

LETTER-CONVENTION FOR OPENING DOCUMENTARY CREDITS

Name: _____

Place and date of issue,

Address:

_____, _____

Fax #:

Account number:

Messrs.
BLOM BANK FRANCE S.A.
Branch

For any and all documentary credits (hereinafter called "The credit " or " Credit") which **BLOM BANK FRANCE S.A.** (Hereinafter called "The Bank") may consent to us, in the future, we accept irrevocably, definitely and unreservedly the following modalities:

1. Any and all credits shall be opened with the Bank at our entire risks and perils. We bear alone any and all consequences and responsibilities arising therefrom.
2. The opening and the amendment of the Credits, whatever their nature, shall be governed by the general conditions and provisions applicable to documentary credits, in particular by the Uniform Customs and Practice for documentary credits (publication N° 600 of the International Chamber of Commerce, Paris "hereafter called "UCP 600 rules") and to any subsequent amendment and /or any addition, these UCP 600 rules can be sustained by the International Chamber of Commerce, Paris from time to time, and to be considered as incorporated into these opening of credits, unless otherwise explicitly specified under each L/C opening application.
3. It is understood that your Bank may at any time, request the settlement of the amount paid by it, under each credit, including fees, expenses and commissions as well as the commissions requested by correspondents even in case of loss or delay in receipt of the documents by your Bank, or delay in the submittal of the policies after the expiry of the credit duration and our inability to take delivery of the goods.
4. The opening of Credits shall be irrevocable and definitely binding on us. We shall inform the Bank, upon each transaction, if it must request its correspondent or branch to add its confirmation to the notification of the opening/issuance of Credits to the beneficiary. We are, also, fully aware that any and all credits opened and/or issued in accordance with the UCP 600 rules are ipso facto irrevocable on our part as well as on the part of the Bank, its Correspondent and any intervenient in these openings/issuance confirmation of credits whether these credits indicate "Irrevocable" or not.
5. The value of each credit shall be paid to the beneficiary upon the mere submission to your correspondent or branch of the documents specified in the application for the opening of the Credit which constitute a complying presentation. We shall be indebted to the Bank as from the date the documents are honored or negotiated by the Correspondent with whom the Credit was made available, regardless whether the documents reach the Bank or not for whatsoever reason.
6. The validity of each Credit hereinafter referred to "The Expiry date" for the submission of the documents to the nominated bank at the place where the credit is available for honor or negotiation, shall be specified in each application.
7. Neither you, nor your correspondent shall assume any responsibility with respect to the form, sufficiency, accuracy, genuineness, falsification or legal effect of any document, or for the general or particular conditions stipulated in a document or superimposed thereon; nor does it assume any liability or responsibility for the description, quantity, weight, quality, condition, packing, delivery, value or existence of the goods, services or other performance represented by any document, or for the good faith or acts or omissions, solvency, performance or standing or their ability to fulfill their obligations, of the consignor, the carrier, the forwarder, the consignee or the insurer of the goods or any other person. We hereby expressly renounce to plea and/or demur in any case where it is revealed and /or it appeared that the documents are forged or falsified or are of no effect or of no legal value.
8. We are fully aware that according to UCP 600 rules, the Bank, its correspondent, whether a nominated bank or a nominated confirming bank or any intervening bank, examine a presentation of documents to determine, on the basis of the documents alone, whether or not the documents appear on their face to constitute a complying presentation. We are also aware that "Complying presentation" in accordance with UCP 600 rules means that a presentation that is in accordance with the terms and conditions of the credit, the applicable provisions of UCP600 rules and international standard banking practice. We also recognize that examination of documents with "reasonable care" is no more applicable under UCP 600 Rules and therefore is no more within the duty of the Bank or any other bank involved in our credits.

