

## APPLICATION FOR PROCESSING OF DOCUMENT(S) UNDER DOCUMENTARY CREDIT

TO: BANK OF CHINA LIMITED, SINGAPORE BRANCH

I/We enclose herewith draft(s) and/or document(s) for your processing in accordance with my/our instructions marked "✓" herein below, subject to the agreement and indemnity printed overleaf:

- Please send the draft(s) and/or document(s) directly to Issuing Bank for Payment/Acceptance without examination
- Please examine the document(s); in the event of any discrepancies:
- Please send draft(s) and/or document(s) directly to Issuing Bank for Payment/Acceptance
  - Please make a request to the Issuing Bank via telex/SWIFT to waive or accept all discrepancies
  - Please contact:

Name \_\_\_\_\_ Tel \_\_\_\_\_ Fax \_\_\_\_\_

- Documents to be despatched by COURIER SERVICE (if available) unless otherwise instructed

Document(s) attached

Drafts	Invoice	Bill of Lading	Ins Cert./Pol	P/W Cert.	Cert of Origin	Q&Q Cert.	Draft Survey	Bene Cert.	Fax		

Issuing Bank \_\_\_\_\_

DC Number \_\_\_\_\_ Our Ref. \_\_\_\_\_

- Original DC (with amendments if any) attached

Bill Amount \_\_\_\_\_ Tenor \_\_\_\_\_

### PAYMENT INSTRUCTIONS

- Please  Negotiate my/our draft(s) and document(s).

We hereby confirm that we have not and will not obtain any financing, discounting, negotiation or other accommodation to this transaction from any other party. (if the DC is a sight documentary credit, Bank of China will charge 7-DAY INTEREST upfront which is NOT REFUNDABLE)

- Pay me/us upon receipt of funds
- Other Instructions \_\_\_\_\_

For the Proceeds

- Credit my/our account No. \_\_\_\_\_

- Inform us the nett amount credited

- Offset Import Bill(s) ref. No. \_\_\_\_\_

- Hold proceeds & contact \_\_\_\_\_ Tel \_\_\_\_\_

- Please contact \_\_\_\_\_ Tel \_\_\_\_\_ Fax \_\_\_\_\_  
for this application if needed.

Yours faithfully,

\_\_\_\_\_  
Authorised signature(s) & company stamp

Bank Use Only		
Docs examined by		Documents sent for processing on
1 <sup>st</sup> checker	2 <sup>nd</sup> checker	
Types	<input type="checkbox"/> OK	Signature verified by
	<input type="checkbox"/> Payment/Acceptance	
	<input type="checkbox"/> Restricted	

Please be informed that Saturday is to be considered a non-banking business day for Bank of China's Trade Finance Processing / Operations Unit although Bank of China may otherwise be open for business.

## AGREEMENT AND INDEMNITY

IN CONSIDERATION of you, Bank of China Limited, Singapore Branch, agreeing at my/our request to process and (if applicable) negotiate (which term hereinafter where the context permits shall include any financing, advance or discount) my/our draft(s) and/or document(s) under the DC (which has not been confirmed by you), I/we HEREBY AGREE AND/OR UNDERTAKE:

