

Bank of China (Hong Kong) iGTB Services

GENERAL TERMS AND CONDITIONS FOR TRADE FINANCE SERVICES

1. Scope of Application

- 1.1 These General Terms and Conditions, together with the Account Terms and Conditions and the Transaction Documents constitute the agreement between the Bank and the Customer relating to the e-Commerce and Trade Finance Services (collectively referred to as the "**Agreement**"). In case of any inconsistency between these documents, these General Terms and Conditions shall prevail over the Account Terms and Conditions.
- 1.2 The Agreement applies to all of the Trade Finance Services unless otherwise specified.

2. Definitions and Interpretation

- 2.1 In these General Terms and Conditions, unless the context requires otherwise:

"**Account**" means any account maintained by the Customer with the Bank;

"**Account Terms and Conditions**" means the terms and conditions governing the accounts maintained with the Bank and the basic banking and financial services which the Bank may provide from time to time, including the Conditions for Services of the Bank;

"**Application Form**" means the form provided for the Bank and by which the Customer requests that the Bank provide certain Trade Finance Services;

"**Affiliate**" means in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

"**assets**" means present and future property, revenues and rights of every description;

"**Authorised Signatory**" means each individual appointed by the Customer with full authority to act on its behalf for all matters in relation to Trade Finance Services and:

- (a) if the Customer has contracted to use Electronic Services as defined in the Channel Terms then this definition shall include an Authorised Person as defined in the Channel Terms; and
- (b) if the Customer has contracted to use BOC Corporate Banking Services Online or BOCNET HK as defined in the Conditions for Services of the Bank then this definition shall include an authorised signatory, a primary user, a delegate user and any other authorised user of BOC Corporate Banking Services Online or BOCNET HK as set out in the relevant provisions of the Conditions for Services of the Bank regarding BOC Corporate Banking Services Online or BOCNET HK;

"**Authority**" means any regulatory authority, court or judicial body, governmental agency, tax authority, law enforcement agency, central bank, exchange, clearing house, or industry or self-regulatory body;

"**Bank**" means the Bank Group Member specified in the applicable Service Jurisdiction Addendum, and its successors and assigns;

"**Bank Group Members**" means collectively the Bank, any Holding Company of the Bank and any Subsidiary, associated or affiliated company of the Bank;

"**Channel Terms**" means the Terms and Conditions for Corporate Electronic and Online Services, as amended from time to time;

"**Collection**" means a collection transaction handled by the Bank pursuant to the instructions received from the Customer, in which the documents comprised in the collection may be released either against payment (a "**D/P transaction**") or against acceptance (a "**D/A transaction**"), as the case may be;

"**Cost of Funds**" means the rate as determined by the Bank from time to time to be the prevailing cost to the Bank for granting or funding any facility or advance from whatever source that the Bank may at its absolute discretion determine;

"**Customer**" means a customer to which the Bank provides Trade Finance Services;

"**Customer Information**" means all information relating to the Customer, its Accounts, Transactions, Authorised Signatories and activities held by the Bank from time to time, including information provided by or on behalf of the Customer to the Bank and information collected or compiled by the Bank;

"**Documents**" means all drafts, bills of exchange, documents of title, transport documents, insurance policies and certificates, and other documents which are in the name, possession or control of the Bank or held by or to the order of the Bank, whether for custody or any other reason and whether or not in the ordinary course of banking business;

"**Exchange Rate**" means the rate for converting one currency into another currency which the Bank determines to be prevailing in the relevant foreign exchange market at the relevant time, such determination to be conclusive and binding on the Customer;

"**Export Credit**" means a documentary credit which is at any time (i) issued in favour of or transferred to the Customer as beneficiary and (ii) lodged, deposited with or possessed by the Bank, and includes such documentary credit as amended, extended or renewed from time to time;

"**Facilities**" means the banking facilities (or any part of them) specified in the Facility Letter, an Outward Documentary Bill advice or statement and any analogous advice or statement documenting a with recourse facility granted by the Bank to the Customer and each a "**Facility**";

"Facility Letter" means the facility letter(s) (including all its schedules) at any time issued by the Bank in relation to the Facilities and/or the Trade Finance Services extended or provided by the Bank to the Customer, and includes any supplemental Facility Letter(s);

"Financing" means any loan, credit, advance and other financial accommodation provided by the Bank to the Customer, including without limitation:

- (a) in the case of a documentary credit transaction, any advance provided to the Customer (where the Bank is not the nominated bank under the documentary credit) and any negotiation of documents, purchase of draft(s) and/or prepayment in respect of a deferred payment undertaking, as the case may be (where the Bank is the nominated bank under the documentary credit); and
- (b) in the case of a D/A transaction or D/P transaction, any advance provided to the Customer;

"Holding Company" means in relation to the Customer, any other company in respect of which it is a Subsidiary;

"Import Credit" means a documentary credit at any time issued by the Bank at the request, or for the account, of the Customer, and includes such documentary credit as amended, extended or renewed from time to time;

"Pledged Goods" means the goods to which the Documents relate;

"Regulatory Requirements" means any and all of the following requirements to which the Bank or the Customer is subject or with which the Bank or the Customer is expected to comply from time to time:

- (a) any law, rule, regulation, ordinance, statute, subsidiary or subordinate legislation, court or judicial order having the force of law (including any rule of civil law, common law or equity), or any embargo or sanction regime; and
- (b) any guideline, code, policy, procedure, direction, request, condition or restriction issued by any Authority;

"Service Jurisdiction" means the jurisdiction or a location in the jurisdiction from which the Trade Finance Services are provided, as the context may require or permit;

"Service Jurisdiction Addendum" means, in respect of a Service Jurisdiction, the addendum applicable to the Trade Finance Services provided in that Service Jurisdiction and forms part of these General Terms and Conditions;

"Service Schedules" means the service schedules to these General Terms and Conditions and other service schedules relating to specific Transactions which are made available by the Bank to the Customer from time to time;

"Signing Arrangement" means the signing arrangement applicable to the Authorised Signatories designated by the Customer and accepted by the Bank, including their

respective specimen signatures, and any conditions or restrictions on their signing authority and, where the context requires or permits, include the standing Signing Arrangement as contemplated in Clause 6.3. For the avoidance of doubt, any company chop of the Customer will not form part of the Signing Arrangement unless expressly designated by the Customer in writing and accepted by the Bank;

"Subsidiary" means in relation to any company, a company more than half the issued equity share capital of which is beneficially owned, directly or indirectly by the first mentioned company;

"Trade Finance Services" means the services, products and facilities relating to trade and commerce business activities which the Bank may provide from time to time;

"Transactions" means any and all transactions which the Bank may arrange for or effect with or for the Customer from time to time in connection with the Trade Finance Services; and

"Transaction Document" means each or any Application Form, agreement or document binding on the Customer with respect to the Trade Finance Services.

2.2 If there is any inconsistency or conflict between:

- (a) the provisions in the Facility Letter and the provisions in the Agreement, the terms in the Facility Letter shall prevail; and
- (b) the provisions in a Service Schedule and the provisions in any other part of the Agreement, the provisions in that Service Schedule shall prevail insofar as the relevant Transactions covered by that Service Schedule are concerned.

2.3 (a) If the Customer has contracted for the use of Electronic Services as defined in the Channel Terms, the terms therein shall apply in respect of the completion and submission of the relevant Application Form(s) and provision of instructions, and the terms and conditions of the Channel Terms shall be read together with these General Terms and Conditions.

- (b) If the Customer has contracted for the use of BOC Corporate Banking Services Online or BOCNET HK as defined in the Conditions for Services of the Bank, the terms therein shall apply in respect of the completion and submission of the relevant Application Form(s) and provision of instructions, and such terms in the Conditions for Services of the Bank shall be read together with these General Terms and Conditions.

2.4 In these General Terms and Conditions, unless the context requires otherwise:

- (a) a Clause is a reference to a clause of these General Terms and Conditions;
- (b) a person includes an individual, a corporation, company, partnership, sole proprietorship, trust or unincorporated body of persons;

- (c) words importing the singular include the plural and vice versa and words denoting a gender includes all genders;
- (d) a business day means a day (other than Saturday or Sunday) on which the banks are open for general business in the applicable Service Jurisdiction and a time of a day is a reference to the time in that Service Jurisdiction, and time is of the essence of these General Terms and Conditions;
- (e) "**including**" or "**includes**" means including or includes, without limitation;
- (f) reference to a Regulatory Requirement is a reference to the relevant Regulatory Requirement as it is in force from time to time;
- (g) reference to an agreement, document or provision is a reference to the relevant agreement, document or provision as supplemented, extended, restated, amended or replaced from time to time; and
- (h) "**tax**" includes any tax, levy, duty, charge, impost, fee, deduction or withholding of any nature now or in the future imposed, levied, collected, withheld or assessed by any taxing or other authority, and "**taxation**" shall be construed accordingly.

2.5 The headings in the Agreement are for convenience only and do not affect the interpretation of the Agreement.

3. Trade Finance Services

3.1 The Bank has the right to set and vary the types and details of Trade Finance Services from time to time, including setting or varying transaction limit or cut-off time.

3.2 For setting up, use, operation, variation or termination of any of the Trade Finance Services, the Customer shall:

- (a) sign or accept the forms and documents;
- (b) supply the information and materials; and
- (c) comply with the procedures and other requirements set out in any applicable user reference or manual,

in each case as the Bank may reasonably prescribe. These forms, documents, information and materials shall be signed, accepted, supplied and sent by the Customer in paper form unless the Bank specifies or accepts any other means.

3.3 The Agreement applies to Transactions which the Bank, at its sole discretion, may from time to time enter into with the Customer in such manner as the Bank thinks fit.

3.4 The Bank has the right to accept or refuse the use of any of the Trade Finance Services or any instruction by the Customer or any person related to the Customer at any time without giving notice.

3.5 The Bank and the Customer will identify an Account by the account number or other proxy as the Bank may specify from time to time. In handling a request or instruction relating to an Account, the Bank is not required to check the account name or other particulars of the Account apart from the particulars specified by the Bank for identifying the Account.

4. ICC Rules and Service Schedules

4.1 Each documentary credit and its handling by the Bank shall be subject to the Uniform Customs and Practice for Documentary Credits 2007 Revision ICC Publication No.600 ("**UCP**") and the Supplement to the UCP600 for Electronic Presentation ("**eUCP**") of the International Chamber of Commerce (the "**ICC**") or such later version that shall come into effect.

4.2 Each standby letter of credit and its handling by the Bank shall be subject to the UCP or International Standby Practices ICC Publication No.590 ("**ISP**") of the ICC (as stipulated in the relevant application form(s)) or such later version that shall come into effect as are in effect from time to time.

4.3 Each letter of guarantee, bond or payment undertaking and its handling by the Bank shall be subject to (i) Uniform Rules for Demand Guarantees ICC Publication No.758 ("**URDG**") of the ICC or such later version that shall come into effect or (ii) other terms (as stipulated in the relevant Transaction Document or the text of the instrument).

4.4 Collection (either documentary or clean) and its handling by the Bank shall be subject to the Uniform Rules for Collections 1995 Revision ("**URC**") of the ICC or such later version that shall come into effect.

4.5 The Agreement is in addition to other agreements in force between the Customer and the Bank (including the Account Terms and Conditions). In case of conflict, the Agreement shall govern insofar as the relevant Trade Finance Service is concerned.

4.6 In the event of any conflict or inconsistency between the Agreement and the UCP, eUCP, ISP, URC, URDG or any ICC rules, the Agreement shall prevail.

5. Customer Types

In these General Terms and Conditions, unless the context requires otherwise:

(a) where the Customer is a corporation, reference to the "**Customer**" means the corporation and its successors and permitted assigns;

(b) where the Customer is a sole proprietorship, reference to the "**Customer**" means the sole proprietor and its personal representatives, lawful successors and permitted assigns;

(c) where the Customer is a partnership, trust, society, club or any other unincorporated body, reference to the "**Customer**" means respectively, the present and future partners of the partnership, the present and future trustees of

the trust, or the persons from time to time conducting business or affairs in the name of the unincorporated body whose obligations are joint and several, and their respective personal representatives, lawful successors and permitted assigns. Any agreement or document entered into or executed by the Customer shall continue to bind the partnership, trust, society, club or other unincorporated body notwithstanding any change in its constitution, name or membership by reason of death, bankruptcy, retirement, disability or admission of partners, trustees or persons for carrying on its business or affairs, or the occurrence of any other event which may dissolve it;

- (d) where an Account is in the name of, or where a Transaction is effected by, two or more Customers, all the Customers are jointly and severally liable for the relevant Account or Transaction;
- (e) in the case set out in paragraph (c) or (d) above, the Bank may exercise any of its rights against any one or more of the partners, trustees, persons or Customers mentioned in the relevant paragraph. Each Customer further agrees that the Bank is not required to make any reference to the other Customer or partner(s) in relation to the utilisation of the Facilities or the Trade Finance Services by any Customer or partner(s). The Bank may release, compound with or otherwise vary or agree to vary the liability of, or grant time or indulgence to, or make other arrangement with, any one or more of the Customer or partner(s) without prejudicing or affecting its rights and remedies against the other or others. None of the Customer or partner(s) shall be entitled to any rights or remedies, legal or equitable, or as surety as regards the liabilities of the other or others of them. Any notice given by the Bank to any of them is effective notice to all of them whereas any notice given by any of them to the Bank will be effective for itself only unless otherwise agreed by the Bank; and
- (f) in the event of death of the sole proprietor or any partner, trustee or other individual mentioned in this Clause 5, any payment, act, thing or matter made or done by the Bank pursuant to the instructions of the Authorised Signatories after such death but before the Bank has actually received written notice of death shall be conclusive and binding on the Customer, the estate and personal representatives of the deceased, and any person claiming through any of them.

6. Authorised Signatories

- 6.1 The Authorised Signatories have full authority on behalf of the Customer to deal with the Bank on any matter relating to the Trade Finance Services, subject to any conditions or restrictions specified in the applicable Signing Arrangement, excluding the matters set out in Clause 6.3. The Authorised Signatories are authorised to give instructions of any nature (whether standing instructions or other instructions) for all types of Transactions, matters and arrangements. These may include instructions to apply for or terminate Trade Finance Services or instructions to vary the contact details of the Customer. Subject to Clause 6.3, the Authorised Signatories shall continue to have authority in accordance with the Signing Arrangement to deal with the Bank, and the Customer directs and authorises the Bank to act on the instructions given by the Authorised Signatories.

