

<p><b>DZ BANK AG</b> <b>Deutsche Zentral-Genossenschaftsbank</b></p>	<p>50) <b>Applicant</b> (Importer)</p>											
<p><b>Applicant's reference</b></p>												
<p>The Applicant requests DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main ('DZ BANK') to issue a documentary letter of credit under the guarantee agreement/credit facility agreement dated ('credit agreement') and under the terms and conditions specified therein. The letter of credit shall be subject to the provisions of the Uniform Customs and Practice for Documentary Credits (UCP) from the International Chamber of Commerce, Paris, in the latest version in force at the time the letter of credit is issued. The Applicant acknowledges that DZ BANK may reject this application where legitimate concerns of DZ BANK prevent acceptance of the application. The decision is at the discretion of DZ BANK.</p>												
<p>59) <b>Beneficiary</b> (Exporter)</p>	<p>57a) <b>Beneficiary's bank details</b> (if known)</p>											
<p><b>The letter of credit is to be issued</b></p> <p>by SWIFT</p> <p>by express SWIFT</p> <p>transferable</p> <p>If issuance by SWIFT is not possible, a courier will be used.</p>	<p>31D) <b>Date and place of expiry (validity)</b></p> <hr/> <p>32B) <b>Currency, amount and, if any</b> 39A) <b>tolerance</b><sup>1</sup></p>											
<p>41a) <b>The letter of credit is to be available with:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">DZ BANK</td> <td style="width: 33%;">the foreign correspondent bank</td> <td style="width: 33%;">any bank at the place of expiry ('freely negotiable')</td> </tr> </table> <p><b>by</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 25%;">payment at sight</td> <td style="width: 25%;">deferred payment</td> <td style="width: 25%;">negotiation</td> <td style="width: 25%;">acceptance</td> </tr> <tr> <td></td> <td style="text-align: center;">days after 42P)</td> <td style="text-align: center;">shipment</td> <td style="text-align: center;">presentation of documents</td> </tr> </table> <p>of Beneficiary's drafts</p> <p>42C) at</p> <p>42a) drawn on</p> <p>Mixed payment</p> <p>against presentation of the documents specified in this application (page 3)</p>		DZ BANK	the foreign correspondent bank	any bank at the place of expiry ('freely negotiable')	payment at sight	deferred payment	negotiation	acceptance		days after 42P)	shipment	presentation of documents
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DZ231010e/01.21

<sup>1</sup> Unless DZ BANK has provided the Applicant with a foreign currency loan, the letter of credit can only be issued in EUR.

<b>Currency and maximum amount</b> (same as on page 1)
<b>43P) Partial shipments are</b> allowed                    not allowed                    conditional (see page 4)
<b>43T) Transhipments are</b> allowed                    not allowed                    conditional (see page 4)
<b>44A) Place of receipt/dispatch from...</b>
<b>44E) Port of loading/departure airport</b>
<b>44F) Port of discharge/destination airport</b>
<b>44B) Place of final destination/for transportation to...</b>
<b>44C) Latest date of shipment or 44D) Shipment period:</b>
<b>45A) Description of goods:</b> (avoid too much detail – brief description please)
Terms of delivery as per INCOTERMS (if applicable):
<b>48) The documents are to be presented within                    days after</b> <b>but within the validity of the letter of credit. (If no deadline period is given, 21 days after shipment shall apply pursuant to UCP.)</b>
<b>49) The issuance of the letter of credit is to be notified to the Beneficiary by the advising bank as follows:</b> unconfirmed                    confirmed                    with the possibility of confirmation

**Currency and maximum amount** (same as page 1)

**46A) Documents to be presented** (please check the applicable boxes or add details):

signed Commercial Invoice, -fold

**TRANSPORT DOCUMENT(S):**

clean 'on board' marine Bills of Lading

'on board' Multimodal transport Bills of Lading

issued to order and blank endorsed issued to order

Multimodal (combined) transport document

Air Waybill, original for shipper

International Truck Consignment Note (CMR)

Duplicate Railway Consignment Note (CIM)

Forwarding agent's Certificate of Receipt

certifying receipt of the goods for irrevocable dispatch to the consignee

certifying receipt of the goods at the disposal of the consignee

certifying the irrevocable shipment of the goods

Other transport document (exact designation):

Notify address:

Goods addressed to:

Applicant Deviating address:

Shipping is to be carried out by (transport company):

Note on freight costs according to the terms of delivery:

**OTHER DOCUMENTS:**

Insurance policy or certificate in transferable form covering 110 percent of CIF or CIP value, marked 'premium paid'.

Scope of cover:

as per Institute Cargo Clause (A)/Air

Institute War and Strike Clauses

including warehouse to warehouse insurance

other risks to be covered:

Certificate of Origin to be issued by (responsible institution, if known)

country of origin to be indicated:

GSP Form A to be issued by (responsible institution, if known):

country of origin to be indicated:

Packing List, -fold

Weight List, -fold

**47A) Other documents or additional conditions** (verifiable by documents):

Currency and maximum amount (same as on page 1)

**49G) Special payment conditions for Beneficiary**

(not part of the document review by the banks) (if necessary, send as a WORD file by separate mail)

43P) **Details partial shipment:**

43T) **Details transshipment:**

**71D) Commission and charges**

Domestic commission and charges are \_\_\_\_\_ for the Applicant's account \_\_\_\_\_ for the Beneficiary's account Foreign  
commission and charges are \_\_\_\_\_ for the Applicant's account \_\_\_\_\_ for the Beneficiary's account  
Commission and charges refused by the Beneficiary or incurred in the event of non-utilisation will be borne by the Applicant.  
Commission arrangement differing from the credit agreement if applicable:

**Dispatch of documents**

Unless expressly instructed otherwise in this application, the documents are to be sent to DZ BANK by courier in one delivery. The forwarding of documents from DZ BANK to the Applicant is also to take place in one delivery, unless the documents have been received by DZ BANK in several deliveries.

If necessary, notification will be filed in accordance with the German Foreign Trade and Payments Ordinance upon payment by the Applicant.

**Settlements**

All settlements in connection with this contractual relationship and its performance will be made via the Applicant's account no. \_\_\_\_\_ with \_\_\_\_\_

Settlements in connection with this contractual relationship and its performance will be made for the equivalent value of the documents in the case of utilisation via foreign currency account no. \_\_\_\_\_, for commission and charges via the Applicant's EUR account no. \_\_\_\_\_ with \_\_\_\_\_

**Applicant's obligations**

If DZ BANK is drawn on under the documentary credit, the Applicant will owe DZ BANK this amount as a loan repayable immediately.

The following collateral will be provided to DZ BANK in special documents for the Applicant's obligation to DZ BANK under this application – without prejudice to the liability of any existing or future collateral within the scope of its collateral purpose (only to be completed if – where applicable additional – collateral is to be provided):

DZ BANK is permitted to issue the documentary credit only once this collateral has been provided.

All costs arising from the conclusion and execution of this contract including the provision of collateral will be borne by the Applicant.

Currency and maximum amount (same as on page 1)

**Other contractual terms**

DZ BANK issues documentary credits in accordance with DZ BANK's Terms and Conditions for Guarantee Business. Further credit terms are set out in DZ BANK's General Terms and Conditions of Loans. DZ BANK's General Terms and Conditions (GTC) also apply.

By signing this application, the Applicant acknowledges having received one copy each of the Terms and Conditions for Guarantee Business, the General Terms and Conditions for Loans, and DZ Bank's General Terms and Conditions (GTC).

Contact person for any queries:

Phone/fax/e-mail:

Place, date

Stamp and legally binding signature(s) of the Applicant

**Information on the particular risks involved in issuing documentary credits:**

The issuance of documentary letters of credit is associated with particular risks. In the case of documentary credits, DZ BANK is not entitled to raise objections and defences against the drawdown under the documentary credit, with the exception of the objection of abuse of rights, if such abuse is obvious or clearly recognisable to anyone on the basis of liquid evidence.

DZ BANK is entitled and obliged to make payment without delay on receipt of a formal demand for payment from the Beneficiary made in conformity with the terms of the documentary credit.

The Applicant can raise any defences or objections based on the underlying transaction (e.g. due to wrong delivery or warranty claims) only against the Beneficiary. Consequently, he bears the risk of having to enforce his claims against the Beneficiary in recovery proceedings (risk of litigation) and, possibly, also to realise them (risk of enforcement/bankruptcy).

With the following signature, the Applicant declares that this order is to be executed despite these risks. The provisions of the Terms and Conditions for Guarantee Business remain unaffected.

Place, date

Stamp and legally binding signature(s) of the Applicant

# Terms and Conditions for Guarantee Business

Version October 2017

## Important information:

The issuing of bank guarantees, counter guarantees, standby letters of credit, letters of credit and 'sureties on first demand' is subject to special risks (cf. clause 4 Recourse to DZ BANK under the Guarantee). DZ BANK is entitled and obliged to make payment without delay on receipt of a formal demand for payment from the Beneficiary made in conformity with the terms of the Guarantee. The Principal can raise any defences or objections based on the underlying transaction (e.g. due to wrong delivery or warranty claims) only against the Beneficiary. Consequently, he bears the risk of having to enforce his claims against the Beneficiary in recovery proceedings (risk of litigation) and, possibly, also to realise them (risk of enforcement/bankruptcy).

