

# Letter of Credit Agreement

To: Cathay United Bank

Date:        /        /  
(yyyy/mm/dd)

In consideration of Cathay United Bank Co., Ltd.'s (hereinafter the "Bank") granting the Applicant's request for issuance of the Letter of Credit (hereinafter the "Application"), the Applicant hereby agrees to comply with the terms of this Letter of Credit Agreement (the "Agreement") as follows:

1. Regarding the bills of exchange (i.e. the drafts) and accompanying documents under the Letter of Credit (hereinafter "L/C"), if the Bank or its agent considers such documents to be conforming with the required format, the Applicant agrees, upon the Bank's notice or presentation of the drafts, to immediately redeem them and make payment, or accept them and make payment at maturity.
2. The Applicant shall still pay for such drafts and/or related documents in full if such drafts or related documents are found to be incomplete, incorrect, forged or otherwise defective, in which case no responsibility shall rest on the Bank and its agent.
3. Neither the Bank nor its agent shall be held liable, and the Applicant shall still make payment in full, if the L/C is lost or damaged due to any error or delay in transmission by the communicating authority; or error in the interpretation of any term of art; or loss, delay or failure to be delivered to the delivery point, in whole or in part, of the goods listed in the documents, or the quality, quantity, value, etc. of the goods; or, whether the goods are in route or have been delivered, failure to insure the goods or purchase sufficient coverage, or hindrance or detention by a third party, or otherwise.
4. The Bank may freely dispose of the purchased and transported goods under the L/C for the purpose of settling any indebtedness of the Applicant towards the Bank, if the Applicant should fail to repay all of its indebtedness under the aforementioned drafts and any draft-related debts, as well as any other indebtedness whether already existing or occurring in the future, and whether matured or not yet matured. Furthermore, the Applicant agrees that the Bank may freely dispose of any other property belonging to the Applicant (including but not limited to any margin or saving that is deposited at the Bank or any branch thereof or subject to the Bank's control) for the purpose of settling the draft indebtedness and any other debts.
5. The Applicant agrees to provide shipping documents and import cargo under each L/C for the creation of pledge or chattel mortgage to the Bank to secure all obligations under each L/C, with this Agreement serving as proof of such security. If registration or transfer of such security right or collateral is required, the Applicant agrees to immediately handle the relevant procedure and deliver its identification documents to the Bank. All costs required for the registration or transfer will be borne by the Applicant. The collateral is owned by the Applicant; the Applicant agrees to be liable for indemnification against losses suffered by the Bank from any dispute arising out of a third-person claim of rights in the collateral.
6. In the event that the Applicant fails to pay the aforementioned drafts and related debts by the maturity date, or the Bank considers it necessary protect the Bank's own rights, the Applicant agrees that the Bank may directly apply the margin under this L/C to offset the Applicant's debts without notice. The Bank is also entitled to freely dispose of the property of the Applicant as aforementioned (including goods) by public auction or in any other manner, and apply the proceeds from such disposal to offset the advances made to the Applicant, after deducting the relevant fees and costs, without any notice to the Applicant. The Bank may determine the order of set-off for each debt in its own discretion.
7. The Applicant warrants that goods for which the Applicant has applied for an import L/C are goods whose importation is approved by the R.O.C. government, and acknowledges the difference between the settled amount specified in the exchange settlement certificate and the L/C amount (amount not settled) is the advance from the Bank. Where the actual advance from the Bank is higher than such difference, the amount recorded in the Bank's books shall prevail, to which the Applicant shall raise no objection. The Applicant further warrants that each individual application submitted pursuant to this Agreement conforms to the conditions and rules set forth in the import permit issued by the authority concerned and that such conditions and rules are duly complied with. The Bank shall not be held liable in the event the L/C is not issued in a timely manner due to negligence or willful misconduct on the part of the Applicant. The Applicant authorizes the Bank to delete or amend any part of the application to ensure compliance with the import permit, and the Bank shall not be liable to the Applicant for any loss, if any, from such deletion or amendment. The Applicant agrees to comply with the Uniform Customs and Practice for Documentary Credits as amended from time to time by the International Chamber of Commerce.
8. The Applicant may request the Bank to amend, cancel or terminate the issuance of the L/C unless the L/C has been issued by the Bank, provided that the Applicant shall bear all necessary fees or losses incurred therefrom. If the L/C does not require a bill or is extended or reissued, or any of its conditions is revised, the Applicant still agrees to comply with the above terms and conditions without raising any objection on the grounds of such extension, reissuance, revision or lack of a bill. The Applicant may not claim return of fees already paid to the Bank when the term of the L/C is shortened or the L/C/ amount is reduced.
9. The Applicant grants authorization and agrees that, for the purpose of executing the Applicant's instruction, the Bank may in its own discretion retain services of another bank, or appoint another bank as the drawee for the bills and/or documents under the L/C and all other relevant amounts payable. The Applicant shall bear the fees and risks involved, and the Bank shall not be liable for any loss, if any, from such appointment or utilization of services. The Applicant

