

TERMS AND CONDITIONS RELATING TO IRREVOCABLE DOCUMENTARY CREDIT

In consideration of your Bank issuing the credit, we agree to the following:

1. Unconditionally and without any objection whatsoever on demand to accept on presentation and pay at maturity all time drafts and to pay upon presentation all sight drafts drawn or purported to be drawn pursuant to the credit and in case any such draft shall in currency other than that which is legal tender of the place of payment at your office, to pay the equivalent of the amount of such draft in currency which shall be legal tender at the place of payment at the currency drawing rate on the date of actual payment for MUFG Bank, Ltd. Singapore Branch., drafts at sight on the place at which cover is to be provided, together with interest at current rate prevailing at the time of negotiation of such draft thereof to date of payment or arrival date of remittance at place where cover is to be provided and also pay on demand all charges and expenses incurred by you or your branch or correspondent in connection with and/or arising out of the advising or confirming or amending the terms of the letter of credit and/or the relative drawings under the credit and/or relative property or incurred otherwise howsoever in relation to this transaction. Such charges and expenses may be included in the drafts and/or invoices or billed separately to us. No question or objection of whatsoever nature in relation to this transaction or otherwise shall be raised by us unless and until the said drafts with interest and the said charges and expenses are paid in full.
2. We will comply with an and all governmental exchange regulations now or hereafter applicable to the purchase of foreign exchange relative to drafts drawn under the credit and will pay you on demand such amount as you may have to expend on account of such regulations and will undertake all exchange risks and meet all exchange losses in relation to any such drafts.
3. To pay on demand your commission which shall be determined by you from time to time, on the full amount of the credit
4. Until the payment of every indebtedness and liability absolute or contingent which now is or hereafter may become due and owing by us to you on any transactions now or hereafter had with you, including transactions under other letters of credit, we agree that the title and ownership of all property shipped under the said credit whether or not released to us against trust or bailee receipt and of all bills of lading, policies or certificates of insurance or other documents relating thereto, shall be and remain, in you, and we hereby give you full power and authority at your discretion, by yourselves or through agents at any time to have, and take possession thereof and all policies or certificates of insurance thereon, and proceeds of such policies and certificates, and to hold and/or collect the same or under the terms expressed below, to dispose thereof at any time, and irrespective of the maturity or acceptance of the drafts.
5. We authorise you and your correspondents to receive and accept as "bills of lading" under the said credit, and documents issued by or on behalf of any carrier, including lighterage receipts, which acknowledge receipts of goods for transportation, whatever be the specific provisions of such documents and the date of each such documents to be regarded as the date of bills of lading and/or of shipment within the terms of said credit. And we authorise you or your correspondents to accept as sufficiently evidencing "Insurance" under the said credit, either policies or certificates of such insurance. Insurance policies or certificates are to be in whatever form underwriters may be issuing at the time and place of negotiation.
6. We assume all risks of acts of the users of the said credit who are hereby accepted as our agents and all responsibility for the character, kind, quality, quantity, condition, packing, value, delivery or existence of the property, purporting to be represented by any document, and/or for any difference in character, quality, quantity, condition or value of the property shipped under this credit from that expressed, in any invoice accompanying any of the said drafts, and/or for any difference between the description of the property as contained in the letter of credit and that contained in the invoice, and/or other relative shipping documents and for any discrepancy between the terms of the letter of credit and any other document, and/or for the validity, genuineness, sufficiency, form or correctness of any documents, or of any endorsements thereon, even if such documents or endorsements should in fact, prove to be in any or all respects invalid, incorrect, defective, irregular, fraudulent, or forged; and/or for the time, place, manner or order in which shipment is made and/or for partial or incomplete shipment and/or failure or omission to ship any or all of the property, referred to in the credit, and/or for the character, adequacy, validity, or genuineness of any insurance or policy or certificate of insurance or the solvency or responsibility of any insurer or any other risks connected with insurance, and/or for any delay, default, fraud, or deviation from instructions of the shipper or anyone else in connection with said property or the shipping or other relative documents, and/or for delay in arrival or failure to arrive either of the property or of any of the said documents, and/or for any breach of contract between the shippers or vendors and ourselves; and/or the failure of any draft to bear any reference or adequate reference to the credit, and/or failure of documents to accompany any draft at negotiation and/or the failure of any person to surrender or to take up the credit or to send forward documents or to draw and negotiate drafts and/or the failure of your Correspondents to send forward drafts, each of which provisions, if contained in the credit itself, it is agreed may be waived; and we agree that the happening of any one or more of the contingencies referred to above shall not affect, impair or prevent the vesting of any of your rights or powers hereunder or our liability to pay to you unconditionally the amount due under the credit together with interest and all costs, charges and expenses, which liability is hereby accepted and acknowledged, and we agree that you shall have no liability in respect of any such matters and that we will hold you harmless and indemnified in respect of any and all damage and loss, whatsoever suffered by you by reason of any and all action taken by you or any of your Correspondents, in furtherance of our above request for opening this credit or due to errors, omissions, interruptions or delays in transmission or delivery of any and all messages, by mail, cable, telegraph or wireless whether or not the same be in cypher. You shall not be responsible and shall be entitled to be indemnified in respect of any act, error, neglect or default, omission, insolvency or failure in business of any of your correspondent. In furtherance and extension and not in limitation of the specific provisions herein set forth, it is hereby further agreed that any action, inaction or omission, mistake or oversight taken, suffered or made by you or by any of your correspondent, in respect of or in connection with the credit and/or the relative drafts, and the negotiation thereof and/or the relative documents or property, if in good faith, shall be binding upon us and shall not place you or any of your correspondent under any resulting liability to us.
