

Terms and Conditions for Standby Letter of Credit and Bank Guarantee

1. In these Terms:

- (a) the following expressions (unless the context otherwise requires) shall have the following meanings respectively:

"Application" means an application or request by the Customer (or any other person on behalf of the Customer) for any SBLC or Bank Guarantee to be issued by the Bank or its Correspondents from time to time;

"Bank" or **"us"** means Cathay United Bank and its successors and assigns;

"Bank Guarantee" means a demand guarantee, bond, indemnity or undertaking (including but not limited to a financial guarantee, advance payment guarantee, bid bond, performance bond or counter- bank guarantee), however named or described, where the person or entity issuing such guarantee, bond, indemnity or undertaking provides any undertaking, however named or described, to make a payment of an amount stated therein on presentation of a complying Demand, and includes any amendment, extension or renewal of the Bank Guarantee;

"Beneficiary" means the beneficiary named in an Instrument or the party in whose favour such Instrument is issued, which expression shall include any assignee, successor or transferee where applicable;

"Claim" has the same meaning ascribed to it in paragraph 3;

"Correspondent" means any bank (including any branch of the Bank or CUB Group member) or financial institution which issues the Bank Guarantee or SBLC at the request or on the instruction of the Bank;

"Counter-guarantee" means the counter-bank guarantee, counter-SBLC, 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 Bank Guarantee or SBLC by the relevant Correspondent and includes any amendment, extension or renewal of the Counter-guarantee;

"Customer" or **"you"** means a customer of the Bank who has made or will make an Application to the Bank for issuance by the Bank of an Instrument in favour of a Beneficiary;

"Demand" means a document or notice by the Beneficiary demanding payment under an Instrument;

"Instrument" means the Bank Guarantee and/or the SBLC;

"SBLC" means a standby letter of credit or standby documentary credit, however named or described (including but not limited to a counter-SBLC), where the person or entity issuing such standby letter of credit or standby documentary credit provides any undertaking, however named or described, to make a payment of an amount stated therein on presentation of a complying Demand, and includes any amendment, extension or renewal of the SBLC;



"**SBLC/BG Amount**" means all actual and contingent liabilities of the Bank and any Correspondent and all amounts paid or to be paid by the Bank and any Correspondent and not reimbursed by the Customer under, arising out of or in connection with the issuance of an Instrument, any costs and expenses in relation thereto, and/or all amounts owing by the Customer to the Bank and any Correspondent under, arising out of or in connection with such issuance;

"**SBLC/BG Facility**" means a facility provided or to be provided by the Bank to the Customer whereby the Bank may, at the request of the Customer, issue an Instrument in favour of a Beneficiary;

"**Terms**" means the terms and conditions for SBLC or Bank Guarantee issuance as set out herein; and

"**Trade Transactions T&C**" means the Bank's standard form Trade Transactions Terms and Conditions (incorporating these Terms), made available on the Bank's website accessible at <https://www.cathaybk.com.tw/sg/download/> (or such other URL as the Bank may from time to time provide to the Customer); and

- (b) unless otherwise stated, a term used in these Terms has the same meaning herein as in the Trade Transactions T&C or (if not defined in the Trade Transactions T&C) the General Agreement.
2. The Customer may submit an Application to the Bank for the issuance of an Instrument.
 3. The Customer irrevocably authorises the Bank and any Correspondent to honour and pay any Demand, claim, presentation or drawing (collectively, a "**Claim**") pursuant to the terms of an Instrument and/or to pay all sums which the Bank and any Correspondent is or may be obliged or entitled to pay under such Instrument, without obtaining any further evidence or proof that the amount so requested or demanded is due and payable and without any notice or reference to or further authority from the Customer, notwithstanding that:
 - (a) the amount requested or demanded by the Beneficiary (or any part thereof) is not or may not be due and payable to the Beneficiary pursuant to any underlying transaction or arrangement between the Beneficiary and the Customer or that there is any dispute in connection with such underlying transaction or arrangement and the Customer agrees that the Bank shall not be required to investigate or be concerned with the same; or
 - (b) the Instrument or any provisions thereof or any other document is void, voidable or invalid or is not binding on or enforceable against the Customer or the Bank for any reason whatsoever, whether known to the Bank or not, including, without limitation, illegality, disability, lack of authorisation or capacity, or lack of powers on the part of the members or officers of the Customer or the Bank, andthe Customer shall not deny, question, challenge or dispute the validity, legality or basis of any such payment by the Bank nor take any steps to prevent the Bank from making such payment.
 4. Any Instrument issued or to be issued by the Bank or any Correspondent shall be in form and substance satisfactory to the Bank. The identity of any Beneficiary shall also be acceptable to the Bank. Any payment made by the Bank or any Correspondent under an Instrument shall be binding on the Customer and shall be accepted by the Customer as conclusive evidence that the Bank or any Correspondent is liable to make such payment and/or to comply with such Claim, even where the Customer disputes the validity of the Claim or payment. All amounts requested by a Beneficiary and paid by the Bank or any Correspondent under an Instrument shall be for the Customer's account.