Requests made to DZ BANK by a customer ("Principal") to issue sureties ("Sureties"), bank guarantees ("Bank Guarantees"), counter-guarantees ("Counter Guarantees"), standby letters of credit ("Standby Letters of Credit") and/or letters of credit ("Letters of Credit") (hereinafter together "Guarantees") in favour of third parties ("Beneficiaries") are subject to the conditions set forth below:

### 1. Direct and indirect Guarantee

In accordance with the Principal's instructions, DZ BANK will either issue the Guarantee itself ("Direct Guarantee") or it will instruct another bank ("Second Bank") to issue the Guarantee in its own name subject to a Counter Guarantee issued by DZ BANK ("Indirect Guarantee").

According to general practices, DZ BANK's liability under the Counter Guarantee towards the Second Bank will exceed the validity of the Guarantee issued by the Second Bank by at least 20 calendar days.

Unless otherwise expressly instructed by the Principal, DZ BANK may instruct a Second Bank to issue an Indirect Guarantee if it deems this necessary under the circumstances and taking into consideration the interests of the Principal. The Bank will then inform the Principal thereof.

DZ BANK is not obliged to issue a Guarantee in line with a draft proposed by the Principal, the Beneficiary or another third party. In this event, DZ BANK is authorised to reject the request or to amend the text of the Guarantee with the consent of the Principal or to use its own text.

### 2. Letters of Credit and Standby Letters of Credit

Upon instruction of the Principal and subject to a Counter Guarantee by DZ BANK Letters of Credit and Standby Letters of Credit can also be made available through DZ BANK with a Second Bank so that in order to make a timely demand, the Beneficiary may present

the stipulated documents also to the Second Bank for payment. Clause 1, paragraph 2 shall apply accordingly.

### 3. Bookkeeping Entries / Guarantee Commission / Fees

DZ BANK has the right to charge the Principal with the guaranteed amount on the Principal's guarantee account, and to bill the Principal (unless otherwise agreed) periodically for the commission for the duration of the Bank's liability beginning from the date of the issued Guarantee or, as the case may be, the instruction to the Second Bank to issue the Guarantee and the issued Counter Guarantee has been dispatched.

DZ BANK shall bill the Principal for the agreed level of fees for processing the Guarantee (issuing, amendment, other services).

### 4. Recourse to DZ BANK under the Guarantee

If DZ BANK receives a formal, duly issued demand for payment from the Beneficiary or the Second Bank, then DZ BANK will make payment to the Beneficiary in accordance with the terms of the Guarantee.

Regarding such demand for payment, DZ BANK can, in case of Bank Guarantees, Counter Guarantees, Standby Letters of Credit, Letters of Credit and "Sureties on first demand", take into consideration only the objection of abuse of rights, and this only if such objec -

tion has been raised before payment is made by the Bank and the abuse of the right is apparent or clearly obvious to anyone on grounds of liquid evidence.

With regard to other Sureties, DZ BANK will take into consideration permissible defences or objections which the Principal, promptly on being notified of the receipt of a demand for payment, has proved to the Bank's satisfaction in writing so that they can be forwarded to the Beneficiary.

#### **5. Examinations of the Documents**

Declarations, payment demands and any documents and legal instruments which are required under the terms of the Guarantee and are submitted thereunder will be examined by DZ BANK as to whether they conform to the terms of the guarantee and do not contradict each other.

Documents and legal instruments that are not presented as originals but as authenticated or encoded teletransmissions may be treated by DZ BANK as if they were originals.

#### **6. Cancellation of Bookkeeping Entries**

After their expiry, DZ BANK will cancel Direct Guarantees, which are subject to German law, and shall cease to charge guarantee commission thereon, if such Direct Guarantees, according to their wording, expire without any doubt on a particular date or upon submission of the documents which are intended for determining expiry, provided no demand for payment was received by DZ BANK prior to their expiry.

In the case of Indirect and other Direct Guarantees not dealt with in the preceding paragraph, DZ BANK will cancel the debit on the guarantee account and cease to charge the guarantee commission only after the guarantee document has been returned for discharge, or after the Bank has been released unconditionally from all liabilities by the Beneficiary or the Second Bank in writing, or it has paid the (full) amount available under the Guarantee.

In deviation from paragraph 1 of this Section 6, in the case of Letters of Credit and Standby Letters of Credit that can be drawn on from a Second Bank upon the timely presentation of documents, the Bank will cancel these Letters of Credit or Standby Letters of Credit no earlier than 20 calendar days after the expiry date of the relevant Letter of Credit or Standby Letter of Credit, provided that until then no demand for payment has been received by DZ BANK.