hereby expressly and irrevocably authorizes the Bank, with this Agreement as certification, to apply to the Bureau of Foreign Trade, Ministry of Economic Affairs for approval and then to file customs declaration and pick up the goods, and also to auction or freely dispose of the imported goods if, after delivery in whole or in part of the goods under the L/C which the Applicant has requested the Bank to issue against the import permit and/or other related documents approved by the Bureau of Foreign Trade, Ministry of Economic Affairs or its nominated institution, the Applicant fails to pay and redeem the documents under the L/C issued by the Bank within the agreed repayment period specified in the related agreements or if the Bank claims all payments under the L/C which the Applicant has requested the Bank to issue are deemed as due according to the related agreements. The Applicant further represents acts performed by the Bank for customs declaration and picking-up of goods as mentioned above are deemed as acts performed by the Applicant binding upon the Applicant.

10. If more than one person co-applys to the Bank for issuing the L/C pursuant to this Agreement, such Applicants shall undertake joint and several liabilities for all obligations under this Agreement and are responsible for handling all settlement of exchange procedures with the Bank.
11. The Applicant agrees the Bank may pursuant to law or the requirements of the competent authorities, provide the Applicant's loan information to third parties for inquiry, and agrees the Bank may provide the Applicant's credit investigation report, loan information (including past-due debts, collection and bad debts records), and financial, bills and credit information to the Joint Credit Information Center (the "JCIC") for profiling, and further agrees that profiling information may be available to the financial institution members of the JCIC.
12. The Applicant agrees the Bank and the JCIC, Taiwan Clearing House, the National Credit Card Center of R.O.C. (NCCC), Financial Information Service Co., Ltd., credit guarantee institutions established as approved by the government, parties assigned with (including re-assigned) and/or participating in (or intending to be assigned with and/or participate in) the loans in which the Bank is a debtor or creditor, debt appraisal specialists, parties appointed by the Bank to handle matters on its behalf, financial institutions the Bank is dealing with, or other local or foreign institutions handling financial matters (including the Society for Worldwide Interbank Financial Telecommunication, SWIFT) may, to the extent consistent with their scope of business or special purposes such as business needs set forth in the articles of association, collect, process, use and cross-border transfer information about the Applicant. The Applicant is willing to notify the Bank promptly when there is a change to this information. In case the Applicant is a legal person, this information should include the personal information of its responsible person.
13. The relevant information provided by the Applicant for this Agreement shall be used in accordance with other relevant agreements the Applicant has entered into with the Bank (if any). The Applicant further grants authorization and agrees that the Bank and any financial institutions the Applicant deals with (or dealt with) may, for purposes of the evaluation of credit risks and regulatory compliance (including compliance with applicable international laws/regulations), collect, process, use and cross-border transfer with each other the relevant information provided by the Applicant to the Bank or to the aforementioned financial institutions for conducting financing businesses and services. The Bank may not use any of such information for purposes other than the above, unless otherwise agreed by the Applicant.
14. In the event that its residence or designated address changes, the Applicant should immediately notify the Bank in writing. In the absence of the notice, or when such notice is not received by the Bank before sending relevant documents or required notices, all such documents or notices sent by the Bank to the address indicated in this Agreement or as last notified by the Applicant shall, after regular mailing (transmission) time, be deemed as duly served.
15. Unless otherwise expressly agreed between the parties or where the Applicant has issued a separate specimen signature/chop card for foreign exchange services, the Applicant agrees that its signature or chop impression in this Agreement shall be its specimen signature/chop required in any of its dealings with the Bank with regards to the L/C. Any person who holds the aforementioned specimen chop shall be deemed as an agent of the Applicant and therefore be allowed act for the Applicant when requesting the Bank to conduct matters relating to and under the L/C or to use relevant documents by presenting the same.
16. The governing law of this Agreement shall be the laws of the Republic of China (Taiwan). The place of performance of this Agreement is at the business place of the Bank. Any legal disputes in connection with or arising from this Agreement shall be submitted to the competent court where the business place of the Bank is located. The Applicant shall fully indemnify the Bank against all related costs and expenses arising therefrom, including but not limited to litigation costs and attorney fees allowed by laws/regulations.

#### **Applicant**

Applicant:

Applicant's Uniform Business Number:

Representative/Authorized Signatory:

Position:

Address:

Tel. No.:

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(Specimen Signature/Seal)

Seal verification: