

Standard Chartered General Trade Terms

These General Trade Terms are supplemental to the Standard Terms.

1. Definitions

1.1 **Definitions in the Standard Terms and UCP:** Unless specifically defined in the Agreement, the definitions used in the Standard Terms and in UCP will apply to the Agreement.

1.2 **Definitions:** In these General Trade Terms and elsewhere in the Agreement, the following definitions will apply:

"**Agreement**" is as defined in the Standard Terms and includes:

- (a) these General Trade Terms; and
- (b) any Trade Service Supplement which relates to a Trade Service You apply for in an Application Form.

"**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 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.

"**Collection**" is as defined in URC.

"**Correspondent Bank**" means any bank (including any branch or Affiliate of Ours) which provides any banking or other services to Us.

"**Delivered Pledged Item**" means any Pledged Item We deliver to You.

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

"**eUCP**" means the supplement to the Uniform Customs and Practice for Documentary Credits for Electronic Presentation (Version 1.1) published by the International Chamber of Commerce.

"**General Obligations**" means, in relation to a Trade Transaction, all present and future indebtedness and liabilities due, owing or incurred by You, to Us (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).

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

"**ISP98**" means the International Standby Practices published by the International Chamber of Commerce (ICC Publication No 590).

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

"**Payment Instrument**" means any instrument in any form which constitutes or evidences a Reimbursable Payment Obligation.

"**Pledge**" means any pledge security interest You grant to Us over any Transaction Item as contemplated in the Agreement.

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

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

"**Reimbursable Payment Obligation**" means Our obligation, entered into on Your Instruction or otherwise on Your behalf, to make a payment to any person (other than You).

"**SBLC**" means a Standby Letter of Credit.

"**Security**" means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Trade Documents**" means:

- (a) any LC;
- (b) any Draft;
- (c) any invoice;
- (d) sale and purchase agreement (however described); and/or
- (e) any other document or instrument in relation to a Trade Transaction.

"**Trade Service**" means any trade-related Service We provide (or to be provided) to You and which You request in the Application Form.

"**Trade Transaction**" means the transaction (or related transactions) which is the subject of any Trade Service We provide, and includes any financing, lending or other financial accommodation which We make available in relation to any such transaction.

"**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.

"**UCP**" means the Uniform Customs and Practice for Documentary Credits, published by the International Chamber of Commerce (ICC Publication No 600).

"**URBPO**" means the Uniform Rules for Bank Payment Obligation, published by the International Chamber of Commerce (ICC Publication No. 750).

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

"**URDG**" means the Uniform Rules for Demand Guarantees, published by the International Chamber of Commerce (ICC Publication No 758).

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

1.3 **ICC publications:** Unless We Notify You otherwise, any future revision of any ICC publication above will automatically apply when it is stated by the ICC to come into effect.

1.4 **Country specific terms:** Where We provide a Trade Service in a jurisdiction listed in the schedule relating to country specific terms, terms contained in the relevant section of that schedule will apply.

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1.5 Inconsistencies:

If there is any inconsistency between:

- (a) the Standard Terms and these General Trade Terms, the latter prevails;
- (b) these General Trade Terms and any Trade Service Supplement, the latter prevails; and
- (c) ISP98, UCP, URC, URDG, URBPO and URR, on one hand, and the Agreement, the latter prevails.

2. Payment Instruments

2.1 Our obligations independent from You: We will comply with Our Payment Instrument obligations without notice to You and/or Your consent.

2.2 Reimbursement:

- (a) When We fulfil a Reimbursable Payment Obligation, You must immediately reimburse Us 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 We may reasonably charge). This reimbursement obligation is independent of any indemnity You give to Us.
- (b) If We specify, You will on or shortly before the date on which We make (or are likely to make) a Reimbursable Payment Obligation pay to Us a sum equal to such payment. We may hold all or part of such sum in an account in Our name, under Our sole dominion and control and/or apply all or part of such sum against Your Reimbursable Payment Obligation.

2.3 Discrepant documents: We may refuse to honour a Payment Instrument and reject any demand or document presented to Us under it, if any such demand or document does not comply with the Payment Instrument terms, even if You accept or instruct to the contrary.

2.4 Form of Payment Instruments: Notwithstanding any Instruction or the contents of the relevant Application Form, We may issue, amend or supplement any Payment Instrument in such form and contents as We may decide.

2.5 Copy of Payment Instruments: We will send a copy of any Payment Instrument to You as soon as practicable after it is issued.

2.6 Accuracy of supplied text: We are not obliged to check or to ensure the accuracy of any information supplied to Us to be inserted into any Payment Instrument.

2.7 Honouring demands: Once We receive a complying demand under a Payment Instrument, We can make payment without obtaining any evidence that the amount demanded is due and payable and without notice or reference to You even if You dispute the validity of the demand. You will not in any circumstances claim that such payment was not due or should not have been made.

2.8 Payment without demand: We may have the discretion to, or may be obligated to, make a payment without first having received a demand if it is specified under the Payment Instrument terms.

2.9 Early payment: We may make payment under any Reimbursable Payment Obligation at any time before it becomes (or is stated to become) payable and Your reimbursement obligations to Us under the Agreement will still apply.

