



Application and Agreement for Documentary Credit

Date:

For assistance with the completion of this form, please contact the Trade Service Centre Help Line: **1-800-757-4525**

YYYYMMDD

Commercial Clients: Fax your completed and signed application to your branch or Trade Operations via fax: 1-800-450-7774**Small Business Clients:** Fax your completed signed application to your branch/AMBP**Capital Markets Account Clients:** Fax your completed application to GLA Trade: 416-364-3670**Branch:** For Small Business Clients, send directly to BSC via eCourier/PEGA
For Commercial clients, send directly to Trade Ops via fax: 1-800-450-7774PLEASE ISSUE AN IRREVOCABLE AND
TRANSFERABLE DOCUMENTARY CREDIT**1. CUSTOMER AND CONTACT INFORMATION**Name of
Applicant:Name of
Beneficiary:

Address:

Address:

Contact:

Telephone:

Fax:

Advising Bank:

2. SHIPPING AND TRANSPORT

Currency:

Amount:

Tolerance
Amount:

% Expiry Date:

YYYYMMDD

Terms:

For:

% of invoice amount at your option on
you or your correspondents.

Terms have no Bearing on Expiry Date of Credit

Shipment From:

Shipment To:

Shipping Terms:

Transport Doc.:

Other:

Port of Landing/Place/Port/ Port of Destination/ Other(Please Specify)

Marked Freight:

Transport Doc.:

Container Shipment:