1. that any negotiation shall be made on the basis that you will have full recourse to me/us in all circumstances for the amount so paid by you and on the basis of the other terms stipulated herein, including (without limitation) where you do not receive full repayment for your negotiation or any payment from the Issuing Bank on any of the following grounds, upon which any amounts paid or payable by me/us to you shall become immediately repayable to you:
  - the insolvency, receivership or liquidation of the Issuing Bank or the seizure of the whole or substantially the whole of the assets of the Issuing Bank;
  - war, strikes, revolts, change of government or local government, riots, terrorist activity or civil unrest in the country where the Issuing Bank has its place of business;
  - the Issuing Bank is prohibited or restrained from discharging its payment obligation under the DC by any order or directive of any court or tribunal having jurisdiction over it, or by any law, regulation, government decree, administrative rule or directive with which the Issuing Bank is to comply in connection with the goods shipped under the DC (the 'Goods') or the underlying transactions or contracts relating to the Goods;
  - the non-payment is due to disputes arising out of the underlying contract between the buyer of the Goods and me/us or between the applicant of the DC or any other related parties and me/us;
  - the draft(s) and/or document(s) presented under the DC do not comply with the terms of the DC and you have not received payment thereof from any other source; and
  - the draft(s) and/or document(s) presented to you and found to be complying with the terms of the DC is/are subsequently found to be forged, antedated, falsified, irregular, amended without due authorisation (whether by me/us or some other party) or to contain fraudulent misrepresentation (whether or not to my/our knowledge) or if an allegation (whether substantiated or otherwise) is made to such an effect and the Issuing Bank has refused to accept the draft(s) and/or document(s) as a complying presentation for any payment or reimbursement to be made under the DC;
2. that your acceptance of any draft(s) and/or document(s) tendered shall not constitute an agreement or a representation on your part that they are in accordance with the terms and conditions of the DC;
3. that all your charges, commissions, costs and expenses in connection with your processing of my/our draft(s) and/or document(s) will be for my/our account, and will be payable upon your first demand or deducted from my/our incoming proceeds under the DC at your sole discretion at any time and without further reference to me/us;
4. to promptly on demand indemnify you and hold you harmless from and against any losses, damages, claims, demands, liabilities, judgements, proceedings, costs, charges and expenses of whatsoever kind, nature, amount or description which may be incurred or suffered by, or asserted against, you in relation to or in connection with or in any manner arising from any non-acceptance and/or non-payment of any draft(s) and/or document(s) enclosed herewith, whether or not such non-acceptance and/or non-payment is caused by or in any way related to any alleged discrepancies and/or irregularities of whatsoever nature in the draft(s) and/or document(s) enclosed herewith, or otherwise;
5. to promptly on demand pay you any and all sums, interest and all other charges or expenses thereon, at your prescribed rate, due under documents negotiated or indorsed by you at my/our request which may be dishonoured on presentation for acceptance, or which may not be paid on sight or on the due date according to its tenor. If the Issuing Bank seeks reimbursement of any payment made to you and/or any draft(s) and/or document(s) presented under the DC or if one or more of the documents presented under the DC is/are forged or contain(s) any misrepresentation or false factual information known to me/us, any amount paid by you to me/us pursuant to such negotiations shall become immediately repayable to you by me/us and you shall have full recourse against us in respect of such payment as had been made to me/us earlier;
6. to assign absolutely as continuing security to you all rights, title, interest and benefits belonging to me/us or may be due or owing to me/us arising out of or in connection with the DC, free of any encumbrance. In the event that you negotiate my/our draft(s) and/or document(s), I/we shall and do hereby assign unconditionally and irrevocably to you all rights, interest, benefits, entitlements, debts, suits and choses in action as are due under the DC. I/we irrevocably authorise you to give notice of such assignment to the Issuing Bank. Should any claim arise under any insurance, you are also authorised to recover the full amount thereof, and I/we agree to assign to you the policy or policies for that purpose and to take all necessary steps to effect such assignment;
7. without prejudice to any other security and rights to set-off created herein, and any additional rights and powers at law or in equity in your favour, to pledge and do hereby pledge to you as security for all my/our payment obligations and/or liabilities arising under or in connection with this agreement and any other actual or contingent liabilities that may be owing by me/us to you, any and all drafts, documents (including but not limited to, bills of lading, air waybills, any other carriage documents, warehouse receipts, cargo receipts, insurance policies and certificates and any other documents) received by you from us (hereafter, the 'submitted documents') and Goods whether or not such drafts, submitted documents and Goods are in transit by whatever mode to or from you. I/we irrevocably acknowledge that you shall have the right of possession over the drafts, the submitted documents and the Goods and/or that the Goods have been duly attorned to you. I/we also hereby recognise and admit your special property in and unqualified right to the possession and disposal of the drafts, the submitted documents and the Goods. You are entitled to sell, transfer or otherwise dispose of all or any part of the drafts, the submitted documents and/or the Goods in the event of default of any payment by me/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) you deem appropriate without notice to us, and in and to the proceeds of each and all of the foregoing, until such time as all my/our obligations and liabilities to you at any time existing under or pursuant to this agreement have been fully paid and discharged. In the event that any drafts, submitted documents or Goods should suffer any decline in value, I/we will upon demand deliver to you additional collateral to your satisfaction. I/we acknowledge and recognise that the right to claim for the return, release, delivery and redelivery of the drafts, the submitted documents or the Goods is solely vested with you, subject to any instructions by you to release the drafts, the submitted documents or the Goods pursuant to the terms set out herein to any party named by you. I/we agree and acknowledge that the pledge so created herein is a general and not specific pledge covering all my/our secured obligations. I/we acknowledge and agree that the security interest over the drafts, the submitted documents and the Goods shall apply to and be exercisable against all drafts, submitted documents and Goods, as though the security interest over the drafts, the submitted documents and the Goods is expressly conferred on you in every instance where and just prior to the time the drafts, the submitted documents or the Goods are received at the warehouse, in accordance with the terms set out herein. I/we irrevocably authorise you to take any measures, including giving notices of the transfer of the right over the drafts, the submitted documents or the Goods to any warehouse or tank operator or collateral manager on my/our behalf, which are or will be necessary to protect your security interest over the drafts, the submitted documents or the Goods without prejudice to your right to do so in your own capacity. I/we undertake that I/we shall from time to time promptly deliver and/or procure the delivery of the relevant drafts, submitted documents or the Goods to your possession and/or your servants, agents or nominees whether in Singapore or elsewhere;