5. The Bank and any Correspondent may seek recourse against the Customer for a Claim or payment made by the Bank or such Correspondent under an Instrument. Whether or not it is expressly stated in the Instrument, neither the Bank nor any Correspondent has any obligation to verify the contents of any demand or statement contained in any document presented by the Beneficiary under any Instrument, and the Bank and any Correspondent may accept the relevant Claim as conclusive evidence of the facts stated.
6. Neither the Bank nor any Correspondent shall or may be in any way responsible for the validity, regularity, authenticity, genuineness, form, sufficiency, accuracy, or legal effect of any statement, certificate, declaration or document presented or communicated under or in connection with any Instrument, or the existence, description, quality, quantity, weight, condition, packing, delivery or value of the goods, services or other performance represented by such statement, certificate, declaration or document.
7. If, at the request of the Customer, the Bank requests or procures a Correspondent to issue any Instrument, the Bank may, and is authorised to, 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 Instrument and without prejudice to the Bank's rights under other provisions of these Terms and the Trade Transactions T&C, the Customer shall on demand reimburse the Bank in full each sum paid by the Bank to the Correspondent under such Counter-guarantee together with interest calculated from the date of payment by the Bank until the date of the reimbursement in full.
8. The Customer undertakes to reimburse the Bank in full in the same currency for each sum paid or required to be paid in connection with any Instrument upon the Bank's demand together with interest calculated from the date of payment by the Bank until the date of the reimbursement in full. The Customer shall also upon demand pay to the Bank the fees, interest, charges and commissions charged by the Bank (including those charges for the account of the Beneficiary but unpaid for any reason) together with all costs, fees, interest, expenses and liabilities which are incurred by the Bank or for which the Bank becomes liable in connection with an Instrument.
9. The Bank may at any time (including on or after the time where a Beneficiary can no longer make a Claim under an Instrument) (a) demand immediate repayment of all SBLC/BG Amount (or any part thereof) regardless of whether it is due or otherwise, together with interest and fees accrued, (b) require the Customer to (and the Customer shall) procure the complete and unconditional release of the Bank from all liabilities and obligations under any Instrument and/or (c) request the Customer to provide Cash Collateral and/or Additional Security in accordance with Paragraph 19 of the General Agreement.
10. The Customer irrevocably authorises the Bank, at any time the Bank thinks appropriate, to (a) debit the Customer's account(s) for or (b) restrict the Customer from withdrawing from the Customer's account(s), any sum owing or payable by the Customer to the Bank. Such sum includes drawings, claims and/or demands from the Beneficiary or any Correspondent and any payment effected by the Bank in connection with any Instrument.
11. Unless the Instrument expressly provides that the original Instrument must be presented to the Bank or the Correspondent to support a Claim, the Bank or the Correspondent (as the case may be) shall be entitled to pay and/or comply with any such Claim, whether or not the original of the Instrument is presented to the Bank or the Correspondent.
12. If a Claim does not comply with any term of an Instrument, the Bank and/or any Correspondent may at its/their sole discretion refuse to pay or honour the Claim without notice or reference to the Customer, notwithstanding any acceptance or contrary instruction of the Customer. If the Bank at its sole discretion agrees to the Customer's request to waive discrepancies or irregularities in the



Claim, the Customer authorises the Bank and any Correspondent to honour and pay such Claim under an Instrument for the Customer's account.

