bank within the time limits and in the manner notified by the Bank to the relevant Borrower under the *transferable* LC, the Bank may present the *second beneficiary's* documents directly to the *confirming bank* or the *issuing bank*.
- 16.9 Where a Borrower has transferred all its rights in the *transferable* LC to a *second beneficiary*, the relevant Borrower agrees not to require substitution of documents, and will permit the *second beneficiary* to *present* documents directly to the *issuing bank* of the *transferable* LC.
- 17. Export Invoice Financing**
- 17.1 Requests for utilisation must be made no later than seven (7) days prior to the due date of the relevant invoice.
- 17.2 The Bank reserves the right to inspect the original or copies of invoices and transport documents as and when required.
- 17.3 Without prejudice to any other representation in the GMCTU, each Borrower represents to the Bank that it has not obtained any other financing or granted any Security Interest (other than to the Bank) in relation to the underlying Trade Transaction and that each invoice, purchase order or any other similar document or instrument which is presented to the Bank for financing represents a genuine sale and delivery of goods and/or services.

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- 17.4 The Bank may apply any amount received by the Bank on a Borrower's behalf or for a Borrower's account from any person against any amount the relevant Borrower owes the Bank.
- 17.5 Each Borrower must ensure that any amount which is due to it by any person under or in relation to the underlying Trade Transaction is paid directly to the Bank and accordingly the relevant Borrower must give an irrevocable payment instruction to such person. Each Borrower will provide all assistance the Bank requires to allow the Bank to collect any such amount.

18. Export Bills under Collection

- 18.1 Each Borrower may request that the Bank presents documents and where the Bank undertakes a *collection* on a Borrower's behalf, URC will apply (even where URC is not referred to in the relevant Borrower's *collection instruction*). The Bank is not obliged to examine any *documents*. If the Bank agrees to examine any *documents*, it does so without any liability including if the Bank fails to identify any discrepancy or irregularity of any kind.
- 18.2 If payment or acceptance is not received from the relevant drawee within sixty (60) days after the Bank receives the first document(s) from a Borrower, the Bank is discharged from all further obligations under the *collection* and the Bank will attempt to recall the documents from the *collecting bank* and return them to the relevant Borrower.
- 18.3 Each Borrower may utilise this Facility for post shipment financing and where the Bank does not handle the collection, the relevant Borrower shall provide a copy each of the invoice, transport document and the duly accepted original Draft endorsed in favour of the Bank.
- 18.4 **Discounting of Avalised Draft under DA:** The Draft shall be duly accepted, avalised and endorsed in favour of the Bank in such manner and form as shall be acceptable to the Bank.
- 18.5 Each Borrower must ensure that any amount which is due to it by any person under or in relation to the *collection* subject to this Facility or related underlying Trade Transaction is paid directly to the Bank.

19. Shipping Guarantees and Letters of Indemnity

- 19.1 The following provisions apply to any instrument entered into to facilitate the release by a Carrier of any goods, the issuance of a duplicate set of original bills of lading on the Borrower's Instruction or otherwise on the Borrower's behalf, or payment for goods without delivery of relevant documents.
- 19.2 **Definitions:**

"Carrier" means any owner of a vessel or conveyance, forwarder, charterer and includes their agent, representatives or any person purporting to act on their behalf.
- 19.3 The Bank will only sign the relevant form of guarantee or indemnity if it is in a form acceptable to the Bank.
- 19.4 Each Borrower must ensure that the Carrier releases the Bank from the Reimbursable Payment Obligation in a manner satisfactory to the Bank and that the Bank's liability under the Reimbursable Payment Obligation is extinguished as soon as possible.
- 19.5 Each Borrower must accept all import and other documents relating to the relevant goods regardless of any discrepancy or irregularity.
- 19.6 Each Borrower must waive all discrepancies or irregularities under the related LC even if the discrepancy has not been notified, the required documents have not been presented or the LC has expired.

- 19.7 Each Borrower must comply with the LC terms, *collection* of a Draft or any other undertaking to pay regardless of any dispute with the relevant seller or any third party.