**8. that WITHOUT PREJUDICE to the generality of my/our aforesaid indemnity, YOU ARE IRREVOCABLY AUTHORISED:**

- (i) if requested by you, to keep the underlying goods insured against all insurable risks in the full value of the goods and in full protection of your interests thereto, on terms and with insurers acceptable to you, and to assign the policies or certificates of insurance to you, or to name you as the loss payee, beneficiary or co-insured in the insurance policy, and to require the insurer to notify you at least one month prior to exercising any right to cancel or terminate any such insurance(s) as you may from time to time require; (ii) to obtain your prior written consent before cancelling or terminating any insurance(s); (iii) to punctually pay all premiums and other sums payable in respect of all insurance(s) effected by me/us; (iv) to comply with all warranties or other requirements relating thereto; and (v) to produce to (or, if required, deposit with) you on demand all or any of the relevant policies and the receipts for the last premiums payable thereunder. In the event that any moneys arising under such insurance are paid to us, I/we shall forthwith pay them to you without deduction or detention and until so paid to hold such moneys to your order and on your behalf. I/we authorise you to retain all moneys arising under such insurance whether paid directly to you by the insurers or by me/us and in your absolute discretion to retain such moneys until all the sums payable in respect of this agreement have been paid or to set off such moneys against any moneys from time to time owing under this agreement whether then due and owing or not. Where any insurance has expired, been cancelled or terminated, you shall be entitled to renew it or, at your option, to effect a new insurance of the underlying goods or other property for my/our account until such time as you deem necessary;
- to exercise your right of recourse against the Goods or any part thereof in priority to any other claims thereon and to sell such Goods or part thereof as may be necessary for payment of freight, insurance, warehouse, dock and other charges, without prejudice to my/our duty to repay any outstanding amounts due to you from such proceeds of sale;
- to land and store the Goods at any wharf, warehouse, godown, store or other places selected by you and/or re-ship the same to any other port. I/we agree to pay and keep you fully indemnified against all storage, rent, insurance, removal, transportation and other charges incurred in respect of the Goods from time to time and abide by any terms, conditions and regulations for the storage, removal or transportation of the Goods as required by the wharf, warehouse, godown or store or other services providers as if such terms, conditions and regulations were made with or imposed on us except that you shall have the sole right to instruct, release and conduct other dealings with the Goods;
- to accept full or partial payment before maturity from the drawees and/or acceptors of any Document(s), or the consignees of the Goods, against delivery of the Goods (or part thereof) and/or the document(s);
- and each of your officers is irrevocably authorised, from time to time be in charge of my/our accounts, to be my/our agent and in my/our name execute and deliver all documents and do all acts as you or such officer deem desirable for perfecting your security over the Goods or for the purpose of exercising any rights hereunder; and
- at any time without prior notice to me/us, to debit one or more of my/our account(s) (whether current or otherwise) in Singapore or elsewhere and/or to debit the balance of my/our overdraft facility by way of payment in advance of all outstandings in respect of this agreement including, without limitation, your charges (and, in the case of non-acceptance or non-payment, any refund owed by me/us to you), and all costs, commissions, expenses and liabilities which you, your agents or employees have incurred or may incur in relation to or in respect of the DC. I/We also authorise you to effect any necessary conversions at your own rate(s) of conversion then prevailing, and I/we agree to pay interest on any sums due hereunder at your usual overdraft rate(s) or such rate from time to time determined by you at your absolute discretion from the date such sums are due to the date of actual repayment received by you from me/us. Such advance payment is absolute, unconditional and non-refundable under any circumstances, and I/we confirm that I/we have no further title, interests, rights or benefits to the moneys comprising such advance payment;

