

## Terms and Conditions

In consideration of your issuance of the letter of credit (the "Credit") stated in the application form overleaf, we hereby agree, and will comply with the following terms and conditions (the "T&C"):

- 1. Undertaking:** We authorize you to honor for our account against document(s) purporting to be presented and draft(s) purporting to be drawn under the credit. We hereby undertake to pay sight draft(s) drawn on presentation and to accept time draft(s) on presentation as well as to pay same at maturity together with your interest and all charges incurred at the rate as announced by Krungthai Bank Public Company Limited., which such rate shall be subject to change by Krungthai Bank Public Company Limited from time to time. We further authorize you to debit any amount in any of our account (s) maintained with you whether such amount is due for payment or not, to settle any amount of debts owed by us to you.
- 2. Repayment and reimbursement:** We agree to repay or reimburse you monies paid or to be paid by you in accordance with the Credit.
- 3. Security:** We do hereby pledge to you the merchandise, documents, insurance policy(ies) or certificate(s) and all proceeds deriving therefrom as security(ies) for all liabilities and obligations incurred by you until such time as our liabilities and obligations to you under or in connection with the T&C or the Credit have been fully paid and discharged. We also hereby give you authority to possess and dispose of such merchandise and any documents, insurance policy(ies) or certificate(s) and proceeds relating thereto, either by public auction or private contract, upon the occurrence of our breach of any term of the T&C or the Credit, and to apply the net proceeds thereof towards the payment, repayment or reimbursement of any sum owed by us to you. For these purposes, we:
  - 3.1 irrevocable appoint you to be in charge of our accounts, to be our attorney, and in our name to execute and deliver all documents and do all acts as you deem desirable for perfecting your security interest over the goods or for the purpose of exercising any rights hereunder including transferring the goods to the purchaser thereof;
  - 3.2 shall not create encumbrance of any kind over or dispose of any or all of the goods;
  - 3.3 undertake to sign, execute and deliver any transfers, deeds or documents which you may require us to sign, execute and deliver for perfecting your title to the goods and the documents and for vesting the same to any purchaser from you.We agree that the rights and powers conferred to you hereby are in addition to and without prejudice to any other security which you may now or hereafter hold.
- 4. Insurance:** We undertake to keep the merchandise covered by insurance satisfactory to you and against all usual risks by policy(ies) or certificate(s) issued by approved insurance company and to assign all proceeds thereof to you and to lodge said policy(ies) or certificate(s) with you if called to do so. You are also authorized to insure the merchandise at our expense should you deem it necessary.
- 5. Exclusion of liability:** We agree that you or a nominated bank who honors or negotiates a complying presentation of documents under the Credit shall only be bound to examine the documents presented under the Credit to ascertain whether or not they appear on their face to be in accordance with the terms of the Credit and that neither you nor a nominated bank shall be responsible for:
  - 5.1 the correctness of, and difference in, the description, quantity, quality or value of the goods as stated, or from that stated, in invoices or bills of lading or other documents and the validity, accuracy, genuineness, terms or sufficiency of any document tendered;
  - 5.2 delay in arrival or failure to arrive of either the goods or any document relating thereto or delay or error in transmission or non-delivery of any transmitted message to or from a nominated bank or delay in transmission or loss of documents through the post or for delay, loss or damage to the goods;
  - 5.3 any breach of contract between the shippers or vendors and the consignees or buyers or us or any of them;
  - 5.4 any action taken or omitted to be taken in good faith by you under or in connection with the Credit; and
  - 5.5 any non-receipt by beneficiaries of funds or sums payable under the Credit as a result of any law, control, sanction or restriction exercised or implemented by any governmental authority for which we have no control of.
- 6. Supporting documents:** We agree that notwithstanding the reference to or submission to you of any supporting document (including proforma invoices, sales contract, purchase orders or any other document of such nature), you will not be required to attach, nor include, these supporting documents to, or as part of, the Credit, regardless of whether or not there exists any discrepancy on any matter between these supporting documents and the relevant invoice referred to in the Credit. You or your Agents/Correspondents shall have no responsibility or have no liability whatsoever to any person in respect of such non-attachment and discrepancy.
- 7. Indemnity:** We undertake to indemnify you against all deficiencies, costs, damages, losses, claims and demands which you may incur or sustain and to provide you with funds on demand with which to meet all payments made by you or by a nominated bank and all drafts drawn on or honored by you or by a nominate bank, together with all interest, commission, charges, disbursements and expenses in relation to the Credit.
- 8. Rate of exchange:** We agree that while the rate of exchange used in settlement of draft(s) drawn under this Credit is normally that prevailing on the date of such settlement, unless otherwise agreed, you may utilize at your option the selling rate prevailing on the date of your reimbursement to the negotiating bank or that prevailing on the date of delivery of documents.
- 9. Default interest:** In the event we default in payment, repayment or reimbursement of any sum for which we may be or become liable to pay, repay, or reimburse you under or in connection with the Credit or the T&C, we agree to pay you interest at the maximum default rate as announced by you from time to time on the amount you paid in accordance with the Credit from the date of your payment to the date of payment in full by us. In the event, we undertake to pay you on demand or authorize you to debit any of our account(s) maintained with you.
- 10. Discrepancy:** We agree that the issuance and transmission of this Credit is entirely at our own risk and we undertake to notify you of discrepancy, if any, immediately after receipt of copy of the Credit from you.
- 11. UCP rules:** Unless otherwise expressly provided in the Credit itself or in the application form overleaf, we hereby agree that the Credit shall be subject to the latest version or revision of the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication, in effect at time of its issuance.
- 12. Governing law:** We hereby agree that each Credit, the application form overleaf and the T&C can be used as evidence in lawsuit, and shall be governed by and construed in accordance with the laws of Thailand.