2.10 Cash collateral: If We request, You must pay Us a sum up to or equal to Our contingent or unmatured liability (as determined by Us) under or in relation to any or all Reimbursable Payment Obligation. We can hold such sum in an account in Our name, under Our sole dominion and

control, and may use such sum to satisfy Your reimbursement obligations to Us under the Agreement. We are not obliged to refund any cash collateral unless Your contingent or unmatured liability(ies) cease to exist before they mature or do not mature in full. Unless We agree otherwise, no interest will accrue on any such sum.

3. Pledge of Documents and Goods

3.1 Pledge of documents and goods: We 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 You and are at any time:

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

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

3.2 Further assistance: You must take any step that We reasonably request which We consider necessary or desirable to constitute, preserve or perfect the Pledge intended to be granted to Us as contemplated by the Agreement.

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

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

3.5 Risk in Pledged Items: You will hold all risk in any Pledged Item. We are not responsible for (or be liable in relation to any Loss) in relation to any Pledged Item.

3.6 Insurance:

- (a) You must at Your 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 You;
 - (ii) ensure coverage for the Pledged Goods is for such amounts We deem 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 Us of any actual or potential insured event;
 - (v) pay all insurance proceeds directly to Us or Our order; and
 - (vi) take any action We may require in relation to any Pledged Goods and any insurance, including naming Us as loss payee and/or co-insured in relation to any insurance and assigning insurance proceeds to Us by way of continuing security for such General Obligations as We may identify, and take such steps as We may require in relation to the above.
- (b) You must not do (or omit to do) anything which will (or is likely to) make any insurance void or voidable.

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- (c) All or any part of any insurance proceeds received by Us may be held by Us in suspense and/or applied by Us against any General Obligations.

3.7 Other obligations: You must:

- (a) not sell, encumber or dispose of any Pledged Item or Your right, title or interest in any Pledged Item unless permitted under the Agreement or otherwise agreed by Us 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 Us in writing that they are held to Our order.

3.8 Dealing with Pledged Item: We 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. You must reimburse Us on demand in relation to any cost or expense We incur in relation to Our dealing or taking action in relation to any Pledged Item.

3.9 Authority to act in Your name: You irrevocably authorise and appoint Us and any of Our officers or employees to be Your agent and on Your behalf (and in Your name) from time to time to execute and deliver all documents and do all acts as We consider necessary or desirable to:

- (a) constitute, preserve or perfect the Pledge intended to be granted to Us;
- (b) exercise Our 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;
- (c) perform the Trade Service;
- (d) appoint or engage any agent or other person (each a "Delegate") to carry out any function or to assist Us in providing any Trade Service.

Your authorisation and appointment under this clause will include any right to sub-delegate or substitute this authorisation or appointment to any of Our officers or employees and will continue until such time when the Agreement is terminated or when all Your General Obligations are fully satisfied (whichever is later). You hereby ratify (and agree to ratify promptly upon Our request at any time) any action which We or any of Our officers or employees or any Delegate take as contemplated by this clause.

4. Security

4.1 Additional documents and action: In relation to any Security which You are required to give Us, You must execute such documentation and/or take such action as We may require to grant Us that Security (or perfect, preserve or enforce that Security).

5. Trust Receipts

5.1 Delivery of Pledged Item to You: You will hold any Delivered Pledged Item on trust for Us (unless We stipulate otherwise), and Our Pledge over such Delivered Pledged Item will continue.

5.2 Trust receipts: If We request, You must sign a trust receipt in such form as We may stipulate in relation to any Delivered Pledged Item.

5.3 Release of any Pledged Item: We can by Notifying You, release and discharge:

- (a) any Delivered Pledged Item from the trust We have over it; and/or
- (b) any Pledged Item from the Pledge.

5.4 Dealing with Delivered Pledged Item

- (a) You must hold any Delivered Pledged Item to Our order and comply at Your cost any instructions We give You in relation to any Delivered Pledged Item, including delivering any Delivered Pledged Item to Us or any other person and providing Us such access and assistance as We may require at anytime to inspect any Delivered Pledged Item.
- (b) You remain bound by Your obligations under this Clause, except that You 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 Us. If We agree that You may receive the sale proceeds, You must promptly upon receipt pay them to Us in full and in the meantime hold them on trust for Us.

6. DISCLOSURE OF INFORMATION

6.1 Disclosure of Information: We may also disclose information provided by or relating to You:

- (a) to any actual or potential participant, sub-participant, assignee, novatee or transferee of Our rights or obligations under any transaction between the parties (or any of its agents or professional advisers) and any other person in connection with a transaction or potential transaction between the parties; or
- (b) to any rating agency, or direct or indirect provider of credit protection (or any of its agents or professional advisers).

7. Termination

7.1 Effect of termination of the Agreement: Without prejudice to any other provision in the Agreement, Your obligations herein, including Your obligation to reimburse, provide cash collateral upon request, not sell or encumber any Pledged Item and Your obligation to provide assistance, shall survive termination of the Agreement. Any rights or obligations which have accrued on or before the termination shall remain in full force and effect.

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