

**PLEASE FILL OUT ITEMS WITH ASTERISK (\*) ONLY**

Opened Thru: \_\_\_\_\_

Date : \_\_\_\_\_, 20 \_\_\_\_\_

Gentlemen:

Please Issue a letter of credit as follows:

:27 : Sequence of Total: \_\_\_\_\_

:40A : \*  Irrevocable  Transferable

:20 : Documentary Credit Number: \_\_\_\_\_ 23: Reference to Pre-Advice: \_\_\_\_\_

:31C : Date of Issue: \_\_\_\_\_

:31D : \* Date of Expiry: \_\_\_\_\_ \*Place of Expiry \_\_\_\_\_

:50 : \* Applicant : \_\_\_\_\_

\* Address: \_\_\_\_\_

:59 : \* Beneficiary: \_\_\_\_\_

\* Address: \_\_\_\_\_

:32B : \* Currency Code, Amount: \_\_\_\_\_

:39A : \* Percentage Credit Amount Tolerance: \_\_\_\_\_

:41a : \* Available with: \_\_\_\_\_ by :  Payment  Acceptance  Negotiation

:42C : \* Drafts at :  Sight  Usance (specify) \_\_\_\_\_

:42a : \* Drawn on :  Issuing Bank  Confirming Bank \_\_\_\_\_

:43P : \* Partial Shipments :  Allowed  Not Allowed

:43T : \* Transhipment :  Allowed  Not Allowed

:44A : \* Shipment From: \_\_\_\_\_

:44B : \* For Transportation to : \_\_\_\_\_

\* Shipment Term:  CFR  CIF  FOB  Others(specify) \_\_\_\_\_

:44C : \* Latest Date of Shipment: \_\_\_\_\_

:45A : \* Shipment of (Goods): \_\_\_\_\_

\* CB Commodity Code No(s): \_\_\_\_\_

:46A : \* Documents Required: (Marked "X")

One full set (at least three originals) clean "On Board" Ocean Bills of Lading in negotiable and transferable and non-negotiable copies issued to the order of BDO UNIBANK, INC. marked freight  prepaid  collect notify accountee \_\_\_\_\_

Airway Bill of Lading issued out to the order of BDO UNIBANK, INC. marked freight  prepaid  collect notify accountee \_\_\_\_\_

Original certificate of origin signed manually.

Commercial Invoice in triplicate.

Transferable marine insurance policy or certificate

War risk insurance policy or certificate strikes, riots civil commotion, and marine extension clause

Packing list in triplicate.

Others : \_\_\_\_\_

In duplicate \_\_\_\_\_ per cent of full invoice value from point of origin to warehouse at destination and to be effected by buyers/suppliers.

:47A : \* **Additional Conditions:** Ocean/Airway Bill of Lading must be dated within the validity/shipment period of this credit. All shipping documents must indicate L/C Number and Commodity Classification Code as indicated above.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

:71B : \* **Charges:** All correspondent bank charges are for the account of :

Applicant

beneficiary, however should the beneficiary fail to pay the charges, Applicant shall remain ultimately liable for the full payment thereof.

:48 : \* Period of Presentation: \_\_\_\_\_

:49 : \* Confirmation Instructions:  Confirmed  Unconfirmed

\* Advise by:  Cable Full Text  Mail  Brief Cable Advise

**BANK TO BANK INFORMATION : TO BE ACCOMPLISHED BY BDO ONLY**

:53A : Negotiating Bank may obtain reimbursement from \_\_\_\_\_ charge to our Account No. \_\_\_\_\_

:78 : Confirming Bank must advise us of their confirmation and Reference No. Please cable advise us 2 banking days prior to negotiation.

:72 : Any additional transit interest that may arise from non-compliance shall be for the account of negotiating bank. Negotiating bank must present all documents and reimbursement claims under this credit to the confirming bank \_\_\_\_\_ which holds special payment and reimbursement instructions. Drafts drawn under this credit must be marked "**DRAWN UNDER**"

**L/C No.** \_\_\_\_\_

THIS IS THE OPERATIVE INSTRUMENT SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS, 2007 REVISION, ICC PUBLICATION NO. 600.

