



This contract ,herein referred by reference no. _____ dated _____ is entered between
M/s _____ referred as Applicant/Buyer and
M/s _____ herein referred as beneficiary supplier.

Whereas,

1) The supplier has undertaken an obligation towards the buyer to supply (Name of commodity/services) within a period of _____ days/month/ year, ending _____2004/05, more specifically mentioned in the pro-forma invoice No. _____ dated _____2004/05 subject to the following terms & conditions:-

a) It is resolved that the first party shall establish a Standby Letter of Credit, hereafter referred as SLC, as payment guarantee for fulfillment of contract by the beneficiary as per clause no.1

b) The standby letter of credit shall contain a clause requiring beneficiary/supplier’s written and signed statement that the amount demanded is due and owing under the contract and the said statement/demand should bear the applicant’s signed confirmation that it is correct and the signatures therein should be verified by the SLC issuing bank as per their records.

c) While presenting claim to SLC issuing bank, supplier through their bankers will submit an authenticated swift message or tested telex issued by the SLC issuing ie., The Wall Street Banking Corp. Ltd. Cook Islands addressed to the advising bank confirming the suppliers fulfillment of their commitments towards the buyer. SLC issuing bank may add special condition/s or clause/s at the request of the buyer pertaining to the confirmation of supplier’s fulfillment.

d) It is hereby confirmed by the buyer and seller that trade transaction as referred in clause 1 above constitute a genuine business trade transaction. Both the parties further indemnify bank that they will not misuse the credit instrument in any other way except as specified above.

e) Any amendment/endorsement or verification of any document pertaining to the said SLC in regard to clause no. 1(b &c), shall be at the sole discretion of the issuing bank. In the eventuality of acceptance of such request the applicant shall ensure provision of 100 % cash margin to the LC Issuing bank as per credit terms stipulated therein for applicant.

f) The buyer to confirm payment against receipt of goods as per the schedule given in the Pro-forma invoice through advising bank. SLC amount will reduce proportionately which will be advised by the issuing bank through authenticated swift/Telex.

g) It is agreed and confirmed between the buyer and the supplier that neither party shall raise any claims against the SLC issuing bank, if it refuses to issue the amendment on the basis of non fulfillment of credit terms by the applicant.

h) We, the applicant and beneficiary irrevocably declare and undertake not to claim the refund of the banking charges and commissions once paid to you for this transaction and will not approach any court of law for any reason whatsoever with regard to this LC transaction.

i) This contract is considered as binding document as is a binding part of SLC and shall be governed by and construed in accordance with the laws of Cook Islands. The undersigned are fully empowered by resolution of corporate resolutions to do so bind and commit. This contract supersedes any other binding obligation or document on the said SLC. We agree that the failure to comply with any of the procedures terms and conditions of this contract will be binding on both the parties i.e., applicant and beneficiary.

Signed by
 On behalf of the buyer

Signed by
 On behalf of the supplier

Company Stamp

Company Stamp