7. We agree to cause to be procured promptly the necessary import, export or other licences, for all property shipped under or pursuant to or in connection with the credit and to comply with any and all foreign and domestic governmental regulations in regard to the shipment of any and all such property or the financing thereof and to furnish such certificates in that respect as you may at any time require and to keep such property adequately covered by policies of fire, marine and war risk insurance in companies satisfactory to you, assigning the policies or certificates of insurance to you or making the loss or adjustment, if any payable to you, at your option.
8. We agree to give you on demand and further or other security you may require, and further confirm that any and all other funds, credit instruments, property and securities and proceeds thereof including also any and all collection items, and proceeds thereof now and hereafter handed to you or for any purpose left in your possession or control by us for our account or at our disposal or in transit to or from you by mail or carrier, for any of the said purpose, are security for this obligation and also for any and all other obligations and/or liabilities, absolute or contingent, due or not due, which are or may at any time be owing by us to you and may be, held or disposed of as you may see fit, and applied, toward payment of any and all such obligations and liabilities, all of which in the event of default by us in any part thereof, or of bankruptcy, insolvency, receivership or general assignment of ourselves, shall subject to your option, forthwith become due and payable and we hereby, authorise you, if any obligation covered by this instrument or any other indebtedness due from us to you shall not be punctually met forthwith without further demand or notice or advertisement of any kind, all of which are hereby expressly waived, to sell or otherwise dispose of the whole or any part of said funds, credits, instruments, property and securities, at any brokers' exchange or by public or private sale or otherwise, at your option, with permission, for yourselves to become the purchasers in whole or in part, without accountability save for purchase price and free from any right of redemption, which is hereby waived and released, and to apply the net proceeds thereof against any and all obligations or liabilities of ourselves to you however arising. Your rights and liens hereunder shall continue unimpaired and we shall be and remain obligated in accordance with the terms and provisions hereof notwithstanding the release or substitution of any property which may be held as collateral security hereunder at any time or of any rights or interests therein, or any delay, extension, of time, renewal, compromise or other indulgence, granted by you in reference to any of the aforesaid obligations and/or liabilities, or any promissory note, draft, bill of exchange or other instrument given by you in connection with any of the aforesaid obligations and/or liabilities, we hereby waiving notice of any such delay, extension, release, substitution, renewal, compromise or other indulgence and hereby consenting to be bound thereby as fully and effectually as if we had expressly agreed thereto in advance.
9. The Bank is entitled to restrict negotiation of the Credit to a particular bank of its choice (including the advising bank) if in its sole discretion it considers such restriction to be appropriate, notwithstanding our instruction to issue a freely negotiable Credit.
10. "Without prejudice to the foregoing, any liability or loss to which the Bank is or may be exposed arising out of or in connection with the acts or omission of the Correspondent and/or any Nominated Bank under the Credit shall be borne by us and the Bank is entitled accordingly to seek indemnity from us for such liability or loss."
11. This obligation is to continue in force notwithstanding any change in membership of any partnership of ourselves whether arising from the death or retirement of one or more partners or the accession of one or more new partners.
12. This letter of credit can be revoked or altered only with the consent of all parties interested.
13. Whenever shipments are made to a Port other than Singapore, we shall retire the drafts on demand of payment, although the carrying vessel may not have then arrived at such Port.
14. The documents accepted in connection with this credit may be those which are generally acceptable in accordance with the laws, customs and usages at the place of negotiation or which may be considered satisfactory by you or your correspondent.
15. The word "property" as used herein includes goods and merchandise, as well as any and all documents relative thereto; also securities, funds, choses in action and any and all other forms of property and any right or interest of ourselves therein and thereto.
16. No delay on your part in exercising any power of sale or any other rights or options hereunder, and no notice or demand which may be given to or made upon us by you with respect to any power of sale or any other right or option hereunder, shall constitute a waiver thereof or limit or impair your right to take any action or to exercise any power of sale, or any other rights or options hereunder without notice or demand or prejudice your rights as against us in any respect
17. We hereby authorise you and your officers, employees or agents to disclose information relating to or in connection with us or the irrevocable documentary credit to any party including but not limited to any appropriate authority, your head office, your branches/subsidiaries/related companies and/or any third parties, in Singapore or otherwise as you think appropriate for any such purposes as you think fit.
18. THIS APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED AND THIS CREDIT DEEMED TO HAVE BEEN ISSUED WHEN WRITTEN ADVICE THEREOF HAS BEEN SENT TO THE BENEFICIARY.
19. I/We hereby authorise the bank to debit my/our checking account(s) whether the same is in credit or debit for the principal amount, bank charges, commission and any other amounts owed by me/us in conjunction with this application.