- 6.2 The Customer shall appoint the Authorised Signatories by resolutions of the board of directors or any other competent governing body of the Customer, or in such other manner as the Bank may specify or accept from time to time. The appointment of the Authorised Signatories, as notified by the Customer to the Bank, shall continue to be effective and binding on the Customer. The Customer authorises the Bank to treat the board resolutions or other evidence of the appointment of the Authorised Signatories as provided by the Customer to the Bank as having full force and effect until the Bank has received board resolutions or other evidence revoking or changing the Authorised Signatories or their authority, in a form and substance satisfactory to the Bank.
- 6.3 Unless otherwise agreed by the Bank, any change of the Authorised Signatories, any change of the specimen signature of any Authorised Signatories, or any change to the Signing Arrangement shall only be effective after all of the following conditions are satisfied:
- (a) the Bank has actually received a certified true copy of the minutes or resolutions of the board of directors or any other competent governing body of the Customer authorising the change, or any other document or evidence authorising the change in form and substance satisfactory to the Bank; and
 - (b) the Bank has notified the Customer that the Bank will give effect to the change.
- 6.4 The Customer may designate the Signing Arrangement that is applicable to a particular Trade Finance Services as the standing Signing Arrangement that applies to all the Trade Finance Services. In this case, any change to the standing Signing Arrangement shall apply correspondingly to all the Trade Finance Services.
- 6.5 Revocation of the existing authority of the Authorised Signatories will not affect any instructions (including cheques and bills of exchange) received by the Bank before the revocation takes effect. Any instructions (including cheques and bills of exchange) received by the Bank after the effective date of revocation will be revoked, whether they are dated before, on or after the effective date of revocation.

7. Customer Instructions and Authorisation

- 7.1 The Customer shall ensure that the instructions given by the Authorised Signatories are complete, correct, clear and unambiguous and in accordance with any applicable Signing Arrangement. The Bank has the right to decline to act on any instruction which the Bank reasonably considers to be incomplete, incorrect, unclear or ambiguous.
- 7.2 The Bank may regard an instruction as received by it as being what the Customer intended to send. The Bank may regard an instruction (which duplicates another instruction) as a separate instruction, unless the Bank actually knew that the instruction was a duplicate before executing it.
- 7.3 If an instruction is received by the Bank after its daily cut off time or outside its business hours, the relevant Account may be debited on the same day but the instruction may not be processed until the next business day.

- 7.4 If an instruction cannot be executed in whole or part, the Bank is not required to notify the Customer immediately. The Bank has the right to execute an instruction in part if it cannot be executed in full. An instruction or any part of an instruction that is not executed by the end of the business hours of the day will lapse, unless otherwise agreed by the Bank.
- 7.5 Once given, an instruction may not be revised, cancelled or withdrawn by the Customer without the written consent of the Bank.
- 7.6 The Bank may, at its discretion, accept an instruction believed by it to have emanated from the Authorised Signatories. If the Bank acts in good faith on the instruction, the Customer shall be bound by the instruction and the resulting Transactions and consequences, whether the instruction is given with or without the Customer's authority, knowledge or consent and whether or not the Bank receives the original signed instruction or written confirmation of the instruction from the Customer. Unless otherwise expressly provided in these General Terms and Conditions, the Bank is not under any duty to verify the authenticity of the signature on any instructions or the identity or authority of the individual giving or purporting to give any instructions.
- 7.7 If there is any discrepancy between any instruction(s) received and acted on by the Bank and the original document or the written confirmation, the instruction(s) acted on by the Bank shall be deemed to be the prevailing instruction given by the Customer.
- 7.8 The Customer is responsible for taking appropriate measures having regard to its circumstances:
- (a) to monitor and control the appointment and change of the Authorised Signatories and ensure that each Authorised Signatory acts in a proper and responsible manner and within the scope of his authority in giving instructions to or dealing with the Bank; and
 - (b) to safeguard against instructions being given by unauthorised persons or for unauthorised purposes.
- 7.9 The Customer hereby expressly authorises the Bank:
- (a) to appoint any other person (including a correspondent, agent or third party contractor) in relation to the Trade Finance Services extended by the Bank and the Bank may delegate any of its powers hereunder to such person;
 - (b) to collect, transport, land, ship, store and/or insure the Pledged Goods and to inspect the Pledged Goods at any time;
 - (c) to notify any other person of its interest in the Documents and the Pledged Goods; and
 - (d) to hold and apply any proceeds or monies received by the Bank for the Customer (whether under any documentary credits, Collections or other import and export related transactions) to discharge any sum owing or payable to the Bank by the

Customer in such order and manner as determined by the Bank at its absolute discretion.

- 7.10 To secure due performance and discharge of the obligations and liabilities of the Customer to the Bank under the Agreement, the Customer irrevocably and unconditionally authorises the Bank to be the Customer's true and lawful agent (acting in the Customer's name or otherwise), with full power of delegation and substitution, to carry out any of the Customer's obligations under the Agreement or for exercising the Bank's rights under the Agreement, including (without limitation) the following:
- (a) to sign or execute any documents and do all acts and things which may be required or which the Bank thinks fit for carrying out any obligations of the Customer under the Agreement or otherwise or for realising any security given to the Bank or for giving to the Bank the full benefit of the Agreement; and
 - (b) to make any claim or take any action or institute any proceedings which the Bank may consider necessary or desirable and to compromise or settle any dispute arising in connection with any Transactions or any assets subject to security in favour of the Bank, in each case on such terms as the Bank may at its discretion consider appropriate.

The Customer shall from time to time ratify and confirm whatsoever the Bank shall lawfully do or cause to be done by virtue of the authorisation granted under this Clause.

8. Representations by the Customer

8.1 The Customer represents to the Bank that:

- (a) it has full legal capacity and authority to perform each Transaction and its obligations under these General Terms and Conditions and the Account Terms and Conditions, and these obligations are legal, valid and enforceable;
- (b) it is duly incorporated or established, validly existing and is not subject to any action to be wound up or dissolved;
- (c) it is solvent;
- (d) it enters into each Transaction and uses the Trade Finance Services as principal and not as agent, trustee or nominee for any other person; and
- (e) unless the Bank otherwise agrees, each of its applications to the Bank in connection with any Transaction is solely for the Customer's own business purposes and the Customer is the contractual party for itself in the underlying transaction(s) relating to that Transaction.

9. Undertakings by the Customer

In using the Trade Finance Services, the Customer undertakes that:

- (a) it is the sole beneficial owner of the Pledged Goods and the Documents;

- (b) it shall pay all costs of and incidental to the transportation, insurance and storage of the Pledged Goods;
- (c) it shall not encumber, transfer, sell, dispose of or otherwise deal with the Documents and/or the Pledged Goods except as directed by or with the prior written consent of the Bank;
- (d) it shall not permit or allow any other party to utilise any facility or service made available by the Bank to the Customer in connection with a Transaction, whether directly or indirectly and any facility, service or proceeds thereof provided by the Bank to the Customer in connection with any Transaction shall not be utilised for the benefit of any other party, in each case unless the Bank otherwise agrees;
- (e) it will comply with the Regulatory Requirements;
- (f) it shall keep the Pledged Goods and/or the sale proceeds of the Pledged Goods separate from any other assets or accounts respectively of the Customer or other persons;
- (g) it shall not take any action which might prejudice the value of the Pledged Goods and/or the effectiveness of the pledge and the Agreement;
- (h) it shall, at the request of the Bank, provide the Bank with such information concerning the Documents, the Pledged Goods and any sale proceeds being held in trust for the Bank and arrange the Bank or its delegates/agents to inspect or take possession of the Pledged Goods;
- (i) it shall not, without the Bank's prior written consent, accept or reject any amendments to any master documentary credit, back-to-back documentary credit or export documentary credit under which any pre-shipment financing, packing loan, pre-export facility or other Financing is provided by the Bank;
- (j) it shall keep the Bank informed of the whereabouts of the Pledged Goods and of any change in the condition, market price, quality or quantity of the Pledged Goods;
- (k) it shall execute such documents and perform such acts as the Bank may consider expedient in connection with the exercise of its powers and rights hereunder;
- (l) it shall not obtain financing from any other party if it has obtained Financing from the Bank; and
- (m) all documents presented or to be presented to the Bank for financing, collection or handling relate to genuine sale of goods/service as described in the documents delivered to the Bank and the Customer acknowledges that the Bank will rely on such warranty and representation in providing any relevant financing or services to the Customer.

10. Repayment

- 10.1 The Customer shall immediately on demand or on the applicable due date, whichever is earlier, repay each loan or advance granted by the Bank together with interest accrued thereon. Interest shall accrue on each loan or advance from the drawdown date to the date of actual payment in full at such interest rate as determined by the Bank at its absolute discretion (or previously agreed by the Bank), whether before or after judgment.
- 10.2 The Customer shall on demand pay to the Bank all monies (including principal, interest, fees and other sums) which are now or will in the future become owing or payable by the Customer under the Facilities, the Trade Finance Services and/or the Agreement. Upon demand being made, all sums owing or payable under the Facilities, the Trade Finance Services and/or the Agreement shall become immediately due and payable by the Customer to the Bank.

11. Interest

- 11.1 Any amount owing by the Customer under any of the Facilities, the Trade Finance Services and the Transactions shall bear interest at the rate on unarranged overdraft or such other rate as specified by the Bank from time to time. Such interest shall accrue in from the date on which the indebtedness is incurred up to and including the date on which repayment is actually received by the Bank (as well after as before judgment) and shall be calculated, payable and compounded on such basis and in such manner as the Bank may determine at its absolute discretion. Except as otherwise specified, interest will be calculated on the basis of the actual number of day elapsed and a 365-day year for the outstanding amount(s) in the applicable currency other than United States Dollars or a 360-day year for the outstanding amount(s) in United States Dollars or according to the market practice for calculation of the outstanding amount(s) in any other currency.
- 11.2 Interest accrued but unpaid shall bear default interest and shall form part of the principal due to the Bank and bear interest accordingly unless otherwise specified by the Bank.
- 11.3 The obligation of the Customer to pay default interest on overdue amounts shall continue until all sums owing by the Customer to the Bank have been paid in full. Unless otherwise stipulated, the applicable default interest rate for any sum not paid when due shall be such rate as specified by the Bank from time to time.
- 11.4 Unless otherwise agreed by the Bank in writing, all utilised banking facilities granted by the Bank to the Customer in relation to any Financing shall bear interest at such rate(s) (before as well as after judgment) as the Bank may from time to time at its absolute discretion determine. Interest shall be payable upon the expiry of such interest period as the Bank may conclusively determine and if not paid shall itself bear interest at the same rate. If any reference rates subject to fluctuation from time to time (as the case may be) as may be quoted to determine applicable interest rate chargeable by the Bank (the "Base Rate") is below zero, such Base Rate shall be deemed to be zero when calculating the applicable interest rate chargeable by the Bank. In addition, if the applicable interest rate chargeable by the Bank is below zero (after any negative Base

Rate has been deemed to be zero), then such applicable interest rate shall be deemed to be zero.

- 11.5 If the interest rate in respect of any Facility is expressed to be a margin over a Base Rate, the Bank shall be entitled, at its discretion, at any time to substitute the Bank's Cost of Funds in place of the Base Rate in calculating the interest payable under such Facility. If the interest rate in respect of any Facility is expressed to be a percentage less than the Base Rate, the Bank shall be entitled, at its reasonable discretion, at any time to replace such interest rate by the Bank's Cost of Funds plus a margin determined by the Bank and notified to Customer as the applicable interest rate in respect of such Facility.
- 11.6 If for any reason whatsoever, any Base Rates (1) is not available, temporarily or permanently, (2) in the opinion of the Bank ceases to be representative, or (3) in the opinion of the Bank is no longer appropriate for the purposes of calculating interest hereunder, the Bank reserves its absolute right to review and amend the interest rate for the facility(ies) without prior notice. The Bank shall notify the Customer as soon as the interest rate has been amended. If for any reason whatsoever, any Base Rate or the amended rate as decided by the Bank does not reflect the Cost of Funds incurred or to be incurred by the Bank for funding the advance or the Bank is unable to obtain deposits to fund the advance, interest for the advance shall be charged at a determined margin over the Bank's Cost of Funds as may be reasonably determined by the Bank solely. The Bank shall notify the Customer such rate as soon as it has been fixed.

12. Payments and Gross-up

- 12.1 All payments by the Customer to the Bank shall be made without any set-off, counterclaim, deduction, withholding or condition of any kind. If the Customer is compelled by law to make any withholding or deduction, the sum payable by the Customer shall be increased so that the amount actually received by the Bank is the amount it would have received if there were no withholding or deduction. The Customer shall upon request of the Bank provide an official receipt of the relevant tax authority for the withholding or deduction.
- 12.2 Payment by the Customer to the Bank shall be in the currency of the relevant liability or, with the Bank's written consent, in a different currency, in which case the conversion to that different currency shall be made at the Exchange Rate.
- 12.3 No payment to the Bank pursuant to any judgement, court order or other arrangement shall discharge the obligation of the Customer in respect of which it was made unless and until payment in full has been received in the currency in which it is payable. If the amount of any payment shall, on actual conversion into the currency in which it is payable at the Exchange Rate, fall short of the amount of the obligation expressed in that currency, the Customer shall be liable for the shortfall.
- 12.4 The Bank may, at any time at its discretion without giving notice or reason, convert any or all outstanding indebtedness owing by the Customer in connection with a Transaction into (i) the lawful currency of the Service Jurisdiction, (ii) the currency designated by the Bank for the Transaction, or (iii) such other currency as the Bank may consider appropriate. The conversion shall be made at the Exchange Rate. The

Bank may, after such conversion, adjust the applicable interest rate having regard to the prevailing market conditions but in any event the interest margin charged by the Bank shall not be reduced after such conversion.

