



COMMERCIAL LETTER OF CREDIT APPLICATION AND AGREEMENT

FOR BANK USE ONLY

Processed by: Verified by: Approved by: Date: LC No.

GENTLEMEN:

Please issue an IRREVOCABLE Credit. Details as follows. Please note importation is For Conversion to Trust Receipts YES NO

BANKS USE ONLY

ADVISING BANK CONFIRMING BANK REIMBURSING BANK

- 1) FORM OF DOCUMENTARY CREDIT CONFIRMED UNCONFIRMED
2) DATE OF ISSUE
3) DATE AND PLACE OF EXPIRY
4) APPLICANT/ADDRESS
5) BENEFICIARY/ADDRESS
6) CURRENCY CODE, AMOUNT
7) AVAILABLE WITH: ADVISING BANK ANY BANK, BY NEGOTIATION
8) DRAFTS AT: SIGHT DAYS AFTER SIGHT BLADING DATE
9) PARTIAL SHIPMENTS ALLOWED NOT ALLOWED
10) TRANSHIPMENTS ALLOWED NOT ALLOWED
11) SHIPMENT/TAKING IN CHARGE FROM FOR TRANSPORTATION TO LATEST SHIPMENT DATE
12) SHIPMENT OF (GOODS)
13) CB.COMMODITY CODE NO/S: PER: PROFORMA/FIRM OFFER NO. DATE
14) TERMS OF SHIPMENT: CIF C & F FOB OTHERS
DOCUMENTS REQUIRED: SIGNED COMMERCIAL INVOICE IN TRIPLICATE FULL SET OF LEAST THREE ORIGINAL, "ON-BOARD" BILL OF LADING AND ONE NON-NEGOTIABLE COPY ISSUED TO THE ORDER OF RIZAL COMMERCIAL BANKING CORPORATION MARKED FREIGHT PREPAID COLLECT NOTIFY APPLICANT (AS SHOWN ABOVE) AIRWAY BILL OF LADING ADDRESSED TO RIZAL COMMERCIAL BANKING CORPORATION, MAKATI CITY MARKED FREIGHT PREPAID COLLECT NOTIFY APPLICANT (AS SHOWN ABOVE) TRANSPORTABLE MARINE, AIR CARGO INSURANCE POLICY OR CERTIFICATE IN DUPLICATE INCLUDING ALL RISKS CLAUSES FOR % OF CIF INVOICE VALUE FROM POINT OF ORIGIN TO WAREHOUSE AT DESTINATION TO BE EFFECTED BY SHIPPER APPLICANT (AS SHOWN ABOVE) PACKING LIST IN TRIPLICATE OTHERS

15) ADDITIONAL CONDITIONS: SHIPMENT PRIOR OPENING AND OR AFTER EXPIRY OF THIS CREDIT PROHIBITED.

16) BANKING CHARGES ARE FOR: APPLICANT BENEFICIARY'S ACCOUNT OUTSIDE THE PHILIPPINES ARE FOR BENEFICIARY'S ACCOUNT

17) PERIOD FOR PRESENTATION: DOCUMENTS MUST BE PRESENTED WITHIN DAYS AFTER BL DATE.
18) IN SETTLEMENT OF: CASH LC AND ALL CHARGES RELATIVE TO THE OPENING OF THIS CREDIT. PLEASE DEBIT OUR PESO ACCOUNT NO. FOR PHP. WE ARE ENCLOSING CHECK NO. FOR USD. FOR PHP.

In consideration of your arranging for the establishment of this is commercial letter of credit (hereinafter referred to as the credit) substantially in accordance with the foregoing, the undersigned hereby jointly and severally agree(s) to each and all of the following stipulated provisions and conditions:

1. For all draft(s) drawn under or purporting to be drawn under the credit, I/we hereby agree to pay you on demand (for sight drafts) or on maturity date (for usance drafts) in Philippine legal currency, the equivalent of the amount(s) of such draft(s) at the rate of exchange determined by the provisions of the next paragraph, together with the interest at _____ percent (_____%) per annum, computed from the date(s) of your payment of the draft(s) to the date(s) of my/our payment or arrival date of remittance at the place where cover is to be provided.

I/we hereby agree that our obligations hereunder shall be computed at your selling rate of the relevant foreign currency prevailing on the date of any payment I/we make for said obligations or any portion thereof; provided, however, that if on the date of any such payment, the relevant foreign currency is not available or is sold at insufficient volume at the foreign exchange trading conducted by the Bankers Association of the Philippines or any other body or agency authorized by the Bangko Sentral ng Pilipinas, I/we hereby agree that said obligations or portion thereof shall be computed at your selling rate of said foreign currency prevailing on the date of its availability to you at said trading.