In consideration of your arranging at my/our request for the establishment of this commercial letter of credit, hereinafter referred to as the "CREDIT" substantially in accordance with the foregoing. I/We hereby covenant and agree to each and all of the provisions and conditions stipulated on this Application and Agreement for a Commercial Letter of Credit hereof.

**In settlement of customs duties, marginal deposit and any and all other charges relative to the opening and drawing under this credit, please:**

- Debit our SA/CA no. \_\_\_\_\_ with \_\_\_\_\_
- Check is enclosed
- Charges shall be paid by way of line availment with BDO

In case of need, please call Mr./Ms. \_\_\_\_\_

Telephone Number \_\_\_\_\_

**IMPORTANT: PLEASE READ TERMS AND CONDITIONS OF THIS APPLICATION AND AGREEMENT FOR A COMMERCIAL LETTER OF CREDIT BEFORE SIGNING THIS DOCUMENT.**

\_\_\_\_\_  
(Name of Company/Partnership/Individual)

\_\_\_\_\_  
Authorized Signature (Over Printed Name)

\_\_\_\_\_  
Authorized Signature (Over Printed Name)

Received by: _____	Date Received: _____
Signature Verified by: _____	Processed by: _____
Reviewed by: _____	Approved by: _____
Tested by: _____	Transmitted by: _____
Date Transmitted: _____	Time Transmitted: _____

## TERMS AND CONDITIONS

### 1. ACCEPTANCE OF DRAFTS

To accept, when required and/or required by you, any and all time drafts drawn under, or purporting to be drawn against, the said Credit, or against any extension, renewal, or increase thereof applied for by me/us.

### 2. PAYMENT OF FACE AMOUNT

To pay to you, at your office, on demand, in legal tender of the Philippines, the face amount, if drawn in Philippine Currency, or if drawn in foreign currency, its equivalent in Philippine Currency. AT THE RATE OF EXCHANGE YOU MAY FIX, of all drafts, receipts or any other evidences of disbursement of funds, drawn under, or purporting to be drawn against the Credit, or against any extension, renewal or increase thereof applied for by me/us; it being understood and agreed that I/we will pay on demand all such drafts, receipts, or any other evidences of disbursement of funds, irrespective of the fact that the merchandise represented or purporting to be represented by the relative shipping documents, if any, whether or not released to me/us under a Trust Receipt, may not have arrived at its final destination and/or may not have been received by me/us, owing to causes beyond the control of the Bank, whatever the nature of such causes may be and more particularly when said merchandise and/or shipping documents have been seized, commandeered, or otherwise disposed of by the Philippine Government or by the government of any foreign country.

### 3. PAYMENT IN FOREIGN CURRENCY

I/We agree to hold you free and harmless from any and all losses or damages that I/we may incur by reason of the unavailability of or your inability or failure to obtain or otherwise provide the foreign currency required to pay or liquidate my/our obligation on account of the Letter of Credit. In this connection, I/we hereby further agree to assume and bear all foreign exchange rates, including that arising from the fluctuation of the rate of exchange between Philippine Currency and currency of the Letter of Credit until such time that you will provide the foreign currency needed to settle my/our obligation. It is understood that should you at your own discretion receive or demand from me/us Philippine Currency, such Philippine Currency funds shall be considered as having been received as deposit to secure the payment of my/our foreign currency obligations on the account of the Letter of Credit and/or such other obligations which I/we may have incurred or may thereafter incur in your favor. I/We hereby further agree that you may at any time and at your sole option and discretion appropriate and apply such deposit in payment of such obligation. In addition, should there be any statutory, regulatory or procedural revisions, restrictions, limitations and/or administrative inadequacies on the part of any government agencies or instrumentality including but not limited to the Bangko Sentral ng Pilipinas which would render difficult, uncertain or unrealizable the proper, complete and timely discharge of your obligations under the captioned transaction, I/we hereby hold you free and blameless from any claim or liability whatsoever, the intention being to exempt and hold you free from any responsibility, loss or damage which may be considered as a necessary or collateral consequence of any of the foregoing or any other factor not within your full control.