DZ BANK will cancel Sureties securing costs in legal proceedings and cease to charge the guarantee commission only upon return to DZ BANK of the surety document by the Beneficiary for discharge, or when proof is provided (i) of the Beneficiary's consent to release the Bank from its liability or (ii) of a legally binding order stating that the guarantee has expired

pursuant to § 109(2) of the German Code of Civil Procedure.

In all the aforementioned cases, responsibility to fulfil the conditions for cancellation of the Guarantee lies with the Principal.

#### **7. Reduction of the Guarantee**

If the amount of a Guarantee is reduced, DZ BANK will partially cancel the debit to the guarantee account in the corresponding amount, and will take this partial cancellation into account when calculating the guarantee commission. Exception: a partial cancellation will not be taken into account regarding the calculation of the guarantee commission for Letters of Credit.

However, this shall only apply insofar as the terms of the reduction clause of a Direct Guarantee have been fulfilled without any doubt, or the Beneficiary or the Second Bank in the case of an Indirect Guarantee have unconditionally declared a partial discharge in the respective amount in writing, or DZ BANK has made partial payment in accordance with a demand for payment.

#### **8. Respective obligations of the Principal and DZ BANK**

If DZ BANK requests information regarding the underlying transaction in an individual case, the Principal shall furnish this and inform DZ BANK without delay of material circumstances that could entail utilisation of the Guarantee (e.g. dispute over contractual performance of the underlying transaction).

In the case of Bank Guarantees and Sureties, DZ BANK will notify the Principal without delay of the Beneficiary's or the Second Bank's requests for payment and of the submitted documents or legal instruments to the extent such documents are relevant to the Principal. Any information and documents required to review eligibility shall be furnished to DZ BANK by the Principal at no charge.

If DZ BANK no longer needs the submitted original documents or legal instruments in order to protect its rights, then, at the Principal's request, the Bank will put such documents or legal instruments at the Principal's disposal unless it is itself under an obligation to hold them in custody.

#### **9. DZ BANK's Claim to a Refund of Expenses**

The principal shall compensate DZ BANK for all costs and out-of-pocket expenses which are incurred by the bank in connection with the execution of the principal's instructions to issue a guarantee – including those arising from judicial or extra-judicial prosecution in Germany or abroad – and which the bank is entitled to consider necessary in the circumstances.

This obligation to reimburse disbursements also includes disbursements incurred after a Guarantee has been deleted, including when a payment obligation under the Guarantee still exists, or a court order to make payment, enforceable in the country where such court is situated, has been issued. In the case of Indirect Guarantees, all commissions, charges and expenses billed by the Second Bank are also to be reimbursed.

#### **10. DZ BANK's Claim to Release**

If the underlying contractual loan and business relationship between DZ BANK and the Principal is terminated by one party or ends by lapse of time before expiry of the Guarantee(s) issued under such contractual relationship, the Principal shall, within a time limit set by DZ BANK, release DZ BANK from its liability under the Guarantee. If the Principal does not meet this obligation within the aforementioned deadline, the Principal is obligated to pay DZ BANK an amount equivalent to said guarantee risks in order to ensure DZ BANK's expenses are refunded.

The Principal is obligated upon DZ BANK request's to either release DZ BANK from the Guarantee or to provide appropriate security if any other material circumstance has arisen. This includes in particular a significant deterioration in the asset situation of the Principal or Primary Debtor, a change in the Principal's or Primary Debtor's place of residence, commercial location or domicile that impedes prosecution, delayed payment by the Principal or Primary Debtor, or if the Creditor has obtained a court decision to execute an enforceable judgment against DZ BANK.

#### **11. Uniform guidelines for Letters of Credit and Standby Letters of Credit**

Letters of Credit and Standby Letters of Credit issued by DZ BANK are subject to the 'Uniform Customs and Practice for Documentary Credits' from the Inter-

national Chamber of Commerce, Paris, in the latest version in force at the time the Letter of Credit is opened or the Standby Letter of Credit is issued. In cases of conflict between the 'Uniform Customs and Practice for Documentary Credits' of the International Chamber of Commerce, Paris, and these Guarantee Terms and Conditions, the latter shall take precedence.

#### **12. Uniform Rules for Demand Guarantees**

If in the case of a Guarantee the order is given that the 'Uniform Rules for Demand Guarantees' of the International Chamber of Commerce, Paris, shall apply, said rules shall only apply on a supplementary basis insofar as they do not deviate from these terms and conditions for the Guarantee business. If nothing else is agreed to the contrary under such a Guarantee, DZ BANK may, in the case of an 'extend or pay' demand, furnish payment 7 calendar days after notifying the Principal, unless the Principal has already instructed the bank to extend the Guarantee term and DZ BANK has accepted this instruction.

#### **13. General Terms & Conditions**

Furthermore, DZ BANK's General Terms & Conditions, which can be reviewed at any branch and sent out on request, shall apply.