In case of insufficiency in the volume of the foreign currency made available to you at said trading, I/we hereby recognize your authority to determine how to allocate the foreign currency so obtained for the payment of any of our foreign currency obligations. Any deficiency therefore in our payment that may arise after such computation shall be due and payable by on demand. I/we hereby agree to assume all foreign exchange risks that may be incurred by you in connection with this agreement or the letters of credit issued hereunder.

I/we likewise agree that I/we shall pay you, on demand, all the surcharges, penalties, and additional charges that may be imposed on you by your correspondent bank due to delay in payment of your obligations arising from the letters of credit issued under this agreement caused by said unavailability or insufficiency of the volume sold of said foreign currency. The amount thereof shall be computed in the manner provided above.

Furthermore, I/we agree that you will have the option and discretion to recognize, treat, and carry in your books any and all advances that you may have made on our behalf in the same foreign currency in which the credit is denominated.

2. The rate of interest agreed upon may be increased or decreased in the event the applicable maximum rate of interest is increased or decreased by law or by the Monetary Board.

Interest on all amounts not paid on demand or on maturity date, as the case may be, including any accrued interest (which upon non-payment, shall be added to, and become part of, our obligations hereunder), shall be compounded every 30 days until such obligations are fully paid.

3. I/we likewise agree to pay penalty equivalent to _____ percent (_____%) per annum of all amount due and unpaid hereunder.

4. I/we authorize you at any time at your option, to hold, apply and/or charge against any money or credit due me, now or hereafter existing, any and all drawings, commissions, charges, interest, expenses, taxes, etc., of the Bank and/or its correspondents arising out of the arrangement, establishment, and/or negotiation of the Credit, whether directly or indirectly all without prior notice and/or demand.

5. To procure promptly any necessary import, export, or other licenses required for import or export or shipping or forwarding the property and to comply with all Philippines, United States or other government regulations in regard to the shipping or forwarding the property or the financing thereof, and to furnish such certificates in that respect that you may at any time require.

6. To keep the merchandise relating to the Credit covered with insurance at all times against marine/air cargo and fire risks and any other risks as required by you in companies acceptable and satisfactory to you until the drafts are fully paid, and you may cause to cover with insurance against any and all risks at any time at your discretion and at our expense any and all of the merchandise without our further consent even though we have caused the merchandise to be insured against the same or similar risks. We further agree to assign the insurance policies or certificates to you or to make the loss or adjustment payable to you at your option. It is understood that you will not be responsible for any act or omission on the part of any insurance company and if any insurance company fails to pay we will still be responsible to you for the payment of the draft(s). It is further understood that if you or the undersigned or any one else fail to cause to insure the merchandise, and if any loss or damage either partial or total occurs, we will still be responsible for the payment of the draft(s).

7. Should the time limit specified in the Credit be extended or the amount of the Credit be increased or should any other changes in terms and/or the conditions of the Credit be made upon our application, all of our obligations hereunder shall remain in full force and effect during the terms of any such extension and shall apply in all respects to any such increase in the amount of the Credit and to any other changes in the Credit.

8. That if the Credit specifies shipment in installments within stated periods, and the shipper fails to ship in any designated period, shipments of subsequent installments may nevertheless be made in their respective designated periods and you may honor the relative draft(s).

9. In the event you have to issue a Shipside Bond in favor of a shipping company/agent/representative to guarantee the production of the original Bills of Lading covering importation(s) under the Letter of Credit opened for my/our account in accordance with the terms and conditions embodied herein, I/we hereby irrevocably authorize you to indorse any such original Bill of Lading in my/our name/benefit and/or account should you find this necessary for the cancellation of the Shipside Bond and to that, I/we hereby name, appoint and constitute you as my/our attorney-in-fact, with full power to sign and endorse the said Bill of Lading and which endorsement shall constitute a waiver on my/our part of all my/our rights on the bills of lading notwithstanding the fact that I/we may appear hereon as the notify party. I/we hereby irrevocably authorize you to honor the documents presented under this credit, despite any and all discrepancies which the negotiating bank may find upon negotiation.

That you and any of your correspondents may receive and accept as Bills of Ladings under the Credit any documents issued or purporting to be issued by or on behalf of any carrier which acknowledge receipt of property for transportation whatever the specific provisions of such documents, that the date of each such document shall be deemed to be the date of shipment of the property mentioned herein, that the Bills of Lading to shippers order endorsed to you or endorsed in blank will be acceptable, and that the railroad through Bill of Lading shall be acceptable.

10. That you may exercise your right to recourse to drawer at anytime at your discretion without notice or demand on us and that you are not responsible or liable for any rights to or equity in the merchandise that we may have for duty, storage insurance, advances or any other reason and it is understood by us that your right of recourse does not in any way affect our obligations under the Credit and this Agreement.