### 4. INTEREST, COMMISSION AND TAXES

I/We also hereby agree, jointly and severally, to pay to you, at your office, on demand:

- a. Interest at the rate of \_\_\_\_\_% per annum, calculated from the date of evidence of disbursement of funds until the date of complete payment by me/us, to you or at any other higher rate that you may fix owing to the delay in payment of the draft/s, receipts or other evidences of disbursement of funds, or owing to any extension granted thereon from date of first presentation until final payment.
- b. Your commission at the rate which you may stipulate, in advance at the time of the opening of the Credit on the full value thereof, such commission to be based and calculated either on the basis of the validity of the Credit or of the usage of the drafts to be drawn thereunder, at your discretion; or on any increase of the amount thereof or extension of its validity or extension of the usage of relative drafts at your option and in the event of the Credit not being used in full or of its remaining wholly unused not to claim from you a refund of such commission.
- c. The cost of the documentary stamps affixed on such drafts, receipts, or other evidences of disbursement of funds, as well as on any relative trust receipts which I/we may execute in your favor, as required by the laws of the Philippines.
- d. In case of my/our default or my/our breach of any of the terms and conditions of this agreement, I/we agree to pay (jointly or severally) by way of liquidated damages and additional amount equivalent to 12% per annum of the principal sum until fully paid and if the matter is referred to an attorney-at-law or collection agency for collection or any other action, the further sum of 15% of the total amount due from me/us, but in no case less than P10,000.00 exclusive of costs and other judicial or extra-judicial expenses.

### 5. CHARGES AND EXPENSES

I/We also hereby agree, jointly and severally, to pay to you the commission charges and all other expenses, regardless of their nature, charged to you by your correspondents, or incurred or sustained by you, in connection with the said Credit, or with any drafts drawn or negotiated thereunder, or with any property shipped under or pursuant to or in connection with the said Credit, it being understood further that in all cases, the interest, commission, or any other expenses which might be charged by any bank drawing, negotiating or accepting the drafts drawn, endorsed, or accepted under this Credit is a charge of interest and/or a commission apart and distinct from your aforementioned charges of interest and commission.

### 6. ADVANCES

Should any clean advances made by you or any bank to the beneficiary/ies of the Credit be or remain unpaid, I/we will on demand pay you the amount thereof together with interest for the period that the same shall have been outstanding at the same rate stipulated in Section 4 (a) hereof. You and any such bank shall not be liable for any wrongful use of such advances.

### 7. LIEN

To impose and hereby impose(s) a lien in your favor as security for any and all of my/our obligations and/or liabilities herein before or hereinafter referred to now or hereafter existing on any and all my/our property now or at any time hereafter that may come into your possession or control or that of any third party acting in your behalf whether for the express purpose of being used by you as collateral security or for safekeeping or for any other purpose including such property as may be in transit by mail or carrier to or from you, the lien being imposed in your favor upon any and all such property to answer for the aggregate amount of any and all such obligations, and/or liabilities and I/we hereby authorize you at your option at any time whether or not the property then held by you as security hereunder is deemed by you to be adequate to appropriate and apply upon any and all of the said obligations and/or liabilities, whether or not then due any and all moneys now or hereafter with you on deposit or otherwise to the credit of or belonging to me/us and/or in your discretion to hold any such moneys as security for any such obligations or liabilities until the exact amount thereof if any shall have been definitely ascertained by you.

Your rights and liens hereunder shall continue unimpaired and I/we shall remain obligated in accordance with the terms and provisions hereof notwithstanding the release or substitution of any property which may be held as collateral hereunder at any time(s) or of any rights or interests thereon, or any delay extension of time, renewal, compromise or other indulgence granted by you in reference to any of the aforesaid obligations and/or liabilities or any promissory note, draft, bill of exchange or other instrument given you in connection with any of the aforesaid obligations and/or liabilities, I/we hereby waive notice of any such delay extension, release, substitution, renewal, compromise, or other indulgence and hereby consent to be bound thereby as fully and effectually as if I/we had expressly agreed thereto in advance.

### 8. AUTHORITY TO DEBIT FUNDS

In case of my/our absence, or for failure on my/our part to effect payment on demand or after a reasonable time from date of first presentation or if for any other reason you may deem it convenient, you are hereby authorized, at your option, to debit from my/our current account in your Bank the amount of your liquidation for the drafts, receipts, or any other evidences of disbursement of funds issued in accordance with the said Credit, including the interest, commissions, and all other charges mentioned in Sections 4 and 5 above; or should you deem it still more convenient, you are also hereby authorized to DEDUCT SUCH AMOUNT FROM WHATEVER FUNDS BELONGING TO ME/US WHICH MAY BE AT ANYTIME IN YOUR POSSESSION, REGARDLESS OF THEIR NATURE.

### 9. CHANGE OR MODIFICATION, EXPIRY AND NON-AVAILMENT OF CREDIT

In the event of any change or modification with respect to (a) the amount or duration of the Credit; (b) the time or place of shipment of any relative property; (c) the drawing, negotiation, presentation, acceptance or maturity of any drafts, acceptances or other documents, or (d) any of the other terms or provisions of the Credit, such being done at my/our request, this Agreement shall be binding upon me/us in all respects with regard to the Credit so changed or modified inclusive of any action taken by you or any of your correspondents relative thereto. It is hereby understood and agreed that in case the said Credit should expire without having been availed of in whole or in part, my/our liability therefore appearing on your books shall be cancelled only at such time after due confirmation by your correspondents of the non-use thereof has been received and it is hereby further understood and agreed that in case the said Credit should have been issued in foreign currency and its equivalent in Philippine Currency should have been paid for to you at the time of its issuance or at anytime thereafter, any unused balance remaining on the said Credit will be refunded by you to me/us, such time after its expiry date as you may fix, at your buying rate for bankers demand drafts in the currency in which the Credit may have been used.

### 10. RECEIPT AND ACCEPTANCE OF DOCUMENTS

Except insofar as instructions have been heretofore given by me/us in writing expressly to the contrary, I/we agree, jointly and severally, that you and any of your correspondents may receive and accept as "Bills of Lading" under the credit of any documents issued or purporting to be issued by or on behalf of any carrier which acknowledge receipt of property for transportation, whatever the specific provisions of such documents, and that the date of each of such document shall be deemed the date of shipment of the property mentioned therein; and that you may receive and accept as documents of insurance either insurance policies or insurance certificates.

### 11. RIGHT TO POSSESS AND DISPOSE MERCHANDISE

I/We hereby recognize and admit your ownership in and unqualified rights to the possession and disposal of all property shipped under or pursuant to or in connection with the Credit or in any way relative thereto or to the drafts drawn thereunder, whether or not released to me/us on trust or bailee receipt, or otherwise, and also in and to all shipping documents, warehouse receipts, policies or certificates of insurance and other documents accompanying or relative to drafts drawn under the Credit, and in and to the proceeds of each and all of the foregoing, until such time as all obligations and liabilities of mine/us, or any of us to you at any time existing under or with reference to the Credit or this Agreement, or any other credit or any other obligation to you, have been fully paid and discharged, all as security for each obligation and liability and that all or any of such property and documents and the proceeds of any thereof, coming into the possession of you or any of your correspondents, may be held and disposed of by you as herein provided; and the receipt by you, or by any of your correspondents, at any time, of other security, of whatever nature, including cash, shall not be deemed a waiver of any of your rights or powers herein recognized. And I/we also agree, jointly and severally, that, in case of need, you shall be at full liberty to sell the said property and to apply the net proceeds (including any amount recoverable under the Insurance Policies or Certificates covering the said property, and after deducting freight and insurance, if effected by you, as well as all other charges due to you, including the usual merchants commission to which you shall be entitled) towards the full payment of the relative draft or of any other draft or drafts drawn under the said Credit, you to retain full right of recourse against me/us for any deficiency resulting in your favor.

## 12. LIABILITY

The users of the Credit shall be deemed my/our agents and I/we assume all risks, for their acts or omissions. Neither you nor your correspondents shall be responsible: for the existence, character, quality, quantity, condition, packing, value, or delivery of the property purporting to be represented by documents, for any difference in character, quality, quantity, condition, or value of the property from that expressed in documents, for the validity, sufficiency or genuineness of documents, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; for the time, place, manner or order in which shipment is made; for partial or incomplete shipment, or failure or omission to ship any or all of the property referred to in the Credit; for the character, adequacy, validity or genuineness of any insurance; for the solvency or responsibility of any insurer, or for any other risk connected with insurance; for any deviation from instruction, delay, default or fraud by the shipper or anyone else in connection with the property or the shipping thereof; for the solvency, responsibility or relationship to the property of any party issuing any documents in connection with the property; for delay in arrival or failure to arrive of either the property or any of the documents relating thereto; for delay in giving or failure to give notice of arrival or any other notice; for any breach of contract between the shippers or vendors and myself/ourselves or any of us; for failure of any draft to bear any reference or adequate reference to the Credit or failure of documents to accompany any draft at negotiation, or failure of any person to note the amount of any draft on the reverse of the Credit or to surrender to take up the Credit or to send forward documents apart from drafts as required by the terms of the Credit; each of which provisions, if contained in the Credit itself, it is agreed may be waived by you; or for errors, omissions, interruptions or delays in transmission or delivery of any message, by mail, cable, telegraph, wireless or otherwise, whether or not they be in cipher; nor shall you be responsible for any error, neglect, or default, of any of your correspondent; nor shall you be responsible for errors in translation or for errors in interpretation of technical terms; nor shall you be responsible for any consequences arising from causes beyond your control and none of the above shall affect, impair, or prevent the vesting of any of your rights or powers hereunder. I/We shall protect you and any other drawee in paying any draft dated on or before the expiration of any time limit expressed in the Credit regardless of when drawn and when or whether negotiated. I/We are responsible to you for all obligations imposed upon you with respect to the Credit or the relative drafts, documents or property. In furtherance and extension and not in limitation of the specific provisions herein before set forth, I/We agree, jointly and severally, that any action taken by you or any correspondent of yours under or in connection with the Credit or the relative drafts, documents on property, if taken in good faith, shall be binding on me/us and shall not put you or your correspondent under any resulting liability to me/us and I/we make the agreement as to any inaction or omission unless in breach of good faith. I/We agree, jointly and severally, to indemnify and hold you harmless from any claim, loss, liability or expense arising by reason of any such failure to pay or accept.

## 13. COMPLIANCE WITH GOVERNMENT REGULATIONS

I/We will comply with any and all governmental exchange regulations now or hereafter applicable to the purchase of foreign exchange relative to drafts under the Credit, or purporting to be so drawn and will indemnify and hold you harmless from any failure to so comply. I/We hereby warrant that the commodity description/s and specifications, commodity classification/s, quantity, specific purpose, or end use unit cost/s, total cost/s, declared in this Application and relative firm offer/proforma invoice/s are true and correct. I/We hereby agree to indemnify you and your officers for penalties and charges material or otherwise under any law or government regulation for any misclassifications, misdeclarations or undervaluations declared in this Application, as well as for any violation of any warranty in this Application or any misinterpretation, falsehood or non-disclosure of material facts in this Application or any related documents.

## 14. BANK'S AUTHORITY TO SELL MERCHANDISE

I/We undertake, jointly and severally, at any time from time to time, on demand, to deliver, convey, transfer, or assign to you as security for any and all of my/our obligations and liabilities, hereunder and also for any and all other obligations and liabilities, absolute and contingent due or to become due which are now or may at any time hereafter owing by me or us to you, additional security or a value and character satisfactory to you, or to make such payments as you may require. I/We agree, jointly and severally, that all property belonging to me/us, or in which I/we may have an interest of every name and nature whatsoever, now or at any time hereafter delivered, conveyed, transferred, assigned, or paid to you or coming into your possession or into the possession of anyone for you in any manner whatsoever, whether expressly as a security for any of the obligations or liabilities by me/us to you, or for collection or transmission and the proceeds thereof, whether or not such property is in whole or in part released to me/us on trust or bailee receipt, are hereby made security for each and all such obligations and liabilities. I/We agree, jointly and severally, that if I/we fail at any time to maintain a margin of security with you or upon the non-performance of any of the promises to pay hereinabove set forth or upon the payment of any of the other obligations or liabilities above-mentioned or upon the failure of me/us forthwith with or without notice to furnish satisfactory additional collateral or to make payments on account as hereinabove agreed, or to perform or comply with any of the other terms or provisions of this Agreement, or in the event of my/our death, failure in business, dissolution or termination of existence or in case any petition in bankruptcy should be filed by or against me/us or any proceedings in bankruptcy or under any law decree or regulation relating to the relief of debtors should be commenced for the relief or readjustment of any indebtedness of me/us, either through reorganization, composition, extension or otherwise or if I/we should make an assignment for the benefit of creditors or take advantage of any insolvency law or commits any of the acts of insolvency, or if a receiver of any property belonging to me/us should be appointed at any time, or if any funds or other property belonging to me/us which may be in or come into your possession or control or that of any third party acting on your behalf as aforesaid should be attached, garnished, distrained or should be or become subjects to any mandatory order of court or other legal process or if I/we shall suspend the transaction of its usual business or any collateral given to secure my/our obligations to you shall for any cause cease to be in full force and effect or shall otherwise become worthless or if there are reasonable grounds to believe that I/we intend to abscond or dispose of its assets in fraud of creditors or if it shall be unlawful for you to maintain or give effect to your obligations under this Agreement or if there occurs any material adverse change in my/our financial condition which in your opinion may impair my/our ability or willingness to perform my/our obligations above-mentioned then or at any time after the happening of any such events, any or all of my/our aforementioned obligations, and/or my/our liabilities shall become immediately due and payable without demand or notice, notwithstanding any credit or time allowed to me/us or any instrument evidencing any such obligations, or liabilities or otherwise, and you may proceed against me/us judicially or otherwise to enforce payment or demand additional collaterals from the undersigned that shall protect you from any proceedings by the Beneficiary, whether or not you have discharged your own liability under the Credit; and I/each of us, as to property in which anyone of us may have interest, and I/all of us as to property in which I/we may have interest, expressly authorize you in any such event, or upon my/our failure to pay any of such obligations or liabilities when it or they shall become or be made due, to sell immediately without demand for payment, without advertisement, and without notice to me/us or any of us all of which are hereby expressly waived, any and all such property, arrived, at private sale or at public auction or at brokers' board or otherwise at your option in such parcel or parcels and at such time or times and such place or places and for such price or prices and upon such terms and conditions as you may deem proper, and to apply the net proceeds of such sale or sales, together with any balance of deposits and any sums credited by or due from you to me/us in general account or otherwise, to the payment of any and all of my/our obligations or liabilities to you, however arising. If any such sale be at brokers' board or at public auction, you may yourselves be a purchaser at such sale, free from any right or redemption, which I/we and each of us hereby expressly waive and release. In the event any sale or other disposition of any of the property aforesaid, after deduction of all costs or expenses of every kind for care, safekeeping, collection sale, delivery or otherwise you may apply the residue of the proceeds of the sale(s) or other disposition thereof to the payment or reduction either in whole or in part of all or any of the aforesaid obligations and/or liabilities whether or not then due making proper allowance for interest on obligations or liabilities, not then due, and to turn over the overplus, if any to me/us with respect to any and all amounts which may be or remain unpaid on any of the aforesaid obligations and/or liabilities at any time.

## 15. WAIVER OF RIGHTS

You shall not be deemed to have waived any of your rights hereunder, unless you or your authorized agent have signed such waiver in writing. No such waiver, unless expressly as stated therein, shall be effective as to any transaction which occurs subsequent to the date of such waivers nor as to any continuance of a breach after such waiver.

## 16. EXPENSES FOR ENFORCEMENT OF RIGHTS UNDER THE CREDIT

I/We will bear and pay all expenses of every kind (including all charges of legal service) for the enforcement of any of your rights herein mentioned or any of any claim or demand by you against me/us, or of any or actual attempted sale, exchange, enforcement, collection, retention, insurance, compromise, settlement, release, delivery on trust receipt; delivery of any such security, and of the receipt of proceeds thereof, and will repay to you any such expenses incurred by you.

## 17. AUTHORITY TO CONVERT SIGHT DRAFTS

You are hereby authorized to convert sight drafts to usance acceptances. You are authorized at your discretion to defer presentation of the drafts until arrival of the carrier, or 30 days after arrival of the drafts and documents, whichever first occurs.

## 18. AUTHORITY TO INSURE MERCHANDISE

I/We hereby authorize you to insure the merchandise by this Application for my/our account should I/we fail to present to you the relative marine cover note within seven (7) calendar days from the date of opening of the Credit. You may procure at any time and for our account any additional insurance coverage against fire and marine risks should you find our insurance coverage inadequate. I/We further agree to assign the insurance policies or certificates to you or to make the loss or adjustment payable to you at your option. It is understood that you will not be responsible for any act or omission on the part of the insurance company and if any insurance company fails to pay, I/we will still be responsible to you for the payment of the draft(s).

## 19. INSPECTION OF MERCHANDISE

I/We hereby grant an irrevocable authority for authorized representative/examiners of the Bangko Sentral ng Pilipinas to inspect the merchandise covered by the Credit.

## 20. LICENSES

I/We will procure promptly any essential import, export or other licenses for the import, export or shipping of any and all property shipped under or pursuant to or in connection with the Credit and to comply with any and all foreign and domestic governmental regulations with regard to the shipment of any and all such property or financing thereof, and to furnish such certificates in that respect as you may at any time require.

## 21. APPLICATION OF UCP

Except as otherwise expressly stated herein, the Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), the International Chamber of Commerce Publication No. 600. For the definition of certain export quotations, reference is made to the general description of these terms included in the "Revised American Foreign Trade Definitions, 1941."

## 22. BINDING EFFECT

This Agreement shall be binding upon the Applicant, his/its heirs, executors, administrators, successors-in-interest, and assigns, and shall inure to the benefit of and be enforceable by the Bank, its successors, transferees and assigns. If this Agreement should be terminated or revoked by operation of law or by myself/ourselves, I/we will indemnify and save you harmless from any loss which may be suffered or incurred by you in acting hereunder prior to the receipt by you, or your successors, transferees or assigns, of notice in writing, of such termination or revocation. If this Agreement is executed by two or more persons, they shall be jointly and severally liable hereunder, in the same manner and with the same effect as if each of them had signed separate instruments, and in any such case this Agreement shall not be revoked or impaired as to any one or more of such parties by the death of any of the others or by the revocation or release of any obligations hereunder of any one or more of such other parties.

**23. ASSIGNMENT OR TRANSFER OF RIGHTS TO THE CREDIT**

The Bank shall have the absolute right to assign or transfer its right hereunder in favor of any party. In case you assign or transfer the Agreement, or any instrument(s) evidencing all or any of the aforesaid obligations and/or liabilities, and deliver all or any of the property then held as security therefore to the transferee(s) who shall thereupon become vested with all the powers and rights in respect thereto given you herein or in the instrument(s) transferred, and you shall thereafter be relieved and fully discharged from any liability or responsibility with respect thereto but you shall retain all rights and powers hereby given with respect to any and all instrument(s), rights or property not so transferred.

**Suretyship**

[I/We \_\_\_\_\_ [and \_\_\_\_\_], of legal age, with address at \_\_\_\_\_.]

