

Standard Trade Terms and Conditions





CONTENTS

1. BACKGROUND	4
2. TRADE PRODUCTS & SERVICES	4
GENERAL TERMS AND CONDITIONS	4
3. DOCUMENTARY CREDITS	5
4. GUARANTEES / UNDERTAKINGS	7
5. EXPORTS (COLLECTIONS AND UNDER DCS)	8
6. FINANCE	8
7. TRADE FINANCE LOANS	9
8. APPLICATIONS FOR RELEASE OF GOODS, SHIPPING GUARANTEES AND LETTERS OF INDEMNITY	9
9. CASH COLLATERAL	10
10. TRUST RECEIPTS	10
11. SET-OFF	10
12. SUPPLEMENTARY RIGHTS	10
14. PAYMENTS	11
15. TRADE SERVICE UNDERTAKINGS	12
16. COMPLIANCE WITH LAWS AND SANCTIONS	13
17. LIMITATION ON LIABILITY	14

STANDARD TRADE TERMS (THESE TERMS)

1. BACKGROUND

- 1.1 These Terms shall apply to any Trade Service, which Commercial Bank of Dubai (hereinafter referred to as the Bank) may agree to make available or procure at the request of the Customer who avails trade service facilities from the bank.
- 1.2 These Terms shall, where applicable, subject to other terms and conditions will apply in relation to services provided by the Bank to the Customer (including any banking service or account operating agreement). Where any conflict arises between these Terms and any other applicable conditions in relation to any trade service the following shall apply in the below order of priority:
- (a) the Application.
 - (b) the Facility Agreement and/or any applicable Security Agreement
 - (c) the Country Conditions Local Laws or governing laws (if any)
 - (d) these Terms.

2. TRADE PRODUCTS AND SERVICES

A) GENERAL TERMS AND CONDITIONS:

- 2.1 Unless the Customer otherwise requests (and the Bank agrees with such request):
- a) all Letters of Credit/Documentary Credits issued by the Bank will be issued subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication No. 600 (UCP600) and, if required by the Bank, the Uniform Customs and Practice for Documentary Credits (UCP600) Supplement for Electronic Presentation (eUCP);
 - (b) all Standby Letters of Credit (SBLCs) issued by the Bank will be issued subject to the International Standby Practices 1998, ICC Publication No. 590 (ISP98).
 - c) all Bonds and Guarantees issued by the Bank will be issued subject to the Uniform Rules for Demand Guarantees, ICC Publication No.758 (URDG 758);
 - d) all Collections will be undertaken subject to the Uniform Rules for Collections 1995, ICC Publication No. 522 (URC 522) and, if required by the Bank, the Uniform Rules for Collections (URC 522) Supplement for Electronic Presentation (eURC),

in each case, as may be revised from time to time (together the ICC Rules), and the rights and obligations of the Customer will be subject to the applicable ICC Rules in addition to these Terms. If there is any conflict between any ICC Rule and these Terms, these Terms shall prevail.

- 2.2 Nothing in these Terms shall oblige the Bank to enter into or provide any Trade Service at any time.
- 2.3 All Trade products and documents thereof shall be subject to the laws of United Arab Emirates and/or applicable laws for the relevant products unless otherwise mentioned thereof. The Governing Jurisdiction is the United Arab Emirates and any disputes shall be settled by the Dubai Courts.
- 2.4 The Bank may nominate, instruct or procure any correspondent bank to be the issuing, advising, nominated or confirming bank in respect of any Trade Service and is authorised to or issue a counter-guarantee or counter-SBLC in such form and content as determined by the bank in favour of the correspondent bank. The Bank may pay to, or receive from any correspondent bank, charges, commissions, fees or other payments as per agreed arrangements

- 2.5 The Customer undertakes to a) examine the customer copy of each Instrument issued by the bank including DC and/or Guarantee in order to check its consistency with the relevant application b) review all advices and correspondence and agrees to give immediate notice to the Bank of any objection to its contents.
- 2.6 The Bank may at any time amend or insert additional terms and conditions into any instrument issued by the bank including DC or Guarantee as the Bank may consider appropriate with or without the consent of the customer provided.
- a) That any such amendment or additional terms and conditions shall not increase the customer liabilities in relation to such instrument. The Bank may, subject to the beneficiary's consent, cancel the whole or any unused balance of the instrument or extend the validity of the instrument for any further period as they deem necessary
- b) The Bank considers necessary to ensure compliance with local government regulations and without any obligation on the part of the Bank.
- 2.7 The customer indemnifies the Bank against all losses, costs, damages, expenses, claims and demands which the Bank may incur and/or sustain by reason of issuing any instrument including DCs and guarantees upon your first demand. Further, the customer's indemnity extends to all losses and damage incurred or may be incurred by the Bank directly or indirectly as a result of the Bank issuing or liquidating the instrument without the need to officially notify the customer or to take legal action
- 2.8 The presentation of any documents under an instrument issued by the bank including any form of DCs or Guarantees shall be deemed to be in compliance with the terms of the Instrument if the Bank determines that they appear to be in order and, taken as a whole, conform to the requirements of the Instrument. The Customer waives all claims against the Bank for any delay that may result in examining such documents or any failure to identify any discrepancies that may exist.

PRODUCT SPECIFIC TERMS AND CONDITIONS

3. DOCUMENTARY CREDITS (Herein After Referred to as DC)

The terms in this Clause 3 apply to any DCs issued or handled by the bank Imports DCs:

- 3.1 The Bank is authorised to honour and pay any claim made under a DC which appears a) on its face to comply with its terms and/or any documents drawn (or purporting to be drawn) and presented under such DC in accordance with its terms, without reference to or further authority from the customer or any other party b) without enquiring whether any claim has been properly made c) notwithstanding that the validity of any such claim, or the amount of it, may be in dispute. The Customer accepts any such claim as conclusive evidence that the Bank was liable to honour and pay it d) any payment made, or any steps taken by the Bank in good faith under or in connection with it, shall be binding on the customer.
- 3.2. The Customer hereby undertakes to provide the Bank, forthwith on demand with UAE dirhams unless otherwise agreed to meet i) all payments made by the Bank or their agents/correspondents, ii) all drafts drawn or accepted by the Bank or their agents/correspondents iii) the amount of all charges, commission and interest in connection with the credit and in connection with the relative goods. The Customer also authorizes the Bank to i) debit their bank account with such moneys on receipt by of advice of payment or documents or at any time thereafter at the Bank's discretion, ii) utilize the margin against the credit without reference to them.
- 3.3. In case the shipment is effected by truck (any land transport) or shipment is made to a country other than the UAE or the goods are directly consigned to the order of the customer's nominee, the customer hereby undertakes to accept the documents irrespective of any discrepancies and irrevocably authorize the Bank to debit the customer's account immediately on receipt of such documents.

- 3.4 Neither the Bank or its agents, any person, firm or company who shall make any payment in consequence of the DC shall be concerned with or bound by any sales or other contract on which the DC may be based nor shall the Bank nor any of the aforesaid be in any manner liable or responsible for any falsification or omissions or other documents or for the good faith or acts, solvency, performance or standing of the consignor, the carriers or the insurers of the goods or any other person whomsoever or for errors in translation or interpretation of technical or other terms or for delays, loss or damage to the goods.
- 3.5 Power of sale – On arrival of goods, the lender shall be at liberty to but not bound to have the same warehoused in their name and fully insured against all insurable risks at the borrower's cost however, the lender shall be in no way responsible for any loss or damage resulting from their omission to store and/or insure without prejudice to any or any other rights or remedies to which the lender may be entitled. The lender agree that that if the Borrower fails to repay on demand all moneys due to the lender from time to time as aforesaid, the lender may without notice or further consent of any person interest, sell the goods in such manner and at such times as the lender may think fit and apply the net proceeds of such sale in or towards the discharge of such moneys and the borrower undertakes to pay on demand the amount of any deficiency remaining after such sale together with all usual commission, charges, expenses and penal interest as determined by the lender for excess over limit or two(2%) over prevailing maximum interest rate fixed/charged by the lender in case of no prior arrangement
- 3.6 the borrower agrees that the right and powers hereby conferred are in addition and without prejudice to any other securities which the lender may now or hereafter hold for the Borrower and that a certificate by an officer of the lender as to the amount of the borrower's indebtedness hereunder or otherwise howsoever arising hereof shall be binding and conclusive evidence on and against the borrower in all courts of law for all other purposes without restriction.
- 3.7 Notwithstanding any contrary instruction from the customer, the Bank may reject any claim which the Bank determines does not comply with the terms of the relevant DC. the Bank is not obliged to notify the customer or to seek the customer's waiver of any discrepancy before refusing the claim. Where the Bank does seek a waiver in respect of any discrepancy, the taking of such action does not oblige CBD to seek a waiver of discrepancy at any other time.
- 3.8 The Bank will not be bound at any time to release any documents or goods to the customer unless the customer has fully discharged its customer liabilities in respect of the DC relating to such documents or goods.
- 3.9 The Bank is not obliged to notify the Customer of any incompatibility between the terms of a Back-to-Back DC and the relevant master DC.
- 3.10 Where the goods imported are for consumption within the United Arab Emirates and the relevant Documents are not legalised in accordance with the laws of the United Arab Emirates, the Customer undertakes to pay any legalisation fees before clearing such goods. This applies to all Imports to UAE including Import collections other than exceptions permitted.

4. GUARANTEES / UNDERTAKINGS

The terms in this Clause 4 apply to any SBLC, Guarantees, Bonds, Counter-guarantee, Counter-SBLC, or similar independent payment obligation (including any extension, renewal or amendment of the) issued, confirmed or provided by the Bank.

- 4.1 The customer authorizes the Bank a) to debit their (customer's) account with the margin required and with commission, postage, correspondent charges and other expenses including interest in consideration of issuing and or subsequently amending guarantees from time to time at our request. b) to debit their account with such moneys on receipt of claim under the guarantee or advice of payment or documents or at any time thereafter at the Bank's discretion. c) authorize the Bank to apply any amount held by the Bank in the customer's name against amounts owing by me/us in respect of the guarantee without reference to the customer
- 4.2 The governing law of the Beneficiary's country/ URDG/Laws of England or Wales/ DIFC / ADGM laws or applicable laws shall apply to the guarantees as applicable if the beneficiary is established outside the UAE and issued through the correspondent bank
- 4.3 The customer will be responsible for the issuance of the Letters of Guarantee by the Bank and remain under obligation to entirely abide by its terms until a) the original is returned to the Bank for cancellation and the Bank has cancelled as per their requirements b) the beneficiary releases the Bank from all obligations and liabilities under the guarantee in a form acceptable to the Bank.
- 4.4. The Bank will discharge upon first demand the payment obligation under the guarantee issued without referring to the customer and notwithstanding any objection by customer or any other party whatsoever regardless of whether or not the Beneficiary is legally justified in presenting or making a demand under the guarantee
- 4.5 Notwithstanding any contrary instruction from the customer, the Bank is entitled to reject any claim, which the Bank determines does not comply with the terms of the relevant Instrument. The Bank is not obliged to notify the customer or to seek the customer's waiver of any discrepancy before refusing the claim. Where the Bank does seek a waiver in respect of any discrepancy, the taking of such action does not oblige the Bank to seek a waiver of discrepancy at any other time.
- 4.6 If any Instrument contemplates renewal or extension and the customer does not advise the Bank at least 3 Business days prior to the time required for the Bank to provide notice of cancellation as required by the Instrument, the Bank may renew or extend for an additional year or such other term as the Bank may so select. the Bank shall however be under no obligation to issue, extend or renew any Instrument and may at any time:
 - (a) cancel or revoke any Instrument without prior notice to or authorisation from the Customer if such Instrument or the beneficiary of such Instrument permits cancellation or revocation; or
 - (b) pay any Instrument without prior notice to or authorisation from the customer if the Instrument or any relevant law permits or requires payment to be made if such Instrument is cancelled, withdrawn, not extended or not renewed.
- 4.7 Any cancellation, payment or revocation by the Bank of any Instrument at any time shall be without prejudice to the rights and obligations of the Bank and the customer under these Terms.
- 4.8 Unless an Instrument expressly provides that the original Instrument must be presented to the Bank to support a claim, the Bank may pay and/or comply with any Claim, whether or not the original of the Instrument is presented to the Bank.
- 4.9 Notwithstanding that the customer may claim that an Instrument has been reduced, cancelled or terminated, the Bank may determine that, due to the governing law of the Instrument, it is has not been reduced, cancelled or terminated, or the Bank may determine that it is necessary to obtain or require the relevant beneficiary's confirmation of the reduction, release or discharge of the Bank and/or any correspondent bank's liabilities under such Instrument. Subject to such determination, or until such confirmation is received by the Bank, such Instrument shall not be treated or deemed as reduced, cancelled or terminated.

5. EXPORTS (COLLECTIONS AND UNDER DCs)

The terms in this Clause 5 apply to any Export transaction handled under collection or under DG.

- 5.1 If the Bank is requested by the customer to handle a Collection as the remitting bank, the bank shall be under no obligation to make any payment to the customer in respect of the collection until the Bank has received full payment from the collecting or presenting bank. The Bank is entitled to deduct any charges for the services rendered.
- 5.2 The Bank is not obliged to check the Documents a) before sending them to the collecting or presenting bank. b) the bank will forward the documents as received
- 5.3 The customer holds the Bank indemnified for any loss, damages or cost involved on having acted upon their (the customer's) instructions
- 5.4 Indemnity for Remote presentation of Export Collection documents:
 - 5.4.1 Under the terms of the arrangement, the customer will be able to print Presentation schedule, as prepared by the bank in conjunction with the original Export collection documents and sent by courier to the Importer's bank (collecting bank) by a courier arranged by the customer at the customer's risk and responsibility and the bank will be discharged and indemnified against any cost, loss, claim or liability in relation to the shipping of the export collection documents.
 - 5.4.2 The customer indemnifies the bank against i) any claim that may be raised by any party in the transaction against any delay in receipt of export collection documents by the drawee or drawee's bankers or lack of payment as a result of a lost/mutilated document (in full or part) in transit ii) actions, damages, costs, claims demands or losses arising from the bank acting in accordance with any instruction from the customer iii) any act of forgery, lack of authority, wrongful alteration or other misuse of a document, text or file or any transmission details appearing as not genuine.

6. FINANCE

The terms in this Clause 6 apply where the bank Finances any Invoice/Document or Bills under DC

- 6.1 If the Bank has financed a document or Invoice or bills under DC and payment in full or part is not received by the Bank for any reason (or cannot, for any reason whatsoever, be accepted by the Bank) from the relevant issuing bank, confirming bank, collecting bank, presenting bank, drawee or obligor (as applicable), then unless otherwise agreed in writing by the Bank, such Trade service offering is provided with full recourse against the customer; and the customer is required to reimburse the Bank for amounts not received. Such reimbursement is payable immediately upon the Bank's demand together with any interest payable and the customer shall reimburse the Bank for any loss or damage suffered by the Bank as a result of the non-payment.
- 6.2 Where the Bank has financed a document or Invoice or DC, the Bank may at its discretion:
 - a) Take conditional acceptances and/or acceptances for honour and/or to extend the due date for payment in relation to any such document or Invoice or DC
 - b) Accept payment from any drawee or acceptor before maturity under rebate or discount.
 - c) Accept part payment before maturity and deliver a proportionate part of the goods to any drawee or acceptor of such document or Invoice or DC or the consignee of the related goods.
 - d) At the request of any drawee, delay presentation of such document or Invoice or DC for payment or acceptance without affecting the liability of the customer to the Bank in respect of such document or Invoice or DC.

7. TRADE FINANCE LOANS

The terms in this Clause 7 apply to any Trade finance loans (hereinafter referred to as TF loan) which the Bank may provide to the customer.

- 7.1 The Customer shall repay each TF loan together with accrued interest and any outstanding fees, commissions, charges and expenses incurred by the Bank on demand unless the Bank agrees otherwise in writing. In any event the customer shall repay a TF Loan no later than a) its maturity date; b) if it is for financing goods or services, the date on which the customer receives the proceeds of sale of those goods or services (in full or part); and/or c) if it is for the financing of a debt owed to the customer, the date on which the customer receives payment of the debt (in full or part), and, upon the request of the Bank, the customer will arrange for all monies payable to the customer under or in connection with the relevant Trade Transaction to be paid directly to a bank account as specified by the Bank to be used towards the repayment of that TF Loan and any other outstanding customer liabilities.
- 7.2 Where the Bank provides to the customer a TF loan backed by a DC and the Bank presents the required documents to the issuing bank for payment or approval and/or the Bank finances that DC or any document presented under that DC, the bank is authorised to apply the proceeds of the DC or the amount of the finance towards the repayment of that TF Loan and any other outstanding Customer Liabilities (including accrued interest).

8. APPLICATIONS FOR RELEASE OF GOODS, SHIPPING GUARANTEES AND LETTERS OF INDEMNITY

The terms in Clause 8 apply to any Application for the release of Goods, shipping guarantee or letter of indemnity.

- 8.1 If the customer requests the Bank to sign or countersign any letter of indemnity or shipping guarantee or sign, endorse or release any air waybill, bill of lading, parcel post receipt or delivery order (collectively known as Transport Documents) to facilitate the release of goods:
- a) The Bank is authorised (but not obliged)
- i) to honour any Claim (including the acceptance of any document presented) made under any DC, collection or document relating to any released goods and to pay the invoiced amount of the goods or the value of the goods (whichever is higher) without examining any of the presented documents and whether or not aware of any discrepancies; and
- ii) to utilise any Transport Documents in the Bank's possession for the redemption of any letter of indemnity or shipping guarantee;
- 8.2 The customer indemnifies the Bank and keep the Bank indemnified and harmless against any damage or loss that the Bank may incurred, sustain or any claim that may be lodged against the Bank by the Borrower or any third party and to keep the Bank indemnified from all direct and consequential damage that arise
- 8.3 The Customer undertakes to accept any discrepancy in the documents that are drawn under the relevant Letter of credit/ Inward Bill for collection and also agree that in consideration of the bank issuing the Shipping Guarantee/Delivery Order without mentioning an amount, the bank is indemnified for an unlimited amount.
- 8.4 The Customer shall redeem and deliver each letter of indemnity or shipping guarantee (if any) to the Bank for cancellation immediately and not later than one month upon receipt of the relevant original Transport Documents duly issued or endorsed to the bank's order to enable the bank to redeem the guarantee and fulfil obligations
- 8.3 The Customer agrees that its liabilities in respect of a letter of indemnity or shipping guarantee shall continue and shall not be reduced until such letter of indemnity or shipping guarantee has been returned to the Bank and the bank has been released from all its liabilities under such letter of indemnity or shipping guarantee.

9. CASH COLLATERAL

- 9.1 The Customer shall upon demand pay to such bank account as the Bank may direct cash cover in an amount sufficient to cover the Customer Liabilities or such lesser amount if agreed by the Bank (such amount paid, being Cash Collateral).
- 9.2 The Bank may, at any time without notice or demand, apply (whether by way of set-off, transfer or otherwise) any or all Cash Collateral towards the payment of any Claim, the repayment of any Trade Finance Loan and/or the satisfaction of any or all other customer liabilities.

10. TRUST RECEIPTS

- 10.1 Whilst any customer liabilities remain outstanding in respect of any trade service provided in relation to any documents or goods, if any such documents or goods are held by or released to the customer or to its order, the customer:
- a) will hold such documents and goods (and the proceeds of sale and/or any insurance) on trust for the Bank (or, if a trust is not recognised and enforceable, hold to the order of the Bank) exclusively for the purpose agreed between the Bank and the customer from time to time in respect of the Trade Service being provided.
 - b) will keep such sale and/or insurance proceeds, and store such Goods, separate from any other property of the Customer and capable of being identified.
 - c) will, at the request of the Bank, execute and deliver to the Bank trust receipts in form and substance satisfactory to the Bank together with any other documentation the Bank may require:
 - d) Will comply promptly and fully with any instructions or request which the Bank may give to the Customer in relation to such documents and goods;
 - e) will, upon receipt, promptly pay to the Bank the proceeds of sale and/or insurance of the Goods; and
 - f) acknowledges that the Bank may at any time take possession and dispose of the Goods, Documents and/or sale and/or insurance proceeds of the Goods-

11. SET-OFF

- 11.1 The Bank may, at any time and without notice, combine or consolidate all the Bank accounts of the Customer held with the Bank and/or set-off any Customer Liabilities against any obligation owed by the Bank to the Customer (including in respect of any Cash Collateral, or proceeds received or held by the Bank), regardless of the place of payment, booking branch or currency of either obligation.
- 11.2 To effect any set-off the Bank may convert to a currency any amount, which is in a different currency at the relevant Exchange Rate.

12. SUPPLEMENTARY RIGHTS

- 12.1 The Bank's rights under these Terms are to be in addition to and are not to be in any way prejudiced or affected by any one or more other indemnities, guarantees, securities or other obligations which the Bank may now or subsequently hold whether from the customer or any other person.

SECTION 3 – FEES AND PAYMENTS

13.1 FEES, COMMISSION, INTEREST AND CHARGES

Unless otherwise agreed in writing with the Customer:

- i. fees and other charges including interest and commission shall be payable by the Customer to the Bank in respect of each Trade Service at the rates, in the amounts, and at the times agreed in the relevant Application, Facility Agreement or Tariff Book or as otherwise in accordance with the Bank's standard practices.
 - ii. interest shall be payable by the Customer to the Bank upon demand in respect of any Trade Finance Loan or Finance, shall accrue on the amount of such Trade Finance Loan or Finance for the period from the date the Bank provides such Trade Finance Loan or Finance to the date such Trade Finance Loan or Finance is repaid or settled in full, and shall be calculated by reference to the rates agreed in the relevant Application, Facility Agreement or Tariff Book or as otherwise in accordance with the Bank's standard practices;
- 13.2 Any fee, interest or commission accruing in respect of a Trade Service will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the market practice in the relevant Governing Jurisdiction differs, in accordance with that market practice.
- 13.3 If the Customer fails to pay any amount payable by it under these Terms on its due date, default interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at the rate agreed in the relevant Application, Facility Agreement or Tariff Book or as otherwise in accordance with the Bank's standard practices.

14. PAYMENTS

- 14.1 Payments by the Customer shall be made to the Bank in immediately available, freely transferable, cleared funds and as specified by the Bank, without any set-off, counterclaim, withholding or conditions of any kind unless compelled by law.
- 14.2 Any moneys paid to the Bank in respect of the Customer Liabilities may be applied in or towards satisfaction of the same or credited to a separate suspense account for so long as the Bank determines in order to preserve the Bank's rights towards discharge of the whole of the Customer Liabilities.
- 14.3 Any sums that would fall due on a day other than a Business Day will be due on the next Business Day. In such event, interest and commission calculations will be adjusted accordingly.

15. TRADE SERVICE UNDERTAKINGS

15.1 The Customer shall, to the extent applicable to a Trade Service and/or where the Bank has or is purported to have an interest in the relevant DC Documents, Goods or proceeds of sale referred:

- a) Ensure that the Documents, goods or proceeds of sale (as applicable) are free from any mortgage, charge, pledge, lien or other security, interest, encumbrance or claim except for any trust, pledge or other form of security in favour of the Bank or which has been expressly permitted by the Bank.
- b) Insurance: for so long as the Customer has title to the Goods or if as a condition to the Trade Service the Customer is required to procure the insurance of the goods:
 - i) Insure the goods for such value against such insurable risks as is stipulated in the relevant condition or, in the absence of any such condition, as is customary for those goods
 - ii) Insure the goods as indicated in all Letters of Credit for not less than the full CIF value thereof plus ten percent (10%) and in the currency of the credit and that the insurance policies in respect thereof
 - iii) shall be assigned to and that until payment by me/us of all amounts due to the Bank in respect of the Letter of Credit and of all the customer's indebtedness or liability to the Bank on any account, the insurance moneys paid are to be held as available to the Bank and
 - iv) If received by the customer shall be paid to the Bank forthwith and until so paid shall be held by the customer on behalf of the Bank
 - v) Promptly following (and in any event within ten days of) the date of the application for the relevant Trade service, provide to the Bank copies of the relevant insurance policies; and
 - vi) Promptly notify the Bank of any claims made on the relevant insurance policies and direct the insurer to pay to the Bank all insurance proceeds in respect of the Goods.
 - vii) If so requested by the Bank a) Promptly arrange for the Bank's interest in the goods to be endorsed on any relevant insurance policy and b) promptly submit claims in respect of the Goods to relevant insurer;
 - vii) Promptly pay to the Bank all insurance proceeds received by it in respect of the goods and pending payment, hold such proceeds on trust for the Bank (or, if a trust is not recognized and enforceable hold to the order of the Bank)

16. COMPLIANCE WITH LAWS AND SANCTIONS

16.1 The Customer represents and warrants that:

- a) neither the Customer nor any of its subsidiaries, directors, officers, employees, agents, or affiliates is a person or entity that is, or is owned or controlled by any person or entity that is the subject of any sanctions issued, administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control, the US Department of State, the United Nations Security Council, the European Union, His Majesty's Treasury, or any other sanction issuing or enforcement body that may be applicable to the Bank, the Customer, a Trade Service or a Trade Transaction (the Sanctions); or located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions;
- b) any required import or export licenses applicable to each Trade Transaction have been obtained and, if the Customer is aware that the Bank may require an export license or other authorisation for the provision of the relevant Trade Service for the Customer, the Customer will notify the Bank prior to the Bank providing the Trade Service; and
- c) the Customer is compliant in all material respects with foreign and domestic laws and regulations pertaining to each jurisdiction in which it operates and to each Trade Transaction and the subject matter of such Trade Transaction including, if applicable, the shipment and financing of the goods described in such Trade Transaction or the associated documents.

16.2 The Customer acknowledges and agrees that:

- i) The Bank are required to act in accordance with the laws and regulations of various jurisdictions, including those which relate to Sanctions, export controls and the prevention of money laundering, terrorist financing, bribery, corruption and tax evasion.
- ii) At any time, the Bank may require the Customer to immediately provide to the Bank information related to any Trade Transaction, including the underlying contract or other documentation.
- iii) The Bank may take to the extent it is legally permitted to do so under the laws of its jurisdiction, any action (a Compliance Action) which it considers appropriate to act in accordance with Sanctions or domestic and foreign laws and regulations. Such Compliance Action may include:
 - a) The interception and investigation of any payment, communication or instruction;
 - b) The making of further enquiries as to whether a person or entity is subject to any Sanctions or export control restrictions; and/or
 - c) The refusal to issue, renew, extend, transfer or assign a Trade Service

SECTION 6 - OTHERS

17. LIMITATION ON LIABILITY

- 17.1 The Bank shall not be liable for any loss, damages, payments, demands, claims, expenses or costs suffered or incurred by the Customer (or any of its affiliates) arising from or in connection with these Terms or any Trade Service.
- 17.2 Notwithstanding anything stated herein, in no circumstance whatsoever will the Bank will be liable to the Customer (or any of its affiliates) for: a) any loss of business, profits or data; or b) indirect, consequential or special loss or damage, whether or not the Bank has been advised of the possibility of such loss or damage.