9. We are also aware, as per UCP 600 rules, that:

- A nominated bank acting on its nomination, a confirming bank, if any, and the issuing bank shall each have a maximum of five banking days following the day of presentation to determine if a presentation is complying,
- In case of discrepancies noted either by the Bank, its correspondent or any other intervening bank, the Bank may in its sole judgment approach us for a waiver of the discrepancies. This does not, however, extend the period of examination stated above.
- If the bank elects to approach us for a waiver of discrepancy/ies, we shall be compelled to give our final decision in writing within 24 hours from our receipt of the Bank's advice of discrepancy. The Bank shall, at its discretion, accept or not to comply with our waiver of discrepancy depending on the adequacy of our risk with the Bank.
- In this respect, we undertake to notify you in writing, within 24 hours from your notification to our above mentioned address of the arrival of the documents or their refusal by your correspondent, or of your correspondent's reservations on the documents, of our final position, that is the acceptance or refusal of the documents, or acceptance or refusal of the reservations.
- **If at the expiry of the 24 hours, and if you still have not received our answer in writing, we shall be deemed automatically having approved your correspondent's position in a final way, and therefore shall be considered as the case may be, having accepted the documents in a final way or supporting their refusal, or having adopted our correspondent's reservations, bearing alone the entire responsibility with all of its consequences in this respect.**
- It is explicitly understood that our engagement does not imply or give any renewal effect, nor does it negatively affect the fact that you do not bear any responsibility or obligation as a result of the non-execution of the instructions by the other bank in accordance with the provisions of article 12 of the international customs.

10. We are aware that the Bank, its correspondent and any intervening bank in the Credit assume no liability or responsibility for the consequences arising out of delay, loss in transit, mutilation or other errors arising in the transmission of any messages or delivery of letters or documents, when such messages, letters or documents are transmitted or sent according to the requirements stated in the credit, or when the bank may have taken the initiative in the choice of the delivery service in the absence of such instructions in the credit.

All of the correspondence exchanged by any person with any other regarding our credit, including any letter, telegram or telex by virtue of which the credit is opened as well as the files including the documents, shall be sent at our responsibility and expense. Neither you, nor your correspondent, agent or branch may be held responsible in case of loss of correspondence, or error or omission in the sending of telegrams, correspondence or telexes.

If a nominated bank, with whom the credit is made available by the Bank, determines that a presentation is complying and forwards the documents to the issuing bank or confirming bank, whether or not the nominated bank has honored or negotiated, an issuing bank or confirming bank must honor or negotiate, or reimburse that nominated bank, even when the documents have been lost

If the correspondent, with whom the credit has been made available by the Bank, determines that the documents constitute complying presentation and dispatches the documents to the Bank, the latter is obliged to reimburse the correspondent even if the documents went lost and/or were delayed in transit, for any reason. We are obligated to pay the value of the documents without invoking such loss or delay or even the destruction of documents notwithstanding that the Bank or its correspondent has taken the initiative of the choice of the method of dispatch of these documents.

11. It is understood that the clauses and conditions printed on the bills of lading that give, or are interpreted as giving the shipping company the freedom to act sometimes, may not be considered contrary to the documentary credit texts and conditions.

12. Bills of lading shall be issued or endorsed in favor of the Bank and/or to its order. Insurance policies or their certificates must issued in a way enabling you to receive without difficulty the compensation due by the insurance companies in case of accidents, damages, missing goods, deterioration, total or partial loss.

13. We are perfectly aware that, as per UCP 600 rules, when an issuing bank nominates a bank to accept a draft or incur a deferred payment undertaking, it authorizes that nominated bank to prepay or purchase a draft accepted or a deferred payment undertaking incurred by that nominated bank. We may not, under whatever circumstances, exercise a legal procedure in order to prevent or circumvent the Bank from reimbursing to the nominated bank the value of documents on due date. We renounce in this respect irrevocably and definitely to plea and or demur any of the claim(s) of the Bank asking for the payment of the sum(s) reimbursed by the Bank to its correspondent. Furthermore, we undertake irrevocably to pay to the Bank the sum(s) reimbursed without any objection or restriction of whatsoever nature.

In any case and whatever will be our rights, we renounce definitely and irrevocably to exercise any right of opposition and/or exception stated above and/or to exercise an attachment or an injunction on any sum arising from the execution of the Credit as well we renounce to any right to plea or demur any statement made by The Bank in accordance with the provisions of the articles of the UAE laws for civil procedure.