11. We hereby recognize and admit your ownership in and unqualified right to possession and disposal of all property shipped under or pursuant to or in connections with the Credit or in any way relative thereto or to the draft(s) drawn thereunder, whether or not released to us on trust or bailee receipt, and also in and to all shipping documents, warehouse receipts, policies or certificates of insurance and other documents accompanying or relative to draft(s) drawn under the Credit, and in and to the proceeds of each and all of the foregoing until such time as all the obligations and liabilities of us or any of us to you at any time existing under or with reference to the Credit or this agreement of any other Credit or any other obligation or liability to you have been fully paid and discharged all as security for such obligations as liabilities, and that all or any of such property and document and the proceeds of any thereof, coming into your possession or any of your correspondents, may be held and disposed of by you as hereinafter provided, and the receipt by you, or any of your correspondents, at any time of other security of whatsoever nature, including cash, shall not be deemed a waiver or any of your rights or powers herein recognized.

12. The users of the Credit shall be deemed our agents and we assume all risks of their acts or omissions. Neither you or your correspondents shall be responsible for the existence, character, kind, quality, quantity, conditions, packing, value or delivery of the property purporting to be represented by documents, for any difference in character, kind, quality, quantity, condition or value of the property from that expressed in documents; for the validity, sufficiency, genuineness form of correctness of documents or draft(s) even if such documents or draft(s) should in fact prove to be in any or all respects invalid, insufficient, incorrect, defective, irregular, fraudulent or forged, for the time, place, manner or order in which shipment is made for partial or incomplete shipment or failure omission to ship any or all of the property referred to in the Credit for the character, adequacy, validity, or genuineness of any insurance policy or certificate of insurance for the solvency or responsibility of any insurer, or any other risks connected with the insurance for any deviation from instructions, delay, default or fraud by the shipper or anyone else in connection with the property of the forwarding, delivery, storing, warehousing, or shipping thereof for the solvency responsibility or relationship to the property of any party issuing any documents in connection with the property, for delay in arrival or failure to arrive of either the property or any of the documents relating thereto, for delay in giving or failure to give notice of arrival or any other notice, for any breach of contract between the shippers or vendors and ourselves or any of us or for any laws, customs or regulation which may be effective in countries of negotiation and/or payment of this Credit; for failure of any draft to bear any reference or adequate reference to the Credit; or failure of documents to accompany any draft at negotiation, or failure of any person to note the amount of any draft on the reverse side of the Credit, or to surrender or take up the Credit or to send or forward documents apart from draft(s) as required by the terms of the Credit each of which provision, if contained in the Credit itself, may be waived by you, or for errors, omissions, interruptions or delays in transmission, or delivery of any messages by mail, cable, telegraph, wireless or otherwise, whether or not they be in cipher, nor shall you be responsible for any error, neglect or default of any of your correspondents and none of the above shall affect, impair or prevent the testing of any of your rights or powers hereunder. If the Credit provides that payment is to be made by your correspondent, neither you nor such correspondent shall be responsible for the failure of the documents specified in the Credit to come in to your hands or for any delay in connection therewith and our obligation to make reimbursement shall not be affected by such failure or delay in the receipt by you of any such documents. In furtherance and extension and not in limitation of the specific provisions herein before set forth, we agree that any action taken by you or by any correspondent of yours under or in connection with the Credit or the relative draft(s) documents or property, if taken in good faith, shall be binding on us and shall not put you or your correspondents under any resulting liability to us; and we make like agreement as to any inaction or omission, unless in breach of good faith. We agree to hold you and your correspondents indemnified and harmless against any and all loss or liability whatsoever arising from or in connection with the Credit.
- 13 I/We hereby agree that the Bank has the exclusive right to apply to any of my/our accounts that have been or may hereafter be granted any payment to be made by me/us or for and in my/our behalf, regardless of my/our instruction to the contrary and regardless of whether one account is more onerous than the others.
14. Each of us agrees at any time and from time to time, on demand to deliver, convey, transfer or assign to you as security for any and all of my and/or our obligations and liabilities, hereunder, and also for any and all other obligations and liabilities, absolute or contingent, due or to become due, which are now or may at any time hereafter be owing by me or by us to you, additional security of any and all of our obligations satisfactory to you, or to make such payment as you may require. As security for payment and performance of any and all of our obligations and liabilities to you, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, each of us hereby pledges to you and/or gives you a general lien upon and/or right of set-off of all rights, titles and interest of each of us in and to the balance of every deposit account, now or at any time hereafter existing, of each of us with you, or any other claims against you, and in to all money, negotiable instruments, commercial papers, notes, bonds, stocks, credits, choses in action, claims, demands, or any interest in any