20. Trade Payment Instruments

- 20.1 **Payment:** The Bank will undertake a Reimbursable Payment Obligation without notice and/or consent of a Borrower.
- 20.2 **Reimbursement:** When the Bank undertakes a Reimbursable Payment Obligation, the relevant Borrower shall:
 - (a) immediately reimburse the Bank in full in the same currency together with interest from and including the date of such payment to and including the date of such reimbursement (such interest to accrue on a daily basis at such rate as the Bank may reasonably charge and as set out in the Facility Letter); or
 - (b) if the Bank specifies, the relevant Borrower will on or shortly before the date on which the Bank makes (or is likely to make) a Reimbursable Payment Obligation pay to the Bank a sum equal to such payment. The Bank may hold all or part of such sum in an account in the Bank's name, under the Bank's sole dominion and control and/or apply all or part of such sum against the Borrower's Reimbursable Payment Obligation.
- 20.3 **Discrepant documents:** The Bank may refuse to honour a Trade Payment Instrument and reject any demand or document presented to the Bank under it, if any such demand or document does not comply with the Trade Payment Instrument terms, even if the relevant Borrower accepts or instructs to the contrary.
- 20.4 **Form of Trade Payment Instruments:** Notwithstanding any Instruction or the contents of the relevant Application Form, the Bank may issue, amend or supplement any Trade Payment Instrument in such form and content as the Bank may decide.
- 20.5 **Accuracy of supplied text:** The Bank is not obliged to check or to ensure the accuracy of any information supplied to the Bank to be inserted into any Trade Payment Instrument.
- 20.6 **Honouring demands/presentations:** If the Bank receives a complying demand or complying presentation under a Trade Payment Instrument, the Bank may make payment without obtaining any evidence that the amount demanded is due and payable and without notice or reference to the relevant Borrower even if that Borrower disputes the validity of the demand/presentation. No Borrower will under any circumstances claim that such payment was not due or should not have been made.
- 20.7 **Early payment:** The Bank may make payment under any Reimbursable Payment Obligation at any time before it becomes (or is stated to become) payable and the relevant Borrower's reimbursement obligations to the Bank will still apply.
- 20.8 **Extensions and Amendments:** The terms in this clause will extend to all extensions, renewals, amendments, modifications, replacements or variations of the Trade Payment Instruments.

21. Security Terms

- 21.1 **Definitions:**

"Delivered Pledged Item" means any Pledged Item the Bank delivers to a Borrower.

"Pledge" means any pledge security interest a Borrower grants to the Bank over any Transaction Item as contemplated in the Agreement.

"Pledged Item" means any Transaction Item which is the subject of a Pledge.

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"Pledged Goods" means any document of title, goods, chattels or other tangible things which are the subject of a Pledge.

21.2 **Pledge of documents and goods:** The Bank will have a Pledge over all Transaction Items for each Trade Transaction and as continuing security for the payment and discharge of all General Obligations relating to that Trade Transaction which belong to the relevant Borrower and are at any time:

- (a) in the Bank's or the Bank's agent's or representative's possession; or
- (b) where the Bank has issued an LC, in the possession of a nominated bank,

where any such possession may be actual or constructive. If and when the Bank's possession or the possession of the Bank's agent, representative or nominated bank (as contemplated above) of any Transaction Item ceases, the Pledge of that Transaction Item will cease. For the avoidance of doubt, the Bank's possession will not cease where a trust is created as contemplated by the provisions relating to trust receipts.

21.3 **Pledge unaffected:** The Pledge over any Transaction Item is in addition to and will not affect or be affected by any other Security Interests, rights or remedies the Bank may hold or exercise in respect of any General Obligation.

21.4 **No prior encumbrance:** Each Borrower must have good title to each Pledged Item and ensure that no person (other than the Bank) at any time has any Security Interest or other interest in (or claim over) any Pledged Item whilst the Pledge over that Pledged Item exists.

21.5 **Risk in Pledged Items:** Each Borrower will hold all risk in any Pledged Item. The Bank is not responsible and will not be liable for any cost, loss or expense in relation to any Pledged Item.