13. If:
- (a) required or requested by the Bank for any reason whatsoever;
 - (b) an SBLC/BG Facility has been cancelled by the Bank;
 - (c) the time period within which a Beneficiary may claim under an Instrument has lapsed;
 - (d) amendments are required to be made to an issued Instrument; or
 - (e) an issued Instrument is required to be replaced or substituted,
- the Customer shall request for and ensure the return (or deemed return) of an issued Instrument from the relevant Beneficiary (or any other person in possession of such Instrument) to be cancelled, amended, replaced or substituted (as the case may be) by the Bank.
14. Whilst the Customer may claim that an Instrument has been cancelled or terminated, there may be instances where the Bank may determine that it is necessary to obtain the Beneficiary's written confirmation regarding the release of the liabilities of the Bank or the Correspondent under such Instrument. Such determination, if made by the Bank or the Correspondent, shall be binding on the Customer. The instances referred to above may include without limitation the following: (a) the Instrument being terminated prior to its stated expiry date, (b) the Instrument does not stipulate an expiry date, (c) the Instrument stipulates an expiry date but without a claim period within which the Beneficiary must submit a Claim, or (d) the Instrument may be early terminated upon the occurrence of certain events which are not readily ascertainable by the Bank. So long as the Bank remains liable under an Instrument, the Customer shall indemnify the Bank in full for such liability.
15. In addition, notwithstanding the Customer's claim as stated in paragraph 14 above, the Bank reserves the right not to discharge the Customer's obligations under these Terms or in connection with the issuance of the Instrument, including but not limited to the release of any Additional Security and the Bank may retain such right until all SBLC/BG Amount has been irrevocably paid to the Bank, the Beneficiary is no longer entitled to claim for any payment and the Bank is no longer under any obligations under such Instrument or the relevant SBLC/BG Facility.
16. The interpretation by the Bank or the Correspondent of any term in notices or other documents presented under any Instrument shall be conclusive and binding on the Customer.
17. The obligations of the Customer owing to the Bank in connection with an Instrument shall not be affected by any alleged discrepancies or irregularities in the presented documents (if any) and/or any fraud or illegality (whether actual or alleged) in connection with any Claim, such Instrument and/or any underlying transaction of such Instrument.
18. If a Claim complies with the terms of an Instrument, any purported discrepancy or non-conformity in respect of the Claim does not affect the Bank's right at any time to honour and pay the Claim under such Instrument for the Customer's account. The Customer agrees that the Bank is not liable to the Customer for any loss or damage suffered by the Customer in connection with any such purported discrepancy or non-conformity.
19. The Bank is irrevocably authorised to pay and/or reimburse the relevant claiming bank or reimbursing bank (including by telegraphic transfer reimbursement) upon receipt of a claim from such bank even prior to the Bank's receipt of the presented documents under an Instrument. The Customer shall bear all the relevant risks (including, without limitation, non-receipt and non-



compliance risks of the presented documents) and shall reimburse and indemnify the Bank for any payment made under an Instrument.

20. The Customer agrees that (a) 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 an Instrument and/or insert additional terms and conditions into such Instrument as the Bank or the Correspondent thinks appropriate and (b) the Customer shall ensure that the Beneficiary and any other relevant persons provides their prior written consent to such amendments and/or insertion and the Bank shall not be liable to any person in any way if such consent has not been provided or obtained.
21. The Bank or the Correspondent may also, subject to the Beneficiary's consent or upon notification by the Customer that the Beneficiary will no longer make a Claim under an Instrument, cancel the whole or any unused balance of such Instrument prior to the stated expiry of such Instrument. In the event that such cancellation occurs and a Beneficiary under such cancelled Instrument requests for payment thereunder after such cancellation, the Bank may make payment to such Beneficiary and the Customer shall indemnify the Bank against all losses, damages, liabilities and expenses suffered or incurred by the Bank in connection thereof.
22. The obligations of the Customer under these Terms and the Trade Transactions T&C are continuing obligations and will extend to the ultimate balance of sums payable by the Customer in respect of any Instrument, regardless of any intermediate payment or discharge in whole or in part.
23. Notwithstanding any instruction(s) stipulated in any Application, the Bank may, at its sole discretion, name, select, request or instruct any Correspondent to issue the Instrument or where relevant to be the advising, confirming or nominated bank in respect of the Instrument. 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, provided that the Bank exercised due care in the selection of any such Correspondent. The Customer acknowledges that the Bank may pay to or receive from any Correspondent charges, fees, rebates or other payments and the Bank shall not be liable to account for or disclose to the Customer any profit or benefits derived by it.
24. The Customer undertakes to examine the Customer copy of all Instruments to check their consistency with the relevant Application and irrevocably agrees that failure to give a notice of objection about the contents of any Instrument within 5 Business Days after the Customer copy of an Instrument 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 such Instrument.
25. The Customer agrees and acknowledges that it is the sole responsibility of the Customer to (a) ensure clarity, enforceability or effectiveness of any terms or requirements incorporated in any Instrument; and (b) comply with all applicable laws and regulations regarding the underlying transaction to which an Instrument 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. In addition, the Customer certifies that the issuance of any Instrument is not prohibited or restricted and that the Customer holds and undertakes to provide the Bank with a valid licence where such licence is required. The Bank is not responsible for advising and has no duty whatsoever to advise the Customer on such issues or on any matter. 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, an Instrument or the transactions pertaining to such Instrument.