The non observance by us of the above duties shall constitute an event of default with all consequences arising there from. However, the above does not preclude us from refusing the documents in case they are encased with discrepancies

14. The conditions to apply to each opening of credit shall be indicated in each particular case. Furthermore, the opening of credits shall be granted by the Bank in accordance with the conditions agreed for the functioning of current account opened in our name and within the scope of the general contract signed by us with the Bank governing our bank transactions with the Bank.

15. Upon each application for the opening of a credit, we shall give you an order, by virtue of which you shall buy or sell on our behalf, according to your sale exchange rate, an amount in foreign currencies equivalent to the value of the credit requested or to any part of it, as you may deem appropriate. However if we do not give you this order upon the opening of the credit, you are hereby authorized in a final and irrevocable way to buy on our behalf, without the need for a prior notice, on the dates you may chose and at our full responsibility and at the prevailing exchange rate on the date of the transaction, the currencies needed to settle the documentary credits opened in a currency different from that of the banking facilities granted to us by your Bank, one or several times.

In this respect, we hereby declare that your Bank's books and registers shall be deemed the sole duly given proof of the various transactions carried out or to be carried out between us, regarding the cover of documentary credits in foreign currencies. We hereby undertake in a final and irrevocable way to settle to your Bank the entirety of the amounts paid to ensure the foreign currency cover at the same exchange rate at which the Bank purchased the currencies on the transaction date, whatever the exchange fluctuations, in addition to all your charges, upon your first request.

16. The foreign currencies shall be posted, at your choice, either in our account, in your books under the account "**Margin A/C-L/C**" or deposited in your name but in our favor with your correspondent. Said deposit shall not generate any interest in our favor, and shall be subject to the laws, decrees and taxes currently applicable or to be applied in the future in the countries of said currencies, or in the countries where you are located or where your correspondent may be located. Your Bank may not be held responsible towards us in case all or part of these currencies were frozen for any reason whatsoever, in particular by virtue of administrative, political or judicial decisions, or as a result of any other event.

17. We undertake to settle to your Bank, upon the opening of each credit, a margin as collateral in AED or in any other currency you may accept and which amount shall be specified by you. Said margin shall be used to buy the foreign currency mentioned in article 15. If the amount of said margin is less than the equivalent of the required currency, based on its sale or purchase price, as mentioned in article 15 above, in addition to your exchange commission, the difference between these two amounts shall be debited to our account in your books until the settlement date, in a debit account, generating interest in your favor, calculated at the rates specified by you in the letters and notices sent to us in this respect, and shall be added every month to the capital. The advance granted by your Bank under this form, shall be reimbursed to you according to the provisions of article 21 below.

18. In case of a fall in the goods value, we undertake, upon your first request, to keep the amount of the surety at its level specified in the documentary credit application, and if necessary to increase it by the equivalent of the fall in the goods value.

19. We agree that you receive for each transaction, a commission whose rate shall be set by you, in addition to the interest, commissions and fees due to your correspondent and in addition to your fees, interest and exchange commissions due to your Bank. We declare that we shall settle to your Bank delay interest as from the date of payment by your correspondent until our payment of the credit amount. Interest shall be calculated at the rates set by you in the letters and notices sent to us.

20. In case of a total or partial absence of use of the currencies posted in our account as mentioned above, the equivalent in AED Dirhams of the non-used balance, calculated according to your purchase rate, and from which your exchange commission shall be deducted, shall be returned to us upon the receipt from your correspondent of a notice indicating that said balance was not used, provided it is a convertible currency and we have settled to your Bank all of the amounts due by us in the current debit accounts as a result of the transactions mentioned in this letter agreement.

21. Upon opening a documentary credit, and when you grant us an advance in a foreign currency and not in AED Dirhams, we undertake to return to you the same currency so that you may use it in total freedom. It is understood that in case of total or partial absence of use of the currencies advanced to us, you may freely dispose of the non-used currencies to settle any debt due by us, whether as a result of the credit granted to us within the scope of a documentary credit in accordance with article 2 of this clause or to settle any debt due by us to your Bank.

In any case and for any reason whatsoever, if there are reservations on some currencies and amounts are due by us to your Bank in said currencies, we shall bear all of the consequences that may result from said reservations, and undertake to settle to your Bank the due amount and use all possible means to buy or allow you to buy the required currency in the market of your choice, in order for you to recover the entirety of the amount due by us, including interest and accessories.