**9. that all moneys payable hereunder by me/us to you shall be paid to you in full and free of any present or future taxes, levies, duties, charges, fees or withholdings and without set-off or counter-claim or any restriction, condition or deduction whatsoever but shall be paid alongside interest from the date the costs and expenses are incurred to the date of full payment at such rate as you may prescribe;**

**10. that I/we shall pay to you on demand, in addition to any amount payable by me/us to you under this agreement, any goods and services, value added or similar tax payable in respect of that amount (and references in this agreement to that amount shall be deemed to include any such taxes payable in addition to it);**

**11. that neither you nor the Issuing Bank shall be responsible for:**

- any loss, destruction, wrong delivery by the courier service company or by the postal office of the draft(s) and/or document(s);
- checking the document(s) unless you agree to check or negotiate such document(s), and I/we shall not hold you responsible nor is your right of recourse prejudiced in any way in the event that any discrepancies are not identified by you, your employees or agents in the event that any document(s) are found by a court of law or tribunal to contain discrepancies, whether or not as a result of a wilful or negligent act or omission;
- any act, omission (including any failure to endorse or re-endorse bills of lading), default, suspension, insolvency or bankruptcy of the Issuing Bank or its agent(s); and
- any delay in remittance, foreign exchange loss or loss of any documents, Goods or proceeds of the Goods during transmission or in the course of collection by the Issuing Bank or its agent(s);

**12. that if I/we instruct you to examine the document(s) and to pay me/us upon receipt of the proceeds of the DC from the Issuing Bank, you should only be required to examine such document(s) based on your understanding and interpretation of the Uniform Customs and Practice for Documentary Credits (2007 Revision – International Chamber of Commerce Publication No. 600) ('UCP600') (or any other versions of the UCP600 as stipulated in the DC) and international standard banking practice. You shall not be liable to me/us whether in contract, trust or otherwise should the document(s) be rejected or payment refused by the Issuing Bank on the grounds that the document(s) do not constitute a complying presentation, even if the discrepancies raised by the Issuing Bank are not similar to those raised by you or if you determine the document(s) to be a complying presentation;**

**13. to promptly do all such acts and execute all documents (including assignments, transfers, mortgages, charges, notices and instructions) as you may require for perfecting your security to the Goods and the Document(s) and/or for vesting the same to any prospective purchaser(s). This includes obtaining or procuring that any bills of lading required under the DC will be blank endorsed or endorsed to your order as you may direct or request and endorsing, obtaining or procuring that any bills of exchange under the DC will be endorsed in your favour or to your order as you may direct or request;**

**14. to warrant and represent that:**

- I/we have not received and will not receive any form of financing, discounting, negotiation or other accommodation in respect of the DC from any other party;
- I/we have beneficial title to the submitted documents and all proceeds from the Goods;
- all documents presented by me/us under the DC will constitute a complying presentation;
- the submitted documents and all proceeds from the Goods are free from any security interest or encumbrance of any kind and I/we shall not at any time assign, transfer or create any security interest or encumbrance over it; and
- (e) there is no dispute or potential dispute arising or which may arise under or in connection with the DC or the underlying contract of sale that may compromise, reduce or extinguish my/our rights thereunder (including the amount of receivables payable to me/us);

15. that any demand, notification or statement issued by your officer as to the moneys and liabilities for the time being sustained/suffered by you shall be binding and conclusive evidence on me/us as to the amount I/we am/are liable to indemnify you, save for manifest error;
16. that the indemnity given by me/us to you herein shall not in any way be prejudiced or affected by any act, omission, matter or thing including my/our death/bankruptcy/incapacity or my/our entering into a settlement of my/our debts with my/our creditors, by the appointment of a receiver or a judicial manager or other similar officer in respect of my/our affairs or by my/our being ordered to wind up;
17. that if any of the provisions of this agreement becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired;
18. that my/our obligations and liabilities under this agreement shall remain and continue to remain enforceable, valid and binding on me/us until all moneys and liabilities owing to you have been fully paid, satisfied or discharged;
19. that the indemnity given herein shall be in addition to and shall not be in any way prejudiced or affected by any other letter(s) of indemnity signed by me/us or any one of us nor shall such letter(s) of indemnity be in any way prejudiced or affected by this agreement;
20. that where this agreement is signed by or on behalf of more than one person, all the covenants and conditions made hereunder shall be deemed to have been made by us jointly and severally, in the manner and with the same effect as if each of us had signed a separate application;
21. that you may, at your sole and absolute discretion and without giving notice to me/us, convert at any time into any currency at your prevailing rate of exchange all sum or sums due to you hereunder from me/us or under the DC from the Issuing Bank. I/We will as a separate and independent obligation indemnify you against any cost, loss or liability arising out of or as a result of the conversion, which includes the discrepancy where such conversion falls short of the amount and currency expressed to be due under or in connection with this agreement or the negotiation of my/our Draft(s) and/or document(s);
22. that in the case of an event having a material adverse effect, including any form of exchange control restriction or requirement of whatsoever nature affecting the availability, convertibility, transfer of currencies or funds, any form of debt or other moratorium on jurisdictions, individuals or entities, any devaluation, re-denomination, de-monetisation and/or any form of restriction or requirement which in your opinion adversely alters the rights or obligations undertaken by you in relation to the DC or draft(s) or document(s) negotiated thereunder, you shall have the sole discretion to receive payment under the DC or Draft(s) or document(s) negotiated thereunder in any alternative currency at such exchange rate as you may determine in your discretion. In addition, any such action will bind us and we shall be liable for any additional loss, damages, costs, charges and/or expenses incurred by you;
23. that you may forward the draft(s) and/or document(s) to the Issuing Bank for its negotiation, even if you for whatever reason are unable or unwilling to negotiate the DC against the draft(s) or document(s) presented to you;
24. that in the event I/we receive any sum or sums under the DC or the underlying contract directly from the Issuing Bank and/or any other party, all such sums will immediately be due to you from me/us. I/We will make payment within two business days to you of all such sums and, pending such payment, hold such money on trust for you in a separate account;
25. that without prejudice to your right to disclose information relating to me/us whether under the common law or the Banking Act or in any other terms and conditions that may govern my/our relationship and/or dealings with you or the Issuing Bank, I/we hereby authorise and permit you or the Issuing Bank or any of your respective officers (as defined in the Banking Act) to disclose to:
- any of your subsidiaries, holding company, related corporations, affiliates, head office, branches, professional advisers, auditors, partners and representatives, whether in Singapore or any other jurisdiction;
  - any insurer or insurance broker (whether of you or the Issuing Bank or otherwise) on a confidential basis;
  - any regulatory, supervisory or other authority, court of law, tribunal or person, whether in Singapore or any other jurisdiction, where such disclosure is required by law, regulation, judgement or order of court or order of any tribunal; and
  - any other person:
    - to (or through) whom you may assign or transfer (or may potentially assign or transfer) all or any of your respective rights and obligation under this agreement and any terms and conditions between me/us and any of that assignee's or transferee's officers (as defined in the Banking Act), subsidiaries, holding company, related corporations, affiliates, head office, branches, professional advisers, auditors, partners and representatives, whether in Singapore or any other jurisdiction;
    - with (or through) whom you enter into (or may potentially enter into) any subparticipation or hedging agreement in relation to, or any other transaction under which payments are to be made by reference to, this agreement or me/us (each a 'counterparty'), and any of that counterparty's officers (as defined in the Banking Act), subsidiaries, holding company, related corporations, affiliates, head office, branches, professional advisers, auditors, partners and representatives, whether in Singapore or any other jurisdiction;
    - to whom such disclosure is reasonably considered by you to be necessary;
    - with my/our prior consent;
    - who has undertaken liability or provided security in relation to this agreement (if any);
    - to the extent required for the purpose of any litigation, arbitration, regulatory proceedings, investigations or procedure;
    - to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation; and/or
    - to whom you are under a duty to disclose, any information (including personal data) about me/us and this agreement as you or the Issuing Bank or any of your respective officers shall consider appropriate.
- I/We confirm that you or the Issuing Bank are authorised to verify or make checks and/or obtain any information and/or confirmation, with or from any credit reference agencies, and/or from any financial institution, on me/us or any obligor as you may deem fit. This Clause is not and shall not be deemed to constitute, an express or implied agreement by you with me/us for a higher degree of confidentiality than that prescribed in Section 47 of, and the Third Schedule to, the Banking Act;
26. that this agreement and any handling of documents under the DC shall be subject to the provisions of the UCP600 (and any modification(s) thereof) that are applicable to the DC as at the date of the negotiation of the DC. In the event of inconsistency between UCP600 (or its applicable revision) and any provisions of this agreement, this agreement shall prevail;
27. that unless expressly provided to the contrary in this agreement, a person who is not a party has no right under the Contracts (Rights of Third Parties) Act,

Chapter 53B of Singapore, to enforce or to enjoy the benefit of any term of this agreement. Notwithstanding any term of this agreement, the consent of any third party is not required for any variation (including any release or compromise of any liability under) or termination of this agreement;

28. that I/we will co-operate in any litigation and/or arbitration (whether in your name or jointly with me/us) against the Issuing Bank, the buyer and/or any other party. Without prejudice to the generality of the foregoing, I/we shall at your request make available any documents, affidavits and powers of attorney you deem necessary or desirable for such litigation and/or arbitration, as well as procure attendance of the relevant witness(es) for meetings and hearings;

29. that this agreement shall be governed by and construed in all respects in accordance with the laws of Singapore. The courts of Singapore have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this agreement (including a dispute regarding the existence, validity or termination of this agreement)(a 'Dispute'). Notwithstanding the foregoing, I/we shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, I/we may take concurrent proceedings in any number of jurisdictions;

30. that unless a contrary indication appears, any reference in this agreement to:

- 'Banking Act' means the Banking Act (Chapter 19) of Singapore;
- 'DC' means primarily the irrevocable documentary credit specified overleaf, but also includes all increases in the credited amount and the credit as renewed, amended, novated, supplemented, extended or restated (however fundamentally and whether or not more onerously) or replaced;
- 'Issuing Bank' has the same meaning as defined in Article 2 of the UCP600, and includes all successors in title, permitted assigns and permitted transferees to, or of, the relevant rights and/or obligations under the DC;
- I/we' or 'me/us' includes any individual, firm, company, corporation, government, state or agency of a state or any associate, trust, joint venture, consortium or partnership (whether or not having separate legal personality); and
- 'you', 'I/we' or 'me/us' includes all successors in title, permitted assigns and permitted transferees to, or of, the relevant rights and/or obligations under this agreement.