[\_\_\_\_\_, a \_\_\_\_\_ duly organized and existing in accordance with Philippine laws, with principal office address at \_\_\_\_\_.]

(hereinafter, the "**Surety**") hereby agree/s and undertake/s to pay BDO Unibank, Inc., ("**Bank**") on demand, any and all sums and amounts of money which the Bank may call upon the Surety to pay arising out of, pertaining to, and/or in an event connected with the default of and/or non-fulfillment by the applicant/s of this Letter of Credit (hereinafter "**principal debtor/s**") or any of the above terms and conditions.

The Surety further agree/s that the Bank does not have to take any steps or exhaust its remedy against the principal debtor/s before making demand on the Surety. The Surety's liabilities hereunder shall in all cases be joint and several.

The Surety hereby waives notice of default and it shall not be necessary for the Bank to proceed against the principal debtor/s upon default or to exhaust the property of the principal debtor/s before proceeding against the Surety. The liability of the Surety shall be a primary one, shall be enforceable upon the occurrence of default of the principal debtor/s, and shall in all cases be joint and several with the principal debtor/s. The Bank may from time to time and without the necessity of first giving notice to or obtaining Surety's consent increase the amount of credit given to the principal debtor/s, grant extensions of time to the principal debtor/s, accept notes or other obligation from the principal debtor/s for money, securities or other things of value due from the principal debtor/s and renew said notes or other obligations from time to time either in whole or in part.

As security for the full and due performance by the Surety of its/her/his/their obligations hereunder, the Bank is hereby given a lien upon and all moneys or other properties of the Surety which are or may come into the Bank's possession (or with any third party acting on behalf of the Bank) by or for the account of the Surety, those in safekeeping, and those in which the Surety may have an interest.

Upon default of the Surety, the Bank shall have the right to set-off or apply to the payment of the defaulted obligation any and all moneys of the Surety which may be in the possession or control of the Bank. The Bank shall likewise have full power and authority, as attorney-in-fact of the Surety, to sell, assign and deliver all or any part of the property upon which the Bank pursuant to the immediately preceding paragraph has a lien. Such sale or other disposition may, at the Bank's discretion, be at any broker's board, or at public or private sale, for cash or on credit, or future delivery, without assumption by the Bank of any credit risk, and without either demand, advertisement or notice of any kind, all of which the Surety hereby waives. In case of any such sale or other disposition as aforesaid: (i) the Bank may at its option, purchase the whole or any part of the property so sold, free from any right of redemption on the part of the Surety, all such right being all hereby waived and released; (ii) the Bank is hereby given full power and authority (after deducting all costs and expenses of every kind for care, safekeeping, collection sale, delivery or otherwise) to apply the residue of the proceeds of the sale, or other disposition thereof to the payment, pre-payment or reduction, to the extent thereof, of anyone or more of the defaulted obligation, whether or not such defaulted obligation, except for this suretyship, are then due and payable; and (iii) said sale or other disposition and application of the proceeds thereof shall be without prejudice to all other rights and remedies which the Bank may now or in the future have against the Surety with respect to any of the defaulted obligations remaining unpaid.

In the event of judicial proceedings being instituted by the Bank to enforce any of the covenants and conditions of this suretyship, the Surety hereby agrees to pay the Bank a reasonable compensation for its expenses and charges including attorney's fees, which shall not be less than ten percent of the indebtedness then outstanding and unpaid, and shall in no event be less than Five Hundred Pesos.

The Surety (if corporate) represents and warrants that the execution and delivery of this suretyship has been properly authorized by the necessary corporate actions, does not and will not violate its Articles of Incorporation/By-laws or equivalent documents, and that this suretyship constitutes its valid, binding and legal obligation enforceable in accordance with the terms hereof.

\_\_\_\_\_  
Corporate Surety

By:

\_\_\_\_\_  
(Authorized Representative)

\_\_\_\_\_  
Surety

Marital Consent:

\_\_\_\_\_  
(Spouse of Surety)