26. The Bank, the Bank's delegates or any other banks involved in an Instrument shall not be responsible for any delay, mistake or omission that may happen in the transmission of instructions, or for the loss or delay in the forwarding of the documents.
27. Where the Customer requests that an Instrument be governed by a system of law ("**Foreign Law**") other than Singapore law, the Customer acknowledges that the Bank or the Correspondent is entitled to treat such Instrument as continuing without expiry and may be called upon to perform and fulfill other obligations and liabilities ("**Additional Obligations and Liabilities**") which are implied under the Foreign Law, in addition to the Bank's or the Correspondent's payment obligations as expressly stipulated in such Instrument as construed under Singapore law. The Customer acknowledges and agrees that: (a) the Bank or the Correspondent may include such additional protective clauses in such Instrument as it deems fit; (b) in determining whether or not to pay under such Instrument, the Bank or the Correspondent may interpret its terms as if they were governed by Singapore law; and (c) the Bank shall be indemnified by the Customer against all risks of whatever nature as a result of the Bank issuing, or procuring the issuance of, such Instrument (including any Additional Obligations and Liabilities).
28. Where an Instrument is:
- (a) specifically stated as transferable, the Customer acknowledges that the Beneficiary may transfer such Instrument to a third party in accordance with the relevant ICC governing rules; and
 - (b) assignable in accordance with applicable law (whether expressly or impliedly), the Customer acknowledges that the Beneficiary may assign any benefit thereof to a third party,
- and in each case, the Customer agrees that the Bank shall be entitled to pay demands from any party who purports to be the assignee or transferee of such Instrument without any obligation to verify or enquire whether such party is the legitimate assignee or transferee.
29. If an Instrument provides to the effect that it may be transferrable or assignable subject to the consent or agreement by the Customer and/or the applicant to the Application, notwithstanding that any applicable rule or law may provide otherwise, the Customer must first obtain the Bank's approval before it or such applicant provides such consent or agreement to the transfer or assignment.
30. The Customer acknowledges that liabilities of the Customer and/or the Bank are not limited to the amount payable by the Bank under the Instrument because the enforcement of an Instrument may result in the Bank having to pay an amount in excess of the sum stated in the Instrument. The Customer agrees that it will keep the Bank harmless and fully indemnified against all the risks arising therefrom.
31. Where the Instrument expressly provides that the guaranteed amount may be reduced upon the occurrence of certain events, the Customer agrees that the Bank or the Correspondent shall, notwithstanding such provision, have no obligation to effect such reduction unless it is approved by the Beneficiary in writing.
32. The Bank or the Correspondent is entitled, and the Customer hereby irrevocably and unconditionally authorises it, to act on any Demand (whether by fax, courier or any other means) which the Bank or the Correspondent in its sole discretion believes has emanated from the Beneficiary. The Customer agrees that the Bank or the Correspondent has no obligation to (a) verify the identity or authority of the person or persons making or purporting to make any Demand purportedly made on behalf of the Beneficiary or the authenticity of any signature(s) on any Demand; or (b) seek the Customer's prior approval before acting on such Demand. So long as the Bank or the Correspondent acts in good



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faith, it shall not be liable to the Customer or any party for acting on any Demand, whether it has emanated from unauthorised individuals or in any circumstances whatsoever.

33. The Customer will comply with relevant authorities' and the Bank's rules related to the issuance of any Instrument and any such issuance is subject to completion of legal documentation and fulfilment of such conditions precedent as the Bank may require.