thereof, and in any other property, rights and interest of each of the undersigned or any evidence thereof, which have been or at any time shall be delivered to or otherwise come into your possession, custody or control, or any of your agents, or correspondents for any purpose, whether or not accepted for the purpose or purposes for which they are delivered or intended; and you shall be deemed to have possession, custody or control of any such property actually in transit to or set apart for you or any of your agents, correspondents or others acting in your behalf. Each of us agrees that upon my or our failure at all to keep a margin of security with you, satisfactory to you, or upon the death of any of us; or if any of the obligations and liabilities of any of us to you shall not be paid when due, or if any of us shall become insolvent (however such insolvency may be evidenced) or commit any act of insolvency, or make general assignment for the benefit of creditors, or if any of us shall suspend the transaction of his or our usual business or be expelled or suspended from any exchange, or if an application is made by any judgment creditor of any of us for an order directing you to pay over money; or if a petition in bankruptcy shall be filed by or against any of us; or if a petition shall be filed by or against any of us or if a petition of debtors, readjustment of indebtedness, reorganization, composition or extensions, or if any government authority, or any court at the instance of any government authority shall take possession of any substantial part of the property of any of us or shall assume control over the affairs or operations of any of us, or if a receiver shall be appointed or a writ or order of attachment or garnishment shall be issued or made against any of the property or assets of any of us, thereupon, unless you shall otherwise elect, any and all obligations and liabilities of each of us to you, whether now existing or hereafter incurred, shall become due and payable forthwith without further notice or demand, and each of us, as to property in which we may have any interest and all of us to the property in which we may have any interest expressly authorize you in any event or upon his or our failure to pay any of such obligations or liabilities when it or they shall become or be made due, to sell immediately, without demand for payment, without advertisement and without notice to us, or any of us, all of which are hereby expressly waived, any and all such property arrived or to arrive at private sale or at public auction or at brokers board or otherwise at your option, in such parcel or parcels and at such time or times and at such place or places and for such price or prices and upon such terms and conditions as you may deem proper, and to apply the net proceeds of such sale or sales, together with any balance or deposits and any sums credited by or due from you to me or us in general account, or otherwise to the payment of any and all of my and/or our obligations, liabilities to you, however arising. If any such sale be at brokers board or at public auction you may yourself be a purchaser at such sale free from any right of redemption, which we and each of us hereby expressly waive and release.
15. This agreement and all rights, obligations and liabilities arising hereunder shall be binding to us, and no act of you or your authorized agent shall be deemed a waiver, unless you or your authorized agent shall have signed such waiver in writing. No such waiver unless expressly as stated therein shall be effective as to any transaction which occurs subsequent to the date of such waiver, nor as to any continuance of a breach after such waiver.
16. This application, shall without the need of any other instrument constitute as the undersigned's formal certificate of indebtedness. You may however, at your option, require us to execute additional documents including PN at any time before the liquidation of the obligation.
17. We hereby certify that the commodity descriptions and specifications, commodity classifications, quantity, specific purpose or end-use, unit costs, total costs, declared in this application and relative firm offer/pro-forma invoices are true and correct.
18. We hereby agree to indemnify the Bank and its officers for penalties and charges, material or otherwise, provided for under existing regulations by the BANGKO SENTRAL NG PILIPINAS for any misclassifications, misdeclaration or undervaluations declared in this application.
19. The word "property" as used in this agreement includes goods, merchandise, securities, funds, choses in action, and any and all other forms of property whether real, personal or mixed and any right or interest therein.
20. If this agreement is signed by one individual, the terms "we", "our", "us" shall be read throughout as "I", "my", "me" as the case may be. If this agreement is signed by two or more parties, it shall be the joint and several agreement of such parties.
21. The obligations hereof shall continue in force and apply, not withstanding any change in the members of the partnership whether arising from the death or retirement of one or more partners or the accession of one or more new partners, and the obligations hereof shall bind the heirs, executors, administrators, successors and assigns of the undersigned and all rights, benefits and privilege hereby conferred on you shall be and hereby are extended to and conferred upon and may be enforced by your successors and assigns.

22. Unless otherwise expressly stated, this Credit is subject to the Uniform Customs and Practice for Commercial Documentary Credits 2007 revision International Chamber of Commerce Publication No. 600
23. Venue in use of any litigation hereunder, shall be in a proper Court of Metro Manila,
24. The agreement even if taken together with other I.C application with your bank and other banks, is not intended to break up and bring down the value of the shipment in order to avoid the SGS pre-shipment inspection requirement.
25. This agreement and all rights, obligations and liabilities arising hereunder shall be construed according to the laws of the Philippines.

Very truly yours,

NAME OF COMPANY

BY:

Authorized Signature Over Printed Name

Authorized Signature Over Printed Name