- 12.5 The Bank has the right to apply any amount paid to the Bank in respect of the Customer's obligations and liabilities in or towards satisfaction of the same (in such order and manner as the Bank may determine) or to place it to the credit of a suspense account with a view to preserving the Bank's rights to prove for the whole of the Customer's outstanding obligations and liabilities.
- 12.6 If any amount paid to the Bank in respect of the Customer's obligations and liabilities are required to be repaid due to any law relating to insolvency, bankruptcy or liquidation or for any other reason, the Bank has the right to recover such amount from the Customer as if payment had not been made.
- 12.7 If as a result of (i) the introduction or any change of any law or regulation (or in its interpretation, administration or application) or (ii) the compliance with any Regulatory Requirement:
- (a) the Bank is unable to obtain the rate of return on its capital which it would otherwise be able to obtain; or
 - (b) the Bank incurs additional or increased cost for providing the Trade Finance Services,

then the Customer will on demand pay to the Bank an amount sufficient to compensate the Bank for such reduced return or increased cost.

- 12.8 The Bank has the right to recover any payment to the Customer by mistake.
- 12.9 The Customer may enter into foreign exchange contracts (whether deliverable or non-deliverable) or other derivative contracts with the Bank on terms satisfactory to the Bank for hedging purposes (collectively, "**hedging contracts**"). If any amount is payable by the Bank to the Customer in respect of any hedging contract entered into between the Bank and the Customer, the Bank may:
- (a) apply such amount towards the discharge of any sum owing or payable by the Customer to the Bank under or in connection with the Agreement and/or the Transactions; and/or
 - (b) without prejudicing other rights of the Bank, at any time set off and apply such amount payable by the Bank against and/or towards the satisfaction of any sum owing or payable by the Customer to the Bank under or in connection with the Agreement and/or the Transactions without any notice or reference to the Customer.

13. Security and Cash Margin

- 13.1 If so required by the Bank, the Customer shall pay cash margin or provide security to the Bank in an amount or value sufficient to cover any payment that is or may be

required to be made by the Bank and any other actual or contingent obligations and liabilities of the Customer owed to the Bank in connection with the Agreement or any Transaction.

- 13.2 Any cash margin ("**Cash Margin**") paid to the Bank will be transferred and held in the Bank's name and control. The Bank has the right, at any time without notice or demand, to set-off, apply and/or transfer the Cash Margin against and/or towards satisfaction of all or any of the obligations and liabilities of the Customer to the Bank in connection with the Agreement or any Transaction. The Bank may convert any of them at the Exchange Rate for the purpose of the set-off and/or application.

14. Pledge of Goods

As continuing security for the Customer's obligations and liabilities to the Bank, the Bank shall have:

- (a) a pledge and lien over the Documents; and
- (b) a pledge over the Pledged Goods insofar as the Pledged Goods are in or come into the Bank's actual or constructive possession but the risk of the Documents and the Pledged Goods shall be with the Customer at all times.

If the Customer fails to duly perform or discharge its obligations and liabilities to the Bank, the Bank is authorised to (at any time, without prior notice to or consent from the Customer or any other person and in such manner as the Bank thinks fit) sell, dispose of or otherwise deal with any of the Documents and the Pledged Goods. The Bank may apply the net proceeds of any sale, disposition or dealing of the Documents and/or Pledged Goods in or towards the discharge of the Customer's obligations and liabilities to the Bank in such order and manner as the Bank may determine.

15. Release of Pledge of Goods

If any Pledged Goods or Documents are released by the Bank to the Customer or to its order:

- (a) the Customer shall execute and deliver to the Bank trust receipts in form and substance satisfactory to the Bank together with any other documentation that the Bank may require;
- (b) the Pledged Goods and the Documents shall continue to be pledged to the Bank as continuing security for the Customer's obligations and liabilities to the Bank but the risk of the Documents and the Pledged Goods shall be with the Customer at all times;
- (c) the Pledged Goods and the Documents (including the transport document(s)) are released to the Customer exclusively for the purpose of taking delivery of and selling the Pledged Goods and the Customer shall pay the sales proceeds of the Pledged Goods to the Bank immediately upon receipt without any set-off or deduction;

- (d) the Customer shall hold the Documents, the Pledged Goods and their proceeds in trust for the Bank, in the Bank's name and solely to the Bank's order, and the Customer shall keep them separate from any other documents, goods or proceeds;
- (e) the Bank may (at any time, without prior notice to or consent from the Customer or any other person and in such manner as the Bank thinks fit) take possession of, sell or dispose of or otherwise deal with the Documents, the Pledged Goods and/or proceeds; and
- (f) the Bank may apply the net proceeds of any sale, disposition or dealing of the Documents and/or the Pledged Goods in or towards the discharge of the Customer's obligations and liabilities to the Bank in such order and manner as the Bank may determine.

16. Lien and Power of Sale

The Bank shall have a lien on all assets of the Customer coming into the possession or control of the Bank, for custody or any other reason and whether or not in the ordinary course of banking business, with power for the Bank to sell, deal with, realise or otherwise dispose of such assets to satisfy any obligations owed by the Customer to the Bank.

17. Insurance and Evaluation

17.1 The Customer shall maintain insurance coverage against losses or damages on such terms and with such insurance company(ies) acceptable to the Bank with respect to the assets in which the Bank has interest, failing which the Bank may take out insurance at the cost of the Customer. The Bank's interest shall be duly noted on the relevant insurance documents.

17.2 Any amounts due under any insurance maintained by the Customer pursuant to the Agreement or other agreement(s) between the Bank and the Customer shall be:

- (a) paid to, in a case of loss or destruction, the Bank; and
- (b) in a case of damage, unless otherwise agreed by the Bank, applied in repairing or reinstating the insured assets,

pending such payment or application, the Customer shall receive and hold any such sums in trust for the Bank.

17.3 The Customer hereby authorises the Bank to collect any amounts due under any policy or policies of insurance.

17.4 The Customer shall, immediately upon request, provide the Bank with evidence of such insurance (including policies and premium receipts) endorsed with the Bank's interest.

17.5 If the Customer fails to effect or maintain any such insurance as required by the Bank or to produce any policy to the Bank or if any insurance effected by the Customer is, in

the Bank's opinion, insufficient or inadequate, the Bank may effect such insurance in such sum and manner as it thinks fit. The Bank is entitled to debit the Customer's account(s) for any monies expended by the Bank for such insurance.

18. Use of Electronic platforms

- 18.1 The Customer accepts the presentation of documents under documentary credits using electronic platforms has risks and undertakes to accept all possible risks, losses or damages resulting from using electronic platforms.
- 18.2 The Customer agrees that the Bank is not responsible for the verification of the identity of the sender, source of information, completeness and authenticity of information, and, that the Bank shall not be responsible for risks or losses which are not caused by the Bank, including but not limited to:
- (a) risks relating to safety, stability, ability of normal transmission of electronic information by e-presentation service providers;
 - (b) losses resulting from mistaken transmission of documents;
 - (c) losses resulting from using hard copies of electronic documents;
 - (d) losses resulting from discrepancies between goods condition and descriptions stated in the electronic documents;
 - (e) losses resulting from failure of customs declaration due to non-acceptance of electronic documents by customs authorities.
- 18.3 The Customer agrees that all documents under documentary credits subject to eUCP will be presented electronically through electronic platforms and confirms the validity of information transmitted through such electronic platforms and the relevant electronic signatures.
- 18.4 The Customer confirms that according to eUCP, only one electronic record presented through the relevant electronic platform is in compliance with any requirement under the relevant documentary credit requesting for one or more originals or copies of electronic records. All documents presented through electronic platforms will be treated as original, unless such documents expressly states that they are copies. The Customer undertakes no objection will be made as to whether the electronic documents presented by beneficiaries are originals or not.
- 18.5 The Customer understands that the Bank maintains a list of customers and their counterparties which are eligible to use e-presentation systems. The Customer shall file an application with the Bank if the Customer wishes to add counterparties which are not on the Bank's list.
- 18.6 The Customer confirms that the possession of trade documents by the Bank electronically through the relevant electronic platform shall not prejudice the creation and validity of any pledge over such trade documents which would have been constituted if such trade documents had been possessed by the Bank physically and any

provisions relating to pledge of trade documents by the Customer in favour of the Bank shall be construed accordingly.

19. Information and Disclosure

- 19.1 The Customer shall ensure that all information provided by or on behalf of the Customer to the Bank from time to time is true, complete and up-to-date. The Customer shall notify the Bank of any material change to the information as soon as reasonably practicable. The Customer authorises the Bank to verify any information provided by or on behalf of the Customer with any source or person as the Bank may consider appropriate.
- 19.2 The Customer consents for itself and as the duly authorised agent acting on behalf of the relevant parties and individuals (including but not limited to the Customer's Holding Company, Subsidiary, Affiliate, shareholders, directors and authorised persons, all these parties and individuals are hereinafter collectively referred as the "**Alternate Parties**") that the Bank may, and the Customer authorises the Bank to or otherwise ensure that the Bank is authorised to:
- (a) verify any information provided by or on behalf of the Customer with any source or person as the Bank may consider appropriate;
 - (b) disclose any document or information relating to the Customer, the Alternate Parties, any transactions or dealings between the Customer and/or the Alternate Parties and also between the Customer/Alternate Parties and the Bank (including the Customer's and the Alternate Party's accounts, financial condition, business and affairs), the Agreement and any transaction contemplated in the Agreement to the following persons (wherever located):
 - (i) the Bank Group Members;
 - (ii) the Bank's auditors, counsel and other professional advisers;
 - (iii) any person to (or through) whom the Bank may assign or transfer (or may potentially assign or transfer) all or any of its rights and obligations;
 - (iv) any person with (or through) whom the Bank may enter into (or may potentially enter into) any participation or sub-participation in relation to any of its rights and obligations;
 - (v) any person with (or through) whom the Bank may enter into (or may potentially enter into) any transaction in connection with the purchase or sale of any credit insurance or any other contractual protection or hedging with respect to the Bank's rights and obligations;
 - (vi) any agent, contractor, third party service provider (including any networks, exchanges and clearing houses) or any other person who provides services to, or on behalf of, the Bank or its Affiliate or any person mentioned above in connection with the Bank's or its Affiliate's or such person's operation of business;

- (vii) any person if such disclosure is necessary or desirable for the Bank's performance of its duties or exercise or enforcement of its rights and powers under or in connection with any agreement or document with the Customer; and
- (viii) any other third party in connection with such purpose(s) as the Bank may consider necessary or desirable, including without limitation, data processing and management, statistical, credit and risk analysis, regulatory and risk reporting and management, effecting or processing the Customer's instruction or transaction and compliance with the law, regulations or legal process or with any request of a regulatory authority in the Service Location or any other jurisdiction outside the Service Location.

19.3 The Customer consents for itself and as the duly authorised agent acting on behalf of the Alternate Parties to the following:

- (a) the Customer Information and such other information relating to the Customer and the Alternate Parties being used, processed, disclosed, transferred and stored, within or outside the Service Location for the purposes relating to the Trade Finance Services, by the Bank and any other person providing services or support to the Bank or the Customer. These other persons may include the persons set forth in Clause 19.2 above. The Customer may withdraw its consent by giving the Bank 30 days' prior notice; and
- (b) the use, disclosure or transfer of any Customer Information by the Bank or any Bank Group Member in compliance with Regulatory Requirements.

19.4 Before providing the Bank with any personal data of an individual related to the Customer (including any shareholder, director, officer, employee or representative of the Customer), the Customer shall obtain the individual's consent for providing his personal data to the Bank and the use and handling of his personal data as contemplated by these General Terms and Conditions.

19.5 All copyright and other intellectual property rights of any nature in or relating to the Bank's services, website, materials or documentation will vest in the Bank.

20. Fees, Costs and Expenses

20.1 The Customer shall pay the Bank the fees, commissions and charges in connection with the Trade Finance Services at the rate and in the amount and manner specified by the Bank from time to time.

20.2 The Customer shall reimburse the Bank on all costs and expenses reasonably incurred by the Bank in connection with the Trade Finance Services. These costs and expenses may include those incurred by the Bank in providing the services or in preserving, exercising and/or enforcing its rights towards the Customer or any other person. Any costs and expenses for handling the Customer's applications to the Bank shall be payable even if an application is withdrawn for any reason and irrespective of the result

of the application. These applications may include the Customer's applications for services, credit facilities or approval or consent relating to the Trade Finance Services.

- 20.3 Without prejudice to any other provision, the Bank may at its absolute discretion take such action as it deems fit to enforce the terms and conditions in the Agreement or otherwise in connection with the Facilities and/or the Trade Finance Services including without limitation to the employment of third party agencies to collect any sums owing to the Bank.
- 20.4 The Customer shall, upon request by the Bank, forthwith appear and defend at its own cost and expense any action which may be brought against the Bank in connection with any banking services, the Facilities, the Trade Finance Services or any Transactions with the Customer.

21. Set-off and Consolidation

- 21.1 The Bank may, at any time without notice, combine or consolidate all the Customer's accounts with the Bank, its subsidiary or holding company and apply any credit balance to which the Customer is entitled, either alone or jointly, in or towards satisfaction of any obligation (whether or not matured, actual, future, contingent, unliquidated or unascertained) owed by the Customer to the Bank, regardless of the currency of the respective obligations, the place of payment or the office through which the Bank is acting.
- 21.2 The Bank may, at any time without notice or demand, set off any obligation owed by the Customer to the Bank against any obligation (whether or not matured) owed by the Bank to the Customer, regardless of the currency of the respective obligations, the place of payment or the office through which the Bank is acting.
- 21.3 The Bank is authorised to purchase, at the Exchange Rate, such other currencies as may be necessary to effect the application of the monies standing to the credit of the Customer's accounts as contemplated in Clause 21.1. If the respective obligations referred to in Clause 21.2 are in different currencies, the Bank is also authorised to convert either obligation at the Exchange Rate for the purpose of exercising its set-off right.
- 21.4 If any of the obligations referred to in Clauses 21.1 and 21.2 is unliquidated or unascertained, the Bank may set off an amount estimated by it in good faith to be the amount of that obligation.
- 21.5 The Customer authorises the Bank to debit any account(s) of the Customer maintained with the Bank for any amount payable or owing by the Customer to the Bank. Any monies debited from the Customer's account(s) or otherwise received by the Bank for settlement of any obligation or liability of the Customer may, at the Bank's sole discretion, be converted into the currency of the relevant obligation or liability at the Exchange Rate to effect such settlement.