21.6 **Insurance:**

- (a) Each Borrower must at its own expense:
 - (i) insure all Pledged Goods at all times with reputable insurers against such risks as a prudent company carrying on a similar business to the relevant Borrower;
 - (ii) ensure coverage for the Pledged Goods is for such amounts the Bank deems sufficient, which in the case of cargo shipments should be at least 110% of its fair market value or (if higher) the purchased value of the Pledged Goods;
 - (iii) act as a prudent owner in relation to managing any risk associated with any Pledged Goods and in relation to any such insurance (including the making of any claims);
 - (iv) notify the Bank of any actual or potential insured event;
 - (v) pay all insurance proceeds directly to the Bank or the Bank's order; and
 - (vi) take any action the Bank may require in relation to any Pledged Goods and any insurance, including naming the Bank as loss payee and/or co-insured in relation to any insurance and assigning insurance proceeds to the Bank by way of continuing security for such General Obligations as the Bank may identify, and take such steps as the Bank may require in relation to the above.
- (b) Each Borrower must not do (or omit to do) anything which will (or is likely to) make any insurance void or voidable.
- (c) All or any part of any insurance proceeds received by the Bank may be held by the Bank in suspense and/or applied by the Bank against any General Obligations.

21.7 **Other obligations:** Each Borrower must:

- (a) not sell, encumber or dispose of any Pledged Item or its right, title or interest in any Pledged Item unless permitted

under the Facility Letter or otherwise agreed by the Bank in writing;

- (b) pay all costs and expenses in relation to any Pledged Goods, including the cost of insuring, storing or transporting them;
- (c) ensure that all Pledged Goods are kept separate from any other goods and are clearly marked; and
- (d) ensure that any person who is in actual possession of any Pledged Goods acknowledges to the Bank in writing that they are held to the Bank's order.

21.8 **Dealing with Pledged Item:** The Bank may deal with and take any action in relation to, any Pledged Item, including selling, disposing, transporting, warehousing, landing or insuring any Pledged Item or making a claim on any insurance policy. Each Borrower must reimburse the Bank on demand in relation to any cost or expense the Bank incurs in relation to the Bank's dealing or taking action in relation to any Pledged Item.

21.9 **Authority to act in a Borrower's name:** Each Borrower irrevocably authorises and appoints the Bank and any of the Bank's officers or employees to be its agent and act on its behalf (and its name) from time to time to execute and deliver all documents and do all acts as the Bank considers necessary or desirable to:

- (a) constitute, preserve or perfect the Pledge intended to be granted to the Bank;
- (b) exercise the Bank's rights and remedies under the Agreement or in relation to any Pledged Item including selling and transferring any Pledged Item to a purchaser or applying for or making a claim on any insurance policy; and
- (c) appoint or engage any agent or other person (each a **"Delegate"**) to carry out any function or to assist the Bank in providing any Trade Service.

A Borrower's authorisation and appointment under this clause will include any right to sub-delegate or substitute this authorisation or appointment to any of the Bank's officers or employees and will continue until such time the Agreement is terminated or all of the relevant Borrower's General Obligations are fully satisfied (whichever is later). Each Borrower hereby ratifies (and agrees to ratify promptly upon the Bank's request at any time) any action which the Bank or any of the Bank's officers or employees or any Delegate take as contemplated by this clause.

21.10 **Delivery of Pledged Item to a Borrower:** Each Borrower will hold any Delivered Pledged Item on trust for the Bank (unless the Bank stipulates otherwise), and the Bank's Pledge over such Delivered Pledged Item will continue.

21.11 **Release of any Pledged Item:** The Bank can, by notifying the relevant Borrower, release and discharge:

- (a) any Delivered Pledged Item from the trust the Bank has over it; and/or
- (b) any Pledged Item from the Pledge

21.12 **Dealing with Delivered Pledged Item**

- (a) Each Borrower must hold any Delivered Pledged Item to the Bank's order and comply, at the relevant Borrower's cost, with any instructions the Bank gives that Borrower in relation to any Delivered Pledged Item, including delivering any Delivered Pledged Item to the Bank or any other person and providing the Bank such access and assistance as the Bank may require at any time to inspect any Delivered Pledged Item.
- (b) Each Borrower remains bound by its obligations under this clause, except that a Borrower may sell any Delivered Pledged Item to any person(s) for a fair market value and on arm's length commercial terms. All sale proceeds must be paid in full directly to the Bank. If the Bank agrees that a Borrower may receive the sale proceeds, that Borrower

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must promptly upon receipt pay them to the Bank in full
and in the meantime hold them on trust for the Bank.

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