22. We undertake to pay to your Bank all amounts due by us whether as a result of a debit current account or as a result of the transactions mentioned in this letter agreement:

- a- In the event of partial or total execution of the credit, upon your receipt of a SWIFT, telefax, letter indicating the partial or total shipment of the goods, subject of this credit.
- b- In case of absence of execution for any reason whatsoever, upon your receipt of a SWIFT, telefax, letter informing you of the absence of execution.
- c- In any case and even in the absence of any information from your correspondent, payment shall be made upon the expiry of the validity date specified in the documentary credit application, as mentioned above.

23. If you request us to pay to your Bank, by virtue of a registered letter with acknowledgment of receipt, any amount due by us whether as a result of a debit current account or as a result of the transactions mentioned in this letter agreement, and we fail to pay said amount within fifteen days as from the date of the posting of your letter, interest and commissions shall automatically run in your favor on the due amount as from the date of your letter or any other previous date on which said amounts became payable, until final and full payment.

Said interest and commissions shall be added to the principal at each month end, and shall be calculated at the rates specified in your letters and notices sent to us in this respect.

It is understood that you may stop at any time the current account or the accounts resulting from this letter agreement in accordance with the abovementioned provisions and the general conditions.

24. We hereby confirm that the various transactions executed or to be executed between us for any reason whatsoever, including those related to the foreign currencies cover, actually constitute – except for the cases explicitly agreed upon between us- the various parts of a single indivisible account, with one credit or debit balance, in accordance with the general conditions of this letter agreement.

25. In guarantee for the settlement of any amount due to your Bank as a result of the transactions mentioned in this agreement, in principal, interest, commissions, fees, expenses and other accessories, of whatever kind, and of any amount due or to be due by us, directly or indirectly, to you or any of your Bank's branches in the UAE and abroad for any reason whatsoever, we hereby authorize you to recover said amounts by disposing of the goods, subject of the documentary credit or of any other document representing the goods, through their seizure, sale or through any other means you may deem appropriate, whether the execution is total or partial.

26. We also pledge in your favor, in accordance with the provisions of the chapter on the pledge of movables, and also authorize you to dispose through seizure, sale or any other means you may deem appropriate, of the following:

- a- Any securities, funds or anything that is currently deposited or to be deposited in the future, in our name with your Bank or with any of your Bank's branches in the UAE or abroad
- b- Any amount due or to be due to us by your Bank or any of your Bank's branches in the UAE or abroad for any reason whatsoever.
- c- The foreign currency mentioned above.

27. In case of any loss, any amount you may directly receive from the insurance company shall be posted to the credit of our account in your books, in order to be deducted from the amounts due to your Bank as a result of the transactions mentioned in this letter agreement. However, we shall if requested by your Bank, settle to the latter all of the amounts due by us as a result of this agreement and we shall be responsible for the follow-up of the liquidation matter with the insurance company, at our responsibility and expense.

28. For the fulfillment of our obligations by virtue of this agreement, we declare:

- a. That we will abide by the applicable laws and regulations in the UAE for the settlement of any debt due by us for any reason whatsoever.
- b. That you are entitled to execute against us any judgment or decision, rendered in your favor in the UAE or abroad, on all of our movable and immovable properties.
- c. That the Bank's books shall be deemed the sole duly given proof.
- d. That all the issues mentioned in this chapter shall be subject to the provisions of the Uniform Customs and Practice issued by the International Chamber of Commerce, and its amendments.

29. We authorize your Bank, in exceptional circumstances, which are left to your own determination and at your sole discretion, without the need to referring to us, to request your correspondent and third parties and before shipment, to change the discharge port, and request after their shipment, the captain of the vessel, its charterer or any other third party to unload all or part of the goods in any other port. In any case, and whatever the amounts of the shipping and reshipping fees, unloading and storage fees and other fees, they shall be borne by us and at our responsibility.

We remain solely responsible for the goods, even if depreciated or deteriorated during their presence in the other port.

Signed by

For and on behalf of

N.B: signature must be preceded by a handwritten

Notation as follows: "read and approved"

1st, 2nd and third pages must be also signed