22. Limitation on Liability

- 22.1 The Bank shall not be liable to the Customer for any action taken or not taken by it unless directly caused by the Bank's gross negligence or wilful misconduct.
- 22.2 Notwithstanding that the Customer may have given instructions to the contrary, the Bank shall not be liable to the Customer for any loss or damage which may have been caused by the Bank acting in accordance with applicable laws, regulations or rules or with the terms and conditions of the Bank's agreements with other financial institutions regarding the business dealings with those institutions.
- 22.3 Each transaction will be undertaken by the Customer solely in reliance on its own judgment and at its own risk. The Bank shall not be responsible in any manner for any loss resulting from the Customer acting on advice received from the Bank whether or not such advice was requested by the Customer.

23. Indemnity

- 23.1 The Customer shall indemnify the Bank, its officers and employees on demand against any claim, liability, loss, damage, cost or expense (including legal fees on a full indemnity basis and other expenses incurred) which may be incurred or suffered by any of them and all actions or proceedings which may be brought by or against any of them in connection with:
- (a) the Bank acting on the Customer's instructions, effecting Transactions or providing any Trade Finance Services to the Customer;
 - (b) any failure of the Customer or any Authorised Signatory to perform or observe any provisions of these General Terms and Conditions or the Account Terms and Conditions (including any representation or undertaking given by the Customer);
 - (c) the preparation, execution or amendment of any documents in connection with the Facilities and/or the Trade Finance Services or any security or guarantee in relation to the Facilities and/or the Trade Finance Services;
 - (d) conducting any search against the Customer or any other person relating to the Facilities and/or the Trade Finance Services;
 - (e) the preservation, exercise or enforcement of the Bank's rights, including in recovering sums from the Customer or in obtaining any professional advice as the Bank may consider appropriate; or
 - (f) attending any court proceeding.
- 23.2 The indemnity in this Clause shall continue to have effect notwithstanding the termination of any or all of the Trade Finance Services.
- 23.3 The provisions in this Clause shall operate to the fullest extent permitted by Regulatory Requirements.

24. Compliance

The Customer certifies that no shipment, person or transaction involved in any Transaction is in violation of any applicable sanction or embargo imposed by any laws, executive orders, regulations or directives of the Government and/or authorities of the United States of America, the United Nations, any international organisation or any other relevant jurisdiction ("**Sanctions**") or any anti-money laundering laws, regulations, requirements or measures. The Bank has the right to refuse to pay, handle or process the documents and the Transaction, and the Bank shall not be liable for any delay or failure to pay, process or return such documents or for any related disclosure of information having regard to the Regulatory Requirements.

25. Bank's Statements and Records

- 25.1 Any statement, advice, certificate, notice, confirmation or determination by the Bank relating to any amount owing or payable by the Customer or the particulars of any Transaction or any other matters relating to the Trade Finance Services shall be conclusive and binding on the Customer save for any manifest error.
- 25.2 The Bank's account and records (in any form) are conclusive and binding on the Customer as evidence of the facts or matters recorded in them save for any manifest error. They will be admissible in any court or tribunal as evidence of the facts and matters recorded in them. Any dispute as to the accuracy, completeness or authenticity of the Bank's records and accounts will only be considered if it is conclusively proved that there is a genuine error.
- 25.3 The Bank has the right to amend any document or record to remove any error. The Bank will notify the Customer of a correction in writing within 30 days after the correction is made.
- 25.4 The Bank reserves the right to destroy any document or record when it is no longer needed having regard to the Regulatory Requirements.
- 25.5 Information and messages made available by the Bank in relation to the Trade Finance Services are for the Customer's reference only and shall not be binding on the Bank unless confirmed by the Bank to that effect.

26. Delegation by the Bank

- 26.1 The Bank may, at its discretion, appoint any other person as its agent or nominee (including any other Bank Group Member), to perform any of the Trade Finance Services, and delegate its powers to such person.
- 26.2 The Bank is authorised to disclose any information about the Customer, its Authorised Signatories, instructions and Accounts, and the Transactions to any other person appointed by it pursuant to Clause 26.1.

27. Variation

The Bank may, at any time at its discretion, by notice to the Customer vary, amend or supplement these General Terms and Conditions. Any such variation, amendment or supplement shall take effect on the date of the notice informing the Customer of it or any later date specified in the notice. The Bank may give notice by display in the Bank's banking hall or on the Bank's website or by any other reasonably practicable means. Any variation, amendment or supplement shall be binding on the Customer if the Customer does not terminate the Trade Finance Services before the effective date of the variation, amendment or supplement, or if any indebtedness remains outstanding from the Customer to the Bank on or after the effective date.

28. No Waivers

28.1 The rights of the Bank in connection with the Trade Finance Services:

- (a) may be exercised as often as it considers appropriate;
- (b) are cumulative and not exclusive of its rights under the general law or any other agreement; and
- (c) may be waived only in writing and specifically by the Bank at its discretion.

28.2 Delay in exercising any right or not exercising any right does not amount to a waiver of the relevant right.

29. Assignment

The Customer may not assign or transfer any of its rights or obligations in connection with the Trade Finance Services. The Bank may assign and transfer all or any of its rights and obligations in connection with the Trade Finance Services to any person without notice to or consent from the Customer.

30. Notices and Communications

30.1 All notices or other communications in connection with the Trade Finance Services are sent at the Customer's risk. The Bank does not assume any responsibility for any inaccuracy, interruption, error or delay or total failure in transmission or delivery by post, facsimile or other electronic communication.

30.2 All notices or other communications from the Bank to the Customer must be given in writing and unless otherwise stated, may be made by letter, facsimile or electronic mail. Any such notice will be deemed to be given as follows:

- (a) if by letter, when delivered personally or if sent by prepaid post, two or seven business days following that on which it was so posted to an address in the Service Jurisdiction or overseas respectively; and

- (b) if by facsimile or electronic mail, when confirmed by an activity report confirming the facsimile number or electronic mail address to which such notice was successfully sent.
- 30.3 The address, facsimile number and/or electronic mail address of the Customer for all notices are as notified by the Customer to the Bank not less than 5 business days' notice or last known to the Bank.
- 30.4 Any notice or other communication given to the Bank must be given in writing, and addressed and delivered to the branch of the Bank through which the Trade Finance Services are provided to the Customer and shall be effective only on actual receipt by the relevant branch of the Bank. For the avoidance of doubt, this Clause does not apply to the Customer giving instructions to the Bank.
- 30.5 The Customer consents that telephone calls may be recorded by audio recording device and/or in writing.

31. Severability

If any provision of these General Terms and Conditions is or becomes illegal, invalid or unenforceable in any jurisdiction, that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of these General Terms and Conditions; or
- (b) the legality, validity or enforceability in any other jurisdiction of that or any other provision of these General Terms and Conditions.

32. Termination

- 32.1 Either the Customer or the Bank may at any time terminate any or all of or the Trade Finance Services by giving to the other party prior written notice of at least 30 days or such other period as the parties may agree, provided that termination by the Customer is subject to the Customer having complied with the requirements and paid the fees as the Bank may prescribe.
- 32.2 Without limiting or reducing the effect of Clause 32.1:
- (a) the Bank has the right to terminate all Trade Finance Services by giving notice if the Customer fails to comply with any Regulatory Requirements or its obligations under the Agreement, or if any representation or warranty given by the Customer in relation to the Trade Finance Services is or become false or inaccurate at any time; and
 - (b) the Bank has the right to suspend or withdraw any Trade Finance Services at any time without giving notice.
- 32.3 Termination or suspension of any or all of the Trade Finance Services will not affect any accrued rights or obligations or subsisting Transactions. The Bank remains

authorised to settle any outstanding Transactions and the Customer shall remain obligated in respect of any outstanding Transactions.

33. Tax

The Customer is responsible for filing any tax or other returns or reports on the Transactions which the Bank handles for the Customer.

34. Third Party Rights

34.1 Subject to Clause 34.3, a person who is not a party to these General Terms and Conditions has no right to enforce or to enjoy the benefit of any provision of these General Terms and Conditions .

34.2 Notwithstanding any provision of these General Terms and Conditions, the consent of any person who is not a party is not required to rescind or vary these General Terms and Conditions.

34.3 Any director, officer, employee, affiliate or agent of the Bank may rely on any provision of these General Terms and Conditions (including any indemnity, limitation or exclusion of liability) which expressly confers rights or benefits on that person.

35. Governing Law and Jurisdiction

These General Terms and Conditions are governed by and shall be construed in accordance with the laws of the Service Jurisdiction. The Customer submits to the non-exclusive jurisdiction of the courts of the Service Jurisdiction.

36. Agent for Service of Process

36.1 If the Customer is not an ordinarily resident in the Service Jurisdiction or is not a company incorporated under the laws of the Service Jurisdiction or is an overseas company which is not registered under the relevant laws of the Service Jurisdiction, without prejudice to any other mode of service, the Customer:

(a) irrevocably appoints a company incorporated in the Service Jurisdiction (as notified to the Bank) as its agent for service of process in relation to any proceedings before the courts of the Service Jurisdiction in connection with the Agreement; and

(b) agrees that if the appointment of any of person mentioned in sub-clause (a) above ceases to be effective, the Customer shall immediately appoint another company incorporated in the Service Jurisdiction to accept service of process on its behalf in the Service Jurisdiction and, failing such appointment within 15 days, the Bank is entitled to appoint any person as the Customers' process agent by notice to the Customer.

Service Jurisdiction Addendum – Hong Kong

Bank: Bank of China (Hong Kong) Limited

1. This Service Jurisdiction Addendum applies to the Trade Finance Services provided by the Bank to the Customer from time to time.
2. In this Service Jurisdiction Addendum, in the event of any inconsistency or conflict, the following terms and conditions shall prevail over the General Terms and Conditions for Trade Finance Services.
3. The English version of these General Terms and Conditions is the governing version. The Chinese version is for reference only. If there is any inconsistency between these English and Chinese versions, the English version shall prevail for all purposes.
4. The following shall be added to the end of the existing Clause 19.3(a) of the General Terms and Conditions for Trade Finance Services:

"The Bank will contract with the third parties to take reasonable care to keep the Customer Information confidential and to observe, in conformity with local laws and regulations, the requirements of the Personal Data (Privacy) Ordinance (Cap 486, Laws of Hong Kong). Local and overseas regulatory and judicial authorities may in certain circumstances have access to the Customer Information."

5. The following clause is inserted as a new Clause 30.2(c) in the General Terms and Conditions for Trade Finance Services:

"if by publication as an advertisement in a Hong Kong newspaper, 3 business days after such publication."

6. Clause 36.1 of the General Terms and Conditions for Trade Finance Services be amended to read as follows:

"If the Customer is not ordinarily a resident in Hong Kong or a company incorporated under the laws of Hong Kong or a foreign company registered under Part 16 (Non-Hong Kong Companies) of the Companies Ordinance (Cap.622, Laws of Hong Kong), without prejudice to any other mode of service, the Customer:

- (a) irrevocably appoints a company incorporated in Hong Kong (as notified to the Bank) as its agent for service of process in relation to any proceedings before the Hong Kong courts in connection with the Agreement;
- (b) agrees that any failure by a process agent to notify the Customer of the process shall not invalidate the proceedings concerned; and
- (c) agrees that if the appointment of company mentioned in sub-condition (a) above ceases to be effective, the Customer shall immediately appoint another company in Hong Kong to accept service of process on its behalf in Hong Kong."

Service Schedule

1. Interpretation

- 1.1 Unless otherwise defined, capitalised terms used in this Service Schedule shall have the same meanings as those set out in these General Terms and Conditions.
- 1.2 The provisions in this Service Schedule are supplemental to these General Terms and Conditions.

2. Import Loans

- 2.1 The Customer may apply to the Bank for drawdown of loans and/or advances (each, an "**Import Loan**") under an import loan facility granted by the Bank to the Customer from time to time.
- 2.2 The Customer shall use the proceeds of an Import Loan to settle the trade / bills transaction as set out in each application for Import Loan.
- 2.3 Without prejudice to the right of the Bank to reject any application for Import Loan, the Bank may, as condition precedent to the drawdown, require the Customer to sign, execute and/or deliver any authorisations, instruments or documents in such form and contents as the Bank may require.
- 2.4 The Customer shall immediately on demand or on the applicable due date, whichever is earlier, repay the Import Loan granted by the Bank pursuant to the application for Import Loan together with interest accrued thereon. Interest shall accrue on the Import Loan from the drawdown date to the date of actual payment in full at such interest rate as determined by the Bank at its absolute discretion (or previously agreed by the Bank), whether before or after judgment.

3. Issuance of Import Credits

- 3.1 The Customer may submit applications or requests to the Bank to issue Import Credits from time to time. Each such application or request is referred to as an "**Import Credit Application**".
- 3.2 The Customer undertakes to pay and reimburse the Bank in full in the same currency for any sum paid, or required to be paid, by the Bank under or in connection with each Import Credit upon the Bank's demand. Such sum includes interest, costs, expenses, commissions, reimbursement claims from any nominated bank or confirming bank and any payment, prepayment or purchase effected by the Bank in connection with each Import Credit, all irrespective of any alleged discrepancies in the presented documents and/or any fraud or illegality (whether actual or alleged) at any time.
- 3.3 The Customer acknowledges and agrees that upon issuance of an Import Credit, the Bank may, in its sole and absolute discretion, earmark both the documentary credit issuance and trust receipt credit facilities extended by the Bank.

- 3.4 All the terms and conditions of an Import Credit must be identical to that of the corresponding master documentary credit ("**Master Credit**"), if any, except as otherwise agreed by the Bank.
- 3.5 The Customer undertakes to present all documents under the Master Credit to the Bank for the issuing bank's payment or the Bank's negotiation, purchase or prepayment under the Master Credit.
- 3.6 The Bank is irrevocably authorised (but is not obliged) to (i) utilise documents presented under an Import Credit for the drawing of the Master Credit; (ii) provide Financing; and (iii) directly apply the Financing proceeds of, or payment proceeds received under, the Master Credit to settle the corresponding drawing(s) under the Import Credit and/or the Customer's obligations and liabilities under or arising out of the Import Credit without first crediting such proceeds to the Customer's account with the Bank, irrespective of discrepancies that may appear on the documents presented under an Import Credit (all of which, if any, are hereby waived). The Bank is also irrevocably authorised (whether in the name of the Customer or in the name of the Bank) to prepare, sign, complete and/or deliver the documents of whatever nature required by the Master Credit and to do such acts, instruments and things as desirable for drawing, claiming and/or collection of payment under the Master Credit.
- 3.7 The Customer agrees that the Bank may, at its sole discretion and without consent from the Customer, amend the terms and conditions of an Import Credit stated in an Import Credit Application and/or insert additional terms and conditions into an Import Credit as the Bank thinks appropriate. The Bank may, subject to the beneficiary's consent, cancel the whole or any unused balance of an Import Credit.
- 3.8 The Customer agrees and acknowledges that it is the sole responsibility of the Customer to (i) ensure the clarity, enforceability or effectiveness of any terms or requirements incorporated in an Import Credit; and (ii) comply with all applicable laws and regulations regarding the underlying transaction to which the Import Credit relates and obtain any necessary documents and approvals from any governmental or regulatory bodies and produce such documents or approvals to the Bank upon request. The Bank is not responsible for advising and has no duty whatsoever to advise the Customer on such issues. The Bank shall not be liable to the Customer for any direct, indirect, special or consequential loss or damage, costs, expenses or other claims for compensation whatsoever which arise out of such issues.
- 3.9 Notwithstanding any instruction(s) stipulated in any Import Credit Application, the Bank may, at its sole discretion, restrict, name or instruct any correspondent to be the advising, confirming or nominated bank in respect of an Import Credit. The Customer acknowledges that the Bank may pay to or receive from any correspondent charge, commission, fee, rebate or other payment and the Bank shall not be liable to account for or disclose to the Customer any profit or benefit derived from it.
- 3.10 The Customer agrees that the Bank is fully entitled to reject any discrepant documents presented under an Import Credit notwithstanding that the Customer may have waived such discrepancy.

- 3.11 If the Customer instructs the Bank to permit T/T reimbursement in an Import Credit, the Bank is irrevocably authorised to pay and/or reimburse the relevant claiming bank or reimbursing bank upon receipt of a claim from such bank even prior to the Bank's receipt of the presented documents. The Customer shall bear all relevant risks (including non-receipt and non-compliance risks of the presented documents) and shall reimburse and indemnify the Bank for any payment made under the Import Credit.
- 3.12 Where an Import Credit is transferable or assignable (whether expressly or impliedly), the Customer acknowledges that the beneficiary of an Import Credit may assign or transfer the Import Credit or any benefit thereof to a third party without the prior consent of or notice to the Bank. The Customer agrees that the Bank shall be entitled to pay demands from any party who purports to be the assignee or transferee of the Import Credit without any obligation to verify or enquire whether such party is the legitimate assignee or transferee.
- 3.13 The Customer agrees and undertakes to examine the customer copy of an Import Credit issued by the Bank and irrevocably agrees that failure to give a notice of objection about the contents of the Import Credit within 5 calendar days after the customer copy of the Import Credit is sent to the Customer shall be deemed to be its waiver of any rights to raise objections or pursue any remedies against the Bank in respect of the Import Credit.

4. Export Credits and Collections

- 4.1 The Customer may submit applications or requests to the Bank in connection with Export Credits or Collections from time to time. Each such application or request is referred to as an "**Application for Processing Export Documents**".

Full Recourse

- 4.2 Save as provided in Clause 4.4 below or unless otherwise agreed by the Bank in writing, any Financing provided by the Bank under the Export Credit or the D/A transaction or D/P transaction is with full recourse against the Customer notwithstanding the UCP or other applicable rules which may provide otherwise. The Customer further acknowledges and agrees that it will repay the Bank on demand for any Financing obtained from the Bank together with interest without raising any defence or objection. The Customer also undertakes to repay any Financing plus interest under the Export Credit without further demand if the Bank, due to whatever reasons, does not receive full and punctual payment(s) under the Export Credit including, but not limited to, the occurrence of any of the following situations:-
- (a) the issuing, confirming or nominated bank holds the view that the Documents are non-complying irrespective of the fact that the Bank may consider otherwise; or
 - (b) the issuing, confirming or nominated bank fails to honour its payment obligations under the Export Credit or reimburse the Bank on time due to insolvency, foreign exchange control, any court order, fraud or allegation of fraud, commercial dispute or any other reasons.

- 4.3 If the amount (if any) actually received by the Bank under the Export Credit or the D/A transaction or D/P transaction is insufficient for the discharge of the Financing plus any applicable interest and charges in full, the Customer shall immediately pay to the Bank any shortfall. Without prejudice to the generality of the foregoing, where the amount received under the Export Credit or the D/A transaction or D/P transaction is in a currency other than the currency of Financing, the Bank may convert the amount received into the currency of Financing at the spot rate of exchange determined by the Bank at the time of conversion, and the Customer shall indemnify the Bank against any shortfall if the converted amount is less than the Financing plus any applicable interest and charges.

Export Credit Without Recourse Financing

- 4.4 In respect of an Export Credit, where the Bank agrees in writing to provide Financing on a without recourse basis, then except as otherwise provided in Clause 4.5 below, the Bank shall have no recourse against the Customer for the Financing in the event of non-payment by the issuing, confirming or nominated bank of such Export Credit due to any one or more of the following situations:-

- (a) political risk(s) in the country(ies)/region(s) of the issuing, confirming (if any) or nominated bank, i.e. extraordinary political events which prevent payments or procurement of covers such as acts of war, revolutions, change of government or political system, riots or civil unrest or the like;
- (b) transfer and economic risk(s) in the country(ies)/region(s) of the issuing, confirming (if any) or nominated bank (as the case may be), i.e. the inability to effect payments or to effect payments in the currency of such Export Credit as a consequence of any foreign exchange control in the country(ies)/region(s) of the issuing, confirming or nominated bank (as the case may be); and/or
- (c) credit risk(s) of the issuing, confirming (if any) or nominated bank, i.e. the inability to effect payments due to insolvency of the issuing, confirming (if any) or nominated bank, such as winding up, dissolution, administration or re-organisation of the issuing, confirming or nominated bank (as the case may be) or the appointment of receivers, receivers and managers, liquidators, administrators, custodians, trustees or similar officers of any or all of the assets of such issuing, confirming or nominated bank (as the case may be).

- 4.5 The Bank shall have the right of recourse to the Customer if the Bank does not receive any amount(s) expressed to be payable under the terms of any Export Credit in full when such amount(s) is/are due (or if there is any delay in payment) for any reason other than those stated in Clause 4.4 above, including but not limited to reasons such as:

- (a) any commercial or trade disputes about the underlying transaction;
- (b) any alleged or actual invalidity, forgery, fraud, inaccuracy, falsification, misrepresentation or unenforceability in respect of any of the presented documents (whether arising out of fraud, illegality, unauthorised act or otherwise);

- (c) any injunction or other court order preventing the issuing or confirming bank from effecting payment under the Export Credit (whether or not subsequently discharged);
- (d) the Customer's failure to observe any of the provisions of this Service Schedule, the General Terms and Conditions for Trade Finance Services or other terms and conditions imposed by the Bank in providing the Financing;
- (e) the documents and/or draft(s), if any, required under the Export Credit are sent to the issuing or confirming bank (as the case may be), without going through the Bank; or
- (f) breach of any sanctions law or regulation issued by the United Nations, the European Union, the United States or any law or regulation applicable to the issuing or the confirming bank, the Bank or any other banks in the relevant transaction.

and, when the Bank has the right of recourse to the Customer for payment under this Clause 4.5, the Customer will, upon the Bank's demand, reimburse the Bank in full without set-off for any amount paid to the Customer by the Bank, and for all losses and damages suffered by the Bank as a result of non-payment (or delay in payment), together with interest from the payment due date or the date upon which the Bank incurs such losses or damages, as the case may be.

- 4.6 Without prejudice to the Bank's rights to act as a nominated bank under an Export Credit immediately upon the Financing, if any, the Customer irrevocably and unconditionally assigns absolutely to the Bank all its present and future rights, title, interests and benefits in and to the receivables and proceeds payable to the Customer under or in connection with an Export Credit and all related documents, goods and insurances. The aforesaid assignment is an outright assignment and shall automatically take effect with respect to an Export Credit without further act at the time when the Bank provides Financing to the Customer pursuant to the Customer's request and/or application. The Customer shall execute such document(s) and do such act(s) as the Bank may require to perfect such assignment, if necessary. The Bank shall be free at its discretion, to enforce the rights through legal action or otherwise. The Customer agrees to execute and deliver any documents (including the endorsement of any draft), and to take, at the Bank's expense, all steps and provide all assistance that the Bank may request in connection with making claims against any party in respect of an Export Credit, on goods and insurances (including, without limitation, to file any claim or take any legal action or initiate or join any proceedings (either in its own name or in the joint names of the Customer and the Bank) against the issuing, confirming (if any) or nominated bank or any other party). The Bank may apply the net proceeds paid under or in connection with an Export Credit in or towards the discharge of the Customer's obligations and liabilities to the Bank in such order and manner as the Bank may determine.

- 4.7 The Customer represents to the Bank that:
- (a) the original of each Export Credit and all amendment(s) to it, if any, have been sent to the Bank;
 - (b) the Customer has good and marketable title to all the presented documents and all rights to the proceeds of such Export Credit free and clear of any security interest prior to the Bank's Financing; and
 - (c) the Customer has not drawn or received any amount under such Export Credit.
- 4.8 The Customer irrevocably warrants and undertakes to the Bank:
- (a) to deliver and cause every amendment to each Export Credit to be advised to and through the Bank; and
 - (b) if the Customer receives any amount payable under any Export Credit for which the Bank has provided Financing, it must promptly remit such funds to the Bank and in the meantime hold it on trust for the Bank absolutely.
- 4.9 The Customer irrevocably warrants and undertakes to the Bank not to:
- (a) accept or reject any amendment to any Export Credit without the Bank's prior written consent and the Customer acknowledges that the Bank shall have sole discretion to decide whether or not to accept or reject any such amendment; or
 - (b) create or agree to create any security interest over any Export Credit and/or any interest in the proceeds of any Export Credit.

Indemnity for Non-Complying Presentation

- 4.10 In consideration of the Financing at the Customer's request against documents presented under the Export Credit notwithstanding any non-compliance with the terms of the Export Credit, the Customer, irrevocably acknowledges and agrees as follows:
- (a) the Bank is authorised to raise any discrepancy(ies) identified by the Bank at any time;
 - (b) that the information and discrepancies identified by any of the Bank's staff shall be, in the absence of manifest error, conclusive evidence of the matters to which it relates and without prejudice to the Bank's right of recourse against the Customer;
 - (c) the Bank and any other Bank Group Member shall be entitled to provide the issuing, nominated and/or confirming bank of the Export Credit such indemnity (in the form and substance as the issuing, nominated and/or confirming bank may require) against all losses and consequences arising from the non-compliance with the terms of the Export Credit in order to obtain the issuing bank's, the confirming bank's, the nominated bank's and/or the drawee's acceptance and/or payment and/or reimbursement under the Export Credit;

- (d) the Customer shall indemnify the Bank on demand (on a full indemnity basis) and provide the Bank with any cash or collateral in such form and value as the Bank may require against all liabilities, losses, payments, damages, demands, claims, expenses and costs (including legal fees), proceedings or actions which the Bank or the Bank's delegate(s) may suffer or incur in connection with the Export Credit and/or provision of any Financing against the documents presented under the Export Credit; and
 - (e) the Customer further irrevocably and unconditionally undertakes to refund to the Bank on demand any monies received by the Customer and pay the Bank all charges, expenses and interest (at such rate as determined by the Bank from time to time) in the event of the non-acceptance, non-payment or non-reimbursement in respect of the documents presented by the issuing, nominated and/or confirming bank due to whatever reasons including (without limitation) any disagreement between the Bank and any of them in respect of the conformity of the documents presented.
- 4.11 Notwithstanding that the Bank may have agreed to provide Financing to the Customer, the Customer irrevocably agrees that the Bank is entitled to cancel such agreement if, in the Bank's sole opinion, (a) the Financing may infringe or violate any anti-money laundering or counter terrorism financing laws or regulations, any sanctions announced by the United Nations or any other Authorities to which the Bank is subject; or (b) the Financing may cause an excess of any credit limit(s) granted by the Bank in respect of the relevant issuing/confirming/nominated bank.
- 4.12 Unless otherwise agreed by the Bank in writing, all utilised banking facilities granted by the Bank to the Customer in relation to any Financing shall bear interest at such rate(s) (before as well as after judgment) as the Bank may from time to time at its absolute discretion determine. Interest shall be payable upon the expiry of such interest period as the Bank may conclusively determine and if not paid shall itself bear interest at the same rate.
- 4.13 The Customer shall pay all the fees and charges in connection with the transaction contemplated in an Application for Processing Export Documents. The Bank is hereby authorised to deduct or debit all the relevant fees, charges and any amount owed by the Customer to the Bank from the proceeds received under the Export Credit or the D/A transaction or D/P transaction, the Financing proceeds and/or any of the Customer's account(s) maintained with the Bank.
- 4.14 The Bank is irrevocably authorised (but is not obliged) to (i) utilise the presented documents under the back-to-back credit for drawing of the Export Credit; (ii) negotiate the documents presented, prepay a deferred payment undertaking incurred by the Bank or purchase a draft accepted by the Bank under the Export Credit or make any advance to the Customer under the Export Credit; and (iii) directly apply the Financing proceeds of, or the payment proceeds received under, the Export Credit to settle the corresponding drawing(s) under, and/or the Customer's obligations and liabilities owed to the Bank arising out of or in connection with, the back-to-back credit without first crediting such proceeds to the Customer's account with the Bank, irrespective of discrepancies that may appear on the documents under the back-to-back credit (all of

which, if any, are hereby waived). The Bank is also irrevocably authorised (whether in the name of the Customer or in the name of the Bank) to prepare, sign, complete and/or deliver the documents of whatever nature required by the Export Credit and to do such acts, instruments and things as desirable for drawing, claiming and/or collection of payment under the Export Credit.

- 4.15 In case the shipment of the goods on CFR or FOB or other terms not requiring insurance coverage from the Customer, the Customer certifies that the marine and war risk insurance on the goods have been effected by the relevant buyer.
- 4.16 Without prejudice to the Bank's rights to act as a nominated bank under the Export Credit immediately upon the Financing, the Customer irrevocably and unconditionally assigns absolutely to the Bank all the present and future rights, title, interests and benefits of the Customer in and to the receivables and proceeds payable to the Customer under or in connection with the Export Credit and all related documents, goods and insurances. The aforesaid assignment is an outright assignment and shall automatically take effect with respect to the Export Credit without further act at the time when the Bank provides Financing to the Customer pursuant to the Customer's request. The Customer shall execute such document(s) and do such act(s) as the Bank may require to perfect such assignment, if necessary. The Bank shall be free at its discretion, to enforce the rights through legal action or otherwise. The Customer agrees to execute and deliver any document(s) (including the endorsement of any draft), and to take, at the Customer's expense, all steps and provide all assistance that the Bank may request in connection with making claims against any party in respect of the Export Credit, on goods and insurances (including, without limitation, to file any claim or take any legal action or initiate or join any proceedings (either in its own name or in the joint names of the Customer and the Bank) against the issuing bank, the confirming bank (if any) or any other party). The Bank may apply the net proceeds paid under or in connection with the Export Credit in or towards the discharge of the Customer's obligations and liabilities to the Bank in such order and manner as the Bank may determine.
- 4.17 The Bank shall not be responsible or liable for any act, omission, default, suspension, insolvency or bankruptcy of any correspondent, agent or sub-agent.
- 4.18 The Bank shall not be responsible for any delay in remittance or loss in exchange during transmission or in the course of providing any services to the Customer.
- 4.19 The Bank shall not be responsible for loss or delay of any bill of exchange or documents in transit or in the possession of any correspondent, agent or sub-agent notwithstanding that the Bank may choose such courier company or correspondent.

5. Standby Letters of Credits, Letters of Guarantee and Bonds

- 5.1 The Customer may submit applications or requests to the Bank for the issuance of, or procuring the issuance of, letters of guarantee or standby letters of credit (collectively, the "**Undertaking**") from time to time. Each such application or request is referred to as a "**LG/SBLC Application**".
- 5.2 In this Clause 5, the following terms shall have the meanings below:-

- (a) **"Correspondent"** means any bank (including any Bank Group Member) which issues the Undertaking at the request or instruction of the Bank;
 - (b) **"Counter-guarantee"** means the counter-guarantee, counter-indemnity, indemnity or undertaking, however named or described and in such form and contents as determined by the Bank in its sole discretion, which is at any time issued by the Bank to a Correspondent in order to procure, arrange or facilitate the issuance of the Undertaking by the relevant Correspondent and includes any amendment, extension or renewal of the Counter-guarantee; and
 - (c) **"Undertaking Instrument"** means the Undertaking (whether issued by the Bank or a Correspondent), and/or the Counter-guarantee.
- 5.3 The Bank may, at its sole discretion, name, select, request or instruct any Correspondent to issue the Undertaking. The Bank shall not be responsible or liable for any act, omission, loss or delay of forwarding documents or payments, default, error, negligence, suspension, insolvency or bankruptcy of any Correspondent notwithstanding that the Bank may choose such Correspondent.
- 5.4 If, at the request of the Customer, the Bank requests or procures a Correspondent to issue the Undertaking, the Bank may issue a Counter-guarantee in such form and contents as determined by the Bank at its sole discretion in favour of the Correspondent for issuance of the Undertaking.
- 5.5 The Customer agrees that the Bank or the Correspondent may, at its sole discretion and without reference to or consent from the Customer, amend the terms and conditions of the Undertaking stated in a LG/SBLC Application and/or insert additional terms and conditions into the Undertaking as the Bank or the Correspondent thinks appropriate. The Bank or the Correspondent may, subject to the beneficiary's consent, cancel the whole or any unused balance of the Undertaking.
- 5.6 If the Customer instructs the Bank to permit T/T reimbursement in the Undertaking, the Bank or the Correspondent (as the case may be) is irrevocably authorised to pay and/or reimburse the relevant claiming bank or reimbursing bank upon receipt of a claim from such bank even prior to the Bank's or the Correspondent's receipt of the presented documents. The Customer shall bear all the relevant risks (including non-receipt and non-compliance risks of the presented documents) and shall reimburse and indemnify the Bank for any payment made under any Undertaking Instrument.
- 5.7 Where the Undertaking is transferable or assignable (whether expressly or impliedly), the Customer acknowledges that the beneficiary may assign or transfer the Undertaking or any benefit thereof to a third party without the prior consent of or notice to the Bank or the Correspondent. The Customer agrees that the Bank or the Correspondent (as the case may be) shall be entitled to pay demands from any party who purports to be the assignee or transferee of the Undertaking without any obligation to verify or enquire whether such party is the legitimate assignee or transferee.
- 5.8 The Customer agrees and acknowledges that it is the sole responsibility of the Customer to (i) ensure clarity, enforceability or effectiveness of any terms or requirements incorporated in the Undertaking Instrument(s); and (ii) comply with all applicable laws

and regulations regarding the underlying transaction to which the Undertaking Instrument(s) relates and obtain all necessary documents and approvals from any governmental or regulatory bodies and produce such documents or approvals to the Bank upon request. The Bank is not responsible for advising and has no duty whatsoever to advise the Customer on such issues. The Bank shall not be liable to the Customer for any direct, indirect, special or consequential loss or damage, costs, expenses or other claims for compensation whatsoever which may arise out of such issues.

- 5.9 Notwithstanding any instruction(s) stipulated in a LG/SBLC Application, the Bank may, at its sole discretion, name or instruct any Correspondent to be the advising, confirming or nominated bank in respect of the Undertaking. The Customer acknowledges that the Bank may pay to or receive from any correspondent charge, commission, fee, rebate or other payment and the Bank shall not be liable to account for or disclose to the Customer any profit or benefit derived from it.
- 5.10 The Customer agrees and undertakes to examine the customer copy of the Undertaking Instrument(s) and irrevocably agrees that failure to give a notice of objection about the contents of the Undertaking Instrument(s) within 5 calendar days after the customer copy of the Undertaking Instrument(s) is sent to the Customer shall be deemed to be its waiver of any rights to raise objections or pursue any remedies against the Bank in respect of the Undertaking Instrument(s).
- 5.11 The Customer undertakes to pay and reimburse the Bank in full in the same currency for any sum paid, or required to be paid, by the Bank under or in connection with any Undertaking Instrument upon the Bank's demand. Such sum includes interest, costs, expenses, commissions, reimbursement claims from any nominated bank or confirming bank and any payment, prepayment or purchase effected by the Bank in connection with any Undertaking Instrument, all irrespective of any alleged discrepancies in the presented documents and/or any fraud or illegality (whether actual or alleged) at any time.
- 5.12 Neither the Bank nor the Correspondent has any duty to verify any demand or statement contained in any document presented to the Bank or the Correspondent under any Undertaking Instrument and may accept the beneficiary's claim as conclusive evidence of the facts stated.
- 5.13 The Customer irrevocably authorises the Bank or the Correspondent to accept, on the basis of a presentation alone, any document(s), claim(s) or communication(s) received from any person who the Bank or the Correspondent believes to be the beneficiary or representing the beneficiary.
- 5.14 The Customer agrees that the Bank and the Correspondent are fully entitled to reject any discrepant documents presented under any Undertaking Instrument notwithstanding that the Customer may have waived such discrepancy.
- 5.15 The Customer undertakes that if at the request of the Customer the Undertaking is issued by the Bank or the Correspondent without specifying the latest claim or expiry date, the Customer shall ensure that in case of cancellation, the beneficiary will return the Undertaking to the Bank or the Correspondent (as the case may be) for cancellation

and provide its written consent to the Bank or the Correspondent (as the case may be) to confirm its agreement to the cancellation. For the avoidance of doubt, the Customer is liable to pay the Bank all applicable commissions and fees charged by the Bank in respect of such Undertaking until its cancellation.

Claim and Collection under Standby Letter of Credit and Letter of Guarantee

- 5.16 The Customer may submit applications or requests to the Bank in connection with claim and collection under Standby Letter of Credit or Letter of Guarantee from time to time. Each such application or request is referred to as an "Application for claim and collection under Standby Letter of Credit and Letter of Guarantee".
- 5.17 The Customer shall pay all the fees and charges in connection with the transaction contemplated in a claim and presentation under Standby Letter of Credit and Letter of Guarantee Application. The Bank is hereby authorised to deduct or debit all the relevant fees, charges and any amount owed by the Customer to the Bank from the proceeds received under the Standby Letter of Credit and/or Letter of Guarantee and/or any of the Customer's account(s) maintained with the Bank.
- 5.18 The Bank is irrevocably authorised (whether in the name of the Customer or in the name of the Bank) to prepare, sign, complete and/or deliver the documents of whatever nature required by the Standby Letter of Credit and/or Letter of Guarantee and to do such acts, instruments and things as desirable for drawing, claiming and/or collection of payment under the Standby Letter of Credit and/or Letter of Guarantee.
- 5.19 The Bank shall not be responsible or liable for any act, omission, default, suspension, insolvency or bankruptcy of any correspondent, agent or sub-agent.
- 5.20 The Bank shall not be responsible for any delay in remittance or loss in exchange during transmission or in the course of providing any services to the Customer.
- 5.21 The Bank shall not be responsible for loss or delay of any bill of exchange or documents in transit or in the possession of any correspondent, agent or sub-agent notwithstanding that the Bank may choose such courier company or correspondent.

6. Transfer of Documentary Credits

- 6.1 The Customer may submit applications or requests to the Bank in connection with the transfer of Export Credits issued in favour of the Customer from time to time. Each such request or application is referred to as a "**Credit Transfer Application**".
- 6.2 For full transfer of an Export Credit, the Customer agrees that all amendments at any time made are to be advised direct to the second beneficiary without reference to the Customer. The Customer hereby irrevocably renounces all rights thereunder and the Bank may present the documents (if any) which the Bank receives from the second beneficiary direct to the issuing bank or the confirming bank, if any, without further reference to the Customer. The Customer also agrees that the second beneficiary may present the documents directly to the issuing bank or the confirming bank, if any.

6.3 For partial transfer an Export Credit, the Customer agrees as follows:-

- (a) If no substitution of documents is required, the Bank may send the documents received by the Bank from the second beneficiary directly to the issuing bank or the confirming bank, if any, without further reference to the Customer or the second beneficiary may present the documents directly to the issuing bank.
- (b) If substitution of documents is required, on or before the date on which the second beneficiary's draft(s) and document(s) are presented to the Bank, the Customer shall deliver to the Bank the Customer's draft(s), invoice(s) and any other required documents ("**Required Documents**") in compliance with the original Export Credit in order that the Required Documents may be substituted for the second beneficiary's draft(s) and invoice(s). If the Customer fails to, upon the Bank's request, forthwith deliver the Required Documents as aforesaid or the Required Documents delivered by the Customer create any discrepancy(ies), the Bank is authorised to forward the second beneficiary's invoice(s), draft(s) and other document(s) to the issuing or confirming bank, if any, without any responsibility or liability on the Bank's part (including, without limitation, any responsibility on the Bank's part to pay the Customer for the difference between the amount of the second beneficiary's invoice(s) and the amount authorised to be paid under the original Export Credit).
- (c) Subject to the terms and conditions in the Credit Transfer Application, all the Customer's rights in the Export Credit are transferred to the second beneficiary and the second beneficiary shall (up to the transfer amount) have the sole rights as the beneficiary of the Export Credit.
- (d) Without any responsibility or liability on the Bank's part, the Bank may forward the Required Documents, together with the second beneficiary's documents, to the issuing bank for payment at the Bank's sole discretion. The Customer agrees and acknowledges that the Bank may effect payment to the Customer and/or to the second beneficiary only upon the Bank's receipt of final payment from the issuing bank or the confirming bank, if any. In such circumstances, the Bank is irrevocably authorised to effect payment to the second beneficiary without reference to the Customer irrespective of discrepancies that may appear on the documents presented by the second beneficiary (all of which, if any, are hereby waived).
- (e) The Customer understands that the Bank has no obligation to provide Financing in respect of an Export Credit. However, if any request for Financing is accepted by the Bank, save as provided in Clause 4.4 above or unless otherwise agreed in writing by the Bank, it is subject to full recourse against the Customer (up to the full amount effected to the Customer and the second beneficiary) plus interest irrespective of any reasons that the issuing bank or the confirming bank, if any, may refuse to effect payment under the Export Credit.
- (f) The Customer further agrees that the Bank is not obligated to examine the documents presented by the Customer or by the second beneficiary. Any examination of documents, if performed, is without prejudice to the Bank's right

to effect payment only upon receipt of final payment from the issuing bank or the confirming bank, if any.

- (g) The Bank is authorised to advise the issuing bank (and the confirming bank, if any) of the details of this transfer and provide any information required by it.

6.4 The Customer shall not retain its right to refuse to allow the Bank to advise any amendments of the Export Credit to the second beneficiary. The Bank is authorised to advise any amendments of the Export Credit to the second beneficiary directly without reference to the Customer.

7. Import Invoice financing

7.1 The Customer may apply to the Bank for drawdown of loans and/or advances (each, an "**Import Invoice Loan**") under an import invoice financing facility granted by the Bank to the Customer from time to time.

7.2 In respect of each transaction for the purchase of goods (the "**Goods**") and/or services (the "**Services**") by the purchaser (each, a "**Purchaser**") from the supplier (each, the "**Supplier**") as set out in the application for Import Invoice Loan (each, a "**Purchase Transaction**"), the Customer shall provide the relevant invoice (each, an "**Invoice**") and the supporting document(s) in respect of the Purchase Transaction (the "**Supporting Document(s)**").

7.3 In respect of each Purchase Transaction, the Customer irrevocably authorises and instructs the Bank to pay the amount (each, the "**Payment**") set out in the application for Import Invoice Loan to the relevant Supplier in respect of the relevant Invoice and the Supporting Document(s) (if any) by telegraphic transfer to the bank account of such Supplier, unless otherwise agreed by the Bank. The aggregate amount of all the Payments shall be equal to the amount of the Import Invoice Loan.

7.4 In respect of each Purchase Transaction in which the Customer is not the Purchaser:-

- (a) the Customer hereby represents and warrants that each Purchaser in such Purchase Transaction is the Customer's Affiliate, and the Customer is duly authorised to arrange for the Import Invoice Loan and the remittance of the relevant Payment amount(s) for payment of the relevant Invoice issued to such Purchaser as contemplated in the application for Import Invoice Loan and to handle the transaction related to the foregoing with the Bank as if the Customer was the Purchaser named in such Invoice;
- (b) notwithstanding the Customer is not the Purchaser named in the relevant Invoice, the Customer agrees that the drawing of the Import Invoice Loan pursuant to the application for Import Invoice Loan shall constitute the Customer's own borrowing from the Bank and the Customer's own utilisation of the facility pursuant to the Facility Letter; and
- (c) the Customer is liable, as primary obligor, for all obligations and liabilities (whether present or future and whether actual or contingent) owing to the Bank

in connection with the Import Invoice Loan and shall pay to the Bank on demand all sums owing to the Bank under or in connection with the Import Invoice Loan.

- 7.5 The Customer represents and warrants that no financing has been obtained or will be obtained in respect of any Purchase Transaction, any Invoice or any Supporting Document(s) from any institution or organisation or person other than the Bank.
- 7.6 Without prejudice to the right of the Bank to reject the application for Import Invoice Loan, the Bank may, as a condition precedent to the drawdown of the Import Invoice Loan, require the Customer to sign, execute and/or deliver any authorisations, instruments or documents in such form and contents as the Bank may require.
- 7.7 The Customer shall immediately on demand or on the applicable due date, whichever is earlier, repay the Import Invoice Loan granted by the Bank pursuant to the application for Import Invoice Loan together with interest accrued thereon. Interest shall accrue on the Import Invoice Loan from the drawdown date to the date of actual payment in full at such interest rate as determined by the Bank at its absolute discretion (or previously agreed by the Bank), whether before or after judgment.
- 7.8 In respect of each Purchase Transaction, the Customer warrants and represents to the Bank that:-
- (a) the relevant Invoice submitted to the Bank under the application for Import Invoice Loan or the invoice recorded or specified in the relevant Supporting Document(s) was duly issued by the relevant Supplier named in the application for Import Invoice Loan in relation to such Purchase Transaction and received by the Purchaser in the ordinary course of business;
 - (b) either:-
 - (i) the Purchaser has duly received (1) the Goods and/or Services, (2) the relevant bills of lading or other title documents and (3) documentary proof evidencing the purchase and delivery of the Goods and/or Services, in respect of such Purchase Transaction at the date of the application for Import Invoice Loan; or
 - (ii) although the Purchaser has not yet received (1) the Goods and/or Services, (2) the relevant bills of lading or other title documents or (3) documentary proof evidencing the delivery of the Goods and/or Services, in respect of such Purchase Transaction at the date of the application for Import Invoice Loan, the Customer will:
 - (A) procure and ensure the receipt of (1) the Goods and/or Services, (2) the relevant bills of lading or other title documents and (3) documentary proof evidencing the delivery of the Goods and/or Services in respect of such Purchase Transaction; and
 - (B) submit to the Bank forthwith copies of (1) the abovementioned bills of lading or other title documents, (2) documentary proof evidencing the delivery of the Goods and/or Services and (3) other

relevant documents, upon receipt of the same in respect of such Purchase Transaction; and

(C) upon receipt of (1) the abovementioned Goods and/or Services, (2) the relevant bills of lading or other title documents and (3) documentary proof evidencing the delivery of the Goods and/or Services after the date of the application for Import Invoice Loan, be deemed to have made the warranty and representation in paragraph (b)(i) above in respect of such Purchase Transaction by reference to the facts and circumstances then existing on the date of receipt aforesaid; and

(c) the Purchaser is obligated to pay the relevant Supplier at least up to the extent of the amount of the Payment to be made to the Supplier pursuant to the application for Import Invoice Loan or the amount shown in the relevant Invoice and the Supporting Document(s) (if any), whichever is higher, in respect of such Purchase Transaction.

7.9 The Bank shall not in any circumstances be liable to the Customer or any Purchaser for any losses or damages that the Customer or any Purchaser may suffer or sustain as a result of non-payment or late payment to any Supplier of the Goods and/or Services in respect of any Purchase Transaction, notwithstanding that such non-payment or late payment may be howsoever caused by the Bank in processing or rejecting the application for Import Invoice Loan or making payment to any Supplier pursuant to the application for Import Invoice Loan. The Bank shall have no duty to inform the Customer or any Purchaser of the outcome of the application for Import Invoice Loan in respect of any Purchase Transaction.

7.10 The Customer further represents and warrants to the Bank that the financing contemplated under the application for Import Invoice Loan is for the genuine trading transaction of the relevant Purchaser and there is no other financing obtained in connection with the Purchase Transaction, the relevant Invoice and/or any invoice as recorded or specified in the relevant Supporting Document(s), the title documents of the relevant Goods and/or Services, the relevant documentary proof evidencing the delivery of the relevant Goods and/or Services, the relevant Goods and/or Services, the relevant sale proceeds and/or insurance proceeds in respect of such Purchase Transaction.

7.11 The Customer undertakes to ensure that the relevant Goods and/or Services in respect of each Purchase Transaction are kept fully insured against all insurable risks and shall pay all freights, warehouse, dock, transit and other charges, rent and all other costs in connection with such Goods and/or Services in respect of such Purchase Transaction.

7.12 In respect of each Purchase Transaction, the Customer agrees that the Goods and/or Services, the title documents of the Goods and/or Services, documentary proof evidencing the delivery of the Goods and/or Services, the insurance proceeds and the sale proceeds are held by the Customer in trust for the Bank and solely to the Bank's order. The Bank may at any time take possession of the Goods and/or Services and/or the title documents of the Goods and/or Services and/or documentary proof evidencing the delivery of the Goods and/or Services, if the Customer fails to duly repay the Import

Invoice Loan. The Bank is entitled to demand and receive the sale proceeds and/or the insurance proceeds from buyer(s), insurer(s) or any person(s) and give valid receipt for the same without reference to the Customer, and the Bank may apply the net proceeds of any of the foregoing in or towards the discharge of the Customer's obligations and liabilities to the Bank in such order and manner as the Bank may determine.

- 7.13 The Customer shall keep the Bank informed of the whereabouts of the relevant Goods and/or Services in respect of each Purchase Transaction, the relevant title documents of such Goods and/or Services, documentary proof evidencing the delivery of such Goods and/or Services and of any change in the condition, market price, quality or quantity of such Goods and/or Services in respect of such Purchase Transaction and of any other matter in connection therewith. Until the liabilities of the Customer to the Bank under the Import Invoice Loan are fully discharged, the Goods and/or Services, the title documents of the Goods and/or Services, documentary proof evidencing the delivery of the Goods and/or Services, the insurance proceeds and the sale proceeds shall at all times be kept separated from other transactions and do not form part of the property of the Customer or any Purchaser.
- 7.14 The Customer represents and declares that, except the Bank otherwise agrees, its application for Import Invoice Loan is solely for the purposes of:-
- (a) the Customer, in respect of each Purchase Transaction in which the Customer is the Purchaser, and the Customer is the contractual party for itself in the underlying transaction(s) relating to the Purchase Transaction; and
 - (b) the Purchaser, in respect of each remaining Purchase Transaction, and the Purchaser is the contractual party for itself in the underlying transaction(s) relating to the Purchase Transaction.

8. Packing Loans

- 8.1 The Customer may apply to the Bank for drawdown of loans and/or advances (each, a "**Packing Loan**") under a packing loan facility granted by the Bank to the Customer from time to time.
- 8.2 Any advance of a Packing Loan will be against the documentary credit (the "**Credit**") set out in the application for Packing Loan. The issuing bank and all the terms and conditions of the Credit must be acceptable to the Bank.
- 8.3 The proceeds of the Packing Loan shall solely be used for the purchase, production, storage, insurance and/or preparation for sale or shipment of the goods called for under the Credit (the "**Goods**").
- 8.4 The Customer shall (i) lodge with and pledge to the Bank the original Credit and all amendments (if any); (ii) undertake to deliver all future amendments of the Credit to the Bank immediately upon receipt by the Customer; and (iii) undertake to present documents in strict compliance with the terms and conditions of the Credit to the Bank before the time limit(s) prescribed in the Credit.

- 8.5 The Customer shall not accept any amendment or cancellation of the Credit without the Bank's prior written consent and shall not dispose of or otherwise deal with the Goods except for the purpose of making a valid drawing under the Credit.
- 8.6 The Customer shall pay interest on the Packing Loan at the interest rate as determined by the Bank. Subject to the Bank's overriding right of demand, the Customer will repay the Packing Loan and any accrued interest to the Bank on the applicable due date of the Packing Loan.
- 8.7 If the Bank agrees to negotiate the presented documents, prepay the deferred payment undertaking incurred by the Bank, purchase the draft accepted by the Bank under the Credit, make any advance(s) against the presented documents or present the documents to the issuing bank of the Credit for payment, the Customer irrevocably authorises the Bank to apply the relevant proceeds to discharge the Packing Loan together with any costs and expenses incurred by the Bank and any commissions, interest or other charges at such rate from time to time as determined by the Bank in connection with the Packing Loan and/or to discharge any other debts owed by the Customer to the Bank (collectively, the "**Indebtedness**") in any manner or order that the Bank thinks appropriate.
- 8.8 The Customer represents that the Goods, the Credit and the relevant proceeds (the "**Assets**") are free from any security interest(s) and encumbrance(s) and the Customer is the sole and beneficial owner of the Assets. The Customer undertakes not to factor, sell or otherwise dispose of the proceeds of the Goods or the Credit or create any encumbrance(s) or security interest(s) over the Assets, apart from the Packing Loan.
- 8.9 The Customer acknowledges and declare that until full discharge of the Indebtedness, (i) all Goods will be dealt with by the Customer as the Bank's agent and the sale proceeds will be held by the Customer in trust for the Bank; (ii) shall fully insure the Goods at our expense against all risks and hold the policy and proceeds of such insurance to the Bank's order; and (iii) the Customer will keep the Goods and the sale proceeds separate from other transactions, goods or sale proceeds. Any monies payable to the Customer under the insurance policy shall be held in trust for the Bank and dealt with at the Bank's direction.
- 8.10 The Bank may apply the net proceeds paid under or in connection with the Credit in or towards the discharge of our obligations and liabilities to the Bank in such order and manner as the Bank may determine and the Customer undertakes to indemnify the Bank against any shortfall.
- 8.11 In the case of the value of the Goods or the proceeds under the Credit should at any time fall below the amount of the Indebtedness, the Customer promises and undertakes to make up such deficiency by cash payment immediately.

9. Pre-Shipment financing

- 9.1 The Customer may apply to the Bank for drawdown of loans and/or advances (each, a "**Pre-shipment Loan**") under a pre-shipment financing granted by the Bank to the Customer from time to time.

- 9.2 In relation to a Pre-shipment Loan, the relevant purchase order / contract (the "**PO**") between the purchaser (the "**Purchaser**") and the Customer (as seller) must be acceptable to the Bank.
- 9.3 The proceeds of the Pre-shipment Loan shall solely be used for the purchase, production, storage, insurance and/or preparation for sale or shipment of the goods sold under the PO (the "**Goods**").
- 9.4 The Customer shall (i) lodge with the Bank a genuine and complete copy of the PO and all amendments (if any); (ii) undertake to comply with all the Customer's obligations under the PO; and (iii) authorise the Bank to verify with the Purchaser the genuineness, validity or terms of, or any other information related to the PO.
- 9.5 The Customer shall not accept any amendment or cancellation of the PO without the Bank's prior written consent and shall not dispose of or otherwise deal with the Goods except for the purpose of shipping the Goods and obtaining the relevant documents required under the PO for obtaining payment under the PO.
- 9.6 The Customer shall pay interest on the Pre-shipment Loan at the interest rate as determined by the Bank. Subject to the Bank's overriding right of demand, the Customer will repay the Pre-shipment Loan and any accrued interest to the Bank on a date falling within 15 days of shipment of the Goods, the date stipulated as the latest shipment date in the PO or the applicable due date of the Pre-shipment Loan, whichever is earlier.
- 9.7 The Customer represents that the Goods and all sale proceeds and monies payable to the Customer arising out of the Goods or the PO (the "**Receivables**") are free from any security interest(s) and encumbrance(s) and the Customer is the sole and beneficial owner of the Goods and the Receivables. The Customer undertakes not to factor, sell or otherwise dispose of or create any encumbrance(s) or security interest(s) over the Goods and the Receivables unless otherwise agreed by the Bank in writing.
- 9.8 Upon the Bank's request, the Customer shall assign by way of security all Receivables to the Bank to secure payment of the Pre-shipment Loan and any other debts or liabilities owing by the Customer to the Bank (collectively, the "**Indebtedness**") and in that connection promptly or within such time as prescribed by the Bank (i) execute such assignment or document as required by the Bank; (ii) procure the consent of the Purchaser to the assignment if the Bank considers necessary; (iii) give a notice of the assignment to the Purchaser; and (iv) procure acknowledgment from the Purchaser that it will pay the assigned Receivables to the Bank.
- 9.9 The Customer acknowledges and declares that until full discharge of the Indebtedness, (i) all Goods will be dealt with by the Customer as the Bank's agent and all Receivables will be held by the Customer in trust for the Bank; (ii) the Customer shall fully insure the Goods at the Customer's expense against all risks and hold the policy and proceeds of such insurance to the Bank's order; and (iii) the Customer will keep the Goods and the Receivables separate from other transactions, goods or sale proceeds. Any monies payable to the Customer under the insurance policy shall be held in trust for the Bank and dealt with at the Bank's direction.

- 9.10 Immediately after the Goods have been shipped, the Customer shall deliver to the Bank the related invoice(s), shipping or transport document(s), bill(s) of exchange (if any) and other document(s) (collectively, the "**Shipping Documents**") evidencing that the Goods are supplied to the Purchaser in accordance with the terms and conditions of the invoice(s) for the Bank's consideration to provide Financing in respect of the Shipping Documents.
- 9.11 If the Bank agrees to provide the Financing, the Bank shall be entitled to apply and appropriate any proceeds of the Financing to discharge all or any part of the Pre-shipment Loan or other indebtedness in any manner or order that the Bank thinks appropriate.
- 9.12 The Customer undertakes, at the Customer's own costs and expenses, to provide satisfactory evidence of complete performance of the sale transaction to which the application for Pre-shipment Loan relates (the "**Sale Transaction**") and any other document or information the Bank may require.
- 9.13 The Bank is authorised to pay any proceeds of the Pre-shipment Loan to the supplier of the Goods for payment of any invoice issued by the supplier related to the supply of the Goods.
- 9.14 The Customer undertakes to ensure due and punctual payment by the Purchaser under the Sale Transaction and the Receivables will be credited to the Customer's account with the Bank or such other account as designated by the Bank from time to time, or, if so directed by the Bank, will be applied to repay the Customer's obligations and liabilities to the Bank in connection with the Pre-shipment Loan and any other debts owed by the Customer to the Bank.

10. Export Invoice Discounting

- 10.1 The Customer may apply to the Bank for drawdown of loans and/or advances (each, an "**Export Invoice Loan**") under an export invoice discounting facility granted by the Bank to the Customer.
- 10.2 In respect of each transaction for the sale of the goods (the "**Goods**") and/or services (the "**Services**") by the Customer to the purchaser (each, a "**Purchaser**") as set out in the application for Export Invoice Loan (each, a "**Sale Transaction**"), the Customer shall provide the relevant invoice (each, an "**Invoice**") and the supporting document(s) (the "**Supporting Document(s)**") in respect of the Sale Transaction, if any.
- 10.3 The Customer represents and warrants that no financing has been obtained or will be obtained in respect of any Sale Transaction, any Invoice or any Supporting Document(s) from any institution or organisation or person other than the Bank.
- 10.4 The Customer shall immediately on demand or on the applicable due date, whichever is earlier, repay the Export Invoice Loan granted by the Bank together with interest accrued thereon. Interest shall accrue on the Export Invoice Loan from the drawdown date to the date of actual payment in full at such interest rate as determined by the Bank at its absolute discretion (or previously agreed by the Bank), whether before or after judgment.

- 10.5 In respect of each Sale Transaction, the Customer warrants and represents to the Bank that:-
- (a) the relevant Invoice submitted under the application for Export Invoice Loan or the invoice recorded or specified in the relevant Supporting Document(s) was duly issued by the Customer to the relevant Purchaser in relation to such Sale Transaction in accordance with the terms agreed between such Purchaser and the Customer;
 - (b) the Purchaser is liable to pay the sum stipulated in the relevant Invoice or the relevant Supporting Document(s) (if any) in respect of such Sale Transaction in full on the due date stated in the application for Export Invoice Loan without any set-off, counterclaim or deduction; and
 - (c) the Customer has not done or caused to be done, and shall not do or cause to be done, anything which may affect or jeopardise the Bank's right to receive full payment from the relevant Purchaser of the amount set out in the Invoice or the Supporting Document(s) (if any) in respect of such Sale Transaction.
- 10.6 In respect of each Sale Transaction, the Bank is entitled to receive the receivables and insurance proceeds (if any) relating to the Sale Transaction, the relevant Invoice or the Supporting Document(s) (if any) in respect of the Sale Transaction and the Bank may apply the net proceeds paid under or in connection with the Sale Transaction, the Invoice or the Supporting Document(s) (if any) in respect of the Sale Transaction in or towards the discharge of the Customer's obligations and liabilities to the Bank in such order and manner as the Bank may determine.
- 10.7 The Customer undertakes that the Customer will not use any receivables and/or insurance proceeds (if any) relating to any Sale Transaction for securing any banking facilities (other than those granted to the Customer by the Bank) and other purposes as prohibited or restricted by law, and agrees not to sell, charge, part with possession of or otherwise deal with any such receivables and/or insurance proceeds (if any), whether in whole or in part, without the Bank's prior written consent.
- 10.8 The Customer undertakes, at its own costs and expenses, to provide satisfactory evidence of complete performance of each Sale Transaction and any other document or information the Bank may require.
- 10.9 The Customer undertakes to ensure due and punctual payment by the Purchaser and the receivables and/or insurance proceeds (if any) in respect of each Sale Transaction will be credited to its account with the Bank or such other account as designated by the Bank from time to time, or, if so directed by the Bank, will be applied to repay the Customer's obligations and liabilities to the Bank in connection with the Export Invoice Loan and any other debts owed by the Customer to the Bank. In any event, the Customer acknowledges that the receivables and/or insurance proceeds in respect of each Sale Transaction will be dealt with by the Customer in trust for the Bank until repayment of the Export Invoice Loan, interest, costs and charges.

11. Shipping Guarantee / Application for Goods Release / Application For Issuance of Shipping Guarantee / Shipping Guarantee (for Switched Bills of Lading) / Endorsement of Transport Documents

- 11.1 The Customer may request the Bank to sign or countersign any letter of indemnity, letter of guarantee or shipping guarantee or endorse any transport document or consent to obtain fresh set(s) of switched bill(s) of lading to facilitate the release of the goods (the "**Goods**"). Each such request by the Customer is referred to as a "**Request**".
- 11.2 The Customer shall indemnify the Bank and the Bank's delegate(s) on demand (on a full indemnity basis) and provide the Bank with any cash or collateral in such form and value as the Bank may require against all liabilities, losses, payments, damages, demands, claims, expenses and costs (including legal fees), proceedings or actions which the Bank or the Bank's delegate(s) may suffer or incur under or in connection with the Bank's so doing upon the Customer's request in the Request and upon the Bank's request to apply and defend at the Customer's own cost and expense any action which may be commenced against the Bank in connection with the Request.
- 11.3 The Bank may, at its sole discretion, compromise, settle, pay or resist any claim arising out of or in connection with the letter of indemnity / letter of guarantee / shipping guarantee / transport document(s) / fresh set of switched bill(s) of lading and/or the release of the Goods in such manner as it deems appropriate, without releasing the Customer's obligation and liability to indemnify the Bank under or in connection with the Request. The Customer shall provide the Bank with sufficient funds on demand to defend any proceedings, claims or actions instituted against the Bank at any time in respect of the Goods (or their release) and/or the letter of indemnity / letter of guarantee / shipping guarantee / transport document(s) / fresh set of switched bill(s) of lading, including all legal fees, costs and expenses.
- 11.4 The Customer agrees to redeem and deliver the relevant letter of indemnity / letter of guarantee / shipping guarantee (if any) to the Bank for cancellation immediately upon receipt of the relevant original bills of lading or transport documents.
- 11.5 The Bank is hereby authorised (but not obliged) (i) to honour any drawings made under the documentary credit or documentary collection or to pay the invoiced amount of the Goods without examining any of the presented documents; and (ii) to utilise the bills of lading or transport documents in the Bank's possession for the redemption of the letter of indemnity / letter of guarantee / shipping guarantee from the relevant transport company. The Customer irrevocably agrees and undertakes to reimburse the Bank on demand in respect of such drawings or payments together with all charges, expenses and interest and pay the Bank all charges, expenses and interest at such rate from time to time as determined by the Bank irrespective of any discrepancy(ies) that may appear in such documents (all of which, if any, are hereby waived by the Customer) and/or even if the Goods, drawings or payments are unacceptable to the Customer due to whatever reasons.
- 11.6 The Customer declares and confirms to the Bank that the value of the Goods does not exceed the goods value specified in the Request. The Customer agrees to keep the Goods fully insured against all insurable risks at its own expenses and will furnish proof of this at any time, if requested to do so by the Bank.

11.7 The Import Loan or trust receipt loan, if any, granted by the Bank to the Customer under or in connection with the Request is repayable on demand or on the applicable due date, whichever is earlier, together with interest accrued thereon. Interest shall accrue on the loan from the drawdown date to the date of actual payment in full at such interest rate as determined by the Bank at its absolute discretion (or previously agreed by the Bank), whether before or after judgment.

12. CNY Transactions

12.1 The Customer may enter into Transactions with the Bank involving CNY (as defined below) (each, a "**CNY Transaction**"). Except otherwise agreed by the Bank, the terms in this Clause shall (in addition to other applicable provisions in these General Terms and Conditions) apply to each CNY Transaction.

12.2 Definitions

In Clause 12:

- (a) "**Relevant Authority**" means any government, governmental agency, semi-governmental or judicial entity or body, regulatory, self-regulatory or other authority or organisation, clearing or settlement bank, or exchange or settlement body in the PRC and Hong Kong (including but not limited to the People's Bank of China and the Hong Kong Monetary Authority) relating to any CNY business or service in Hong Kong or the PRC;
- (b) "**CNY**" means the lawful currency of the PRC for the time being;
- (c) "**CNY Applicable Regulations**" means any laws, regulations, orders, rules, directions, requests, codes, notices, guidelines, restrictions or the likes (whether or not having the force of law) issued, announced or promulgated from time to time by any Relevant Authority; and
- (d) "**CNY Disruption Event**" means the occurrence of any event or circumstance that makes it impossible, impracticable or unlawful for the Bank to:-
 - (i) freely transfer, pay or settle CNY (A) within Hong Kong or (B) between Hong Kong and any other place outside the PRC; or
 - (ii) convert CNY into or from any other freely convertible currency(ies) in the general CNY exchange market in Hong Kong; or
 - (iii) obtain a firm quote of rate(s) for sale or purchase of CNY in general CNY exchange market in Hong Kong.

12.3 Representations

- (a) The Customer represents and warrants that:-

- (i) (if it is so required) it has the ability to pay to the Bank in CNY for its relevant liabilities in CNY in relation to each CNY Transaction;
 - (ii) any Financing provided or to be provided by the Bank under any CNY Transaction is and shall be only used for the permitted purpose stated in the relevant document(s) executed in connection with such Financing; and
 - (iii) its utilisation of any Financing (or any part of them) under any CNY Transaction and its proceeds (including but not limited to the remittance of the Financing proceeds and the flow of funds) shall fully comply with and adhere to all CNY Applicable Regulations.
- (b) The representations and warranties under Clause 12.3(a) shall be deemed to be repeated by the Customer on the date that each CNY Transaction is entered into and on each date thereafter until all of the Customer's liabilities (whether actual or contingent) under and in connection with all CNY Transactions are fully and irrevocably discharged.

12.4 **Payment in CNY**

- (a) Where, in accordance with the terms of any CNY Transaction, the Customer's payment obligation to the Bank is in CNY, payment by the Customer to the Bank shall be in CNY.
- (b) On or after the occurrence of any CNY Disruption Event, the Bank may, at its sole discretion (but is not obliged to) at any time, convert any amount in CNY payable to the Bank by the Customer into an amount in a different currency ("**converted payment amount**") at such rate as the Bank may determine (such determination to be conclusive and binding on the Customer) at the time of the Bank's conversion, subject to such interest rate as reasonably determined by the Bank as applicable to such converted payment amount. The terms and conditions applicable to the Customer's payment obligations in each relevant CNY Transaction shall continue to apply to such converted payment amount.
- (c) If the Bank agrees to provide Financing in CNY to the Customer and any CNY Disruption Event occurs prior to the payment of funds by the Bank pursuant to such Financing, the Bank may at its discretion either (i) terminate its agreement to provide Financing or (ii) (if the Bank nevertheless proceeds with such Financing) convert the CNY Financing amount into an amount in a different currency at such rate as the Bank may determine (such determination to be conclusive and binding on the Customer) and advance such converted currency amount by way of Financing to the Customer, subject to such interest rate as reasonably determined by the Bank as applicable to such converted currency amount of Financing. The terms and conditions applicable to the Financing shall continue to apply to such converted currency amount.

12.5 **Compliance with Applicable Regulations**

- (a) The Bank is entitled (at its sole discretion at any time) to take, or refrain from taking, such action as it deems appropriate according to or in order to comply with the Bank's agreements with any clearing or settlement bank and the CNY Applicable Regulations, notwithstanding any contrary provision in the Agreement or any other documents.
- (b) The Bank is authorised and has the right to report all or any transactions and information in connection with the Customer, the Customer's accounts and business with the Bank and/or any CNY Transaction to any Relevant Authority and such persons as required under the Bank's agreements with any clearing or settlement bank and the CNY Applicable Regulations.
- (c) The Customer undertakes at all times to comply with the CNY Applicable Regulations in connection with each CNY Transaction. The Customer shall promptly, upon the Bank's request, take such actions and/or produce such documents and information to the Bank as the Bank may reasonably require, in order to facilitate the Bank's compliance with the Bank's agreements with any clearing or settlement bank and the CNY Applicable Regulations.

12.6 **Currency Conversion for Collaterals**

- (a) For any collateral or security given by the Customer to the Bank in connection with the Customer's obligation and liabilities in connection with any CNY Transaction, where any money received by the Bank is denominated in the currency (the "**First Currency**") which is different from the currency of any of the Customer's obligations and liabilities (the "**Second Currency**"), the Bank may convert the money received into the Second Currency at the Exchange Rate by reference to the time of either (i) the Bank's actual receipt of such payment; or (ii) actual conversion of such payment into the Second Currency if the Bank is unable (for any reasons whatsoever) to convert such payment in the foreign exchange market at the time of the Bank's receipt of such payment. The relevant time for determining the Exchange Rate pursuant to the preceding sentence shall be determined by the Bank at its sole discretion.
- (b) The Customer shall, at the request of the Bank, do all such acts and/or provide all such documents and/or information as the Bank reasonably requires to facilitate the currency conversion from the First Currency to the Second Currency by the Bank.

12.7 **Other Requirements**

- (a) If this is so required under the CNY Applicable Regulations, any Financing under any CNY Transaction shall be limited to genuine underlying trade transactions of goods settled or to be settled in CNY between the Customer and the enterprise in the PRC as permitted by the CNY Applicable Regulations, and the Customer shall provide such documents and information to the Bank as the Bank may require relating to the relevant underlying trade transactions.
- (b) The Customer hereby represents and undertakes to ensure that the use of any Financing under any CNY Transaction and its proceeds (including but not

limited to the remittance of the Financing proceeds and the flow of funds) shall fully comply with and adhere to all applicable legal and regulatory requirements in the PRC.