

## Terms and Conditions for Margin Deposit for Letters of Credit

In consideration of United Overseas Bank Limited (the "Bank") agreeing at the Customer's request to issue a Letter of Credit ("LC") in favour of the beneficiary stated in the Customer's application using the Bank's Business Internet Banking ("BIB"), for the amount specified by the Customer ("LC Amount"), in accordance with the particulars stated in the Customer's application using BIB, the Customer hereby agrees as follows:

1. The Customer hereby irrevocably and unconditionally authorises the Bank to debit from the account specified by the Customer using BIB for ("Customer's account") the amount specified by the Customer using BIB ( such amount being not less than 100% of the LC Amount and is hereby defined as the "Margin Deposit Amount") which the Customer hereby deposits with the Bank for the sole and exclusive purpose of enabling the Bank to meet payment under the Letter of Credit and for payment of all costs and expenses including without limitation, all charges, fees and commissions in relation to the LC.
2. In the event that the LC Amount is in a different currency from the currency of the Customer's account, the Customer hereby irrevocably and unconditionally authorises the Bank to:
  - a) estimate the equivalent value at 110% of the Margin Deposit Amount to be placed with the Bank in Singapore Dollars; or
  - b) calculate the Margin Deposit Amount to be placed with the Bank in the same currency of the LC based on the Bank's prevailing exchange rate as at the date of the Bank's issue of the LC, and to debit the amount from the Customer's account, as the case may be, as specified by the Customer using BIB.
3. The Customer shall not assign, transfer, mortgage, charge or otherwise deal with or encumber the Margin Deposit Amount (other than in the Bank's favour). Any such assignment, transfer, charge, or other dealing, actual or purported, shall be void.
4. The Customer hereby irrevocably and unconditionally authorises the Bank to debit from the Customer's account such further amounts as may be needed for the purpose of meeting the aforesaid payments and for any shortfall due to payment of all costs and expenses including without limitation, all charges, fees and commissions payable under the LC and foreign exchange fluctuations and for moneys due to the Bank under the indemnity stated in these Terms and Conditions.
5. The Customer agrees that the Bank is not obliged to issue a shipping guarantee in respect of the LC and that the bill of lading ("BL") / airway bill ("AWB") may be consigned directly to the Customer, with one original of the BL/AWB to be sent directly to the Customer by the beneficiary of the LC.
6. The Customer agrees and acknowledges that no interest shall accrue on the Margin Deposit Amount.
7. The Customer agrees that any Margin Deposit Amount remaining unutilised for the aforesaid purpose may be retained by the Bank until such time that the Bank is satisfied that there will be no further claim arising under or in connection with the LC and these Terms and Conditions, whereupon the Bank will refund the unutilised portion of the Margin Deposit Amount to the Customer.
8. The Customer hereby undertakes to indemnify the Bank and keep the Bank fully and completely indemnified at all times from and against all claims, demands, actions, proceedings, loss and expenses including legal costs on a full indemnity basis and all liabilities of whatsoever nature or description which may be made, taken, incurred or suffered by the Bank in connection with or in any manner whatsoever arising out of the Bank's issuance of the LC.
9. If any of the provisions or any part of any provision herein is or become invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions, or the remaining part of a provision, shall not in any way be affected or impaired.
10. The Customer's application and these Terms and Conditions shall be governed by and construed in accordance with the laws of Singapore and the Customer hereby submits to the non-exclusive jurisdiction of the Singapore Courts.
11. A person who is not a party to the Customer's application and these Terms and Conditions has no right under the Contracts (Rights of Third Parties) Act 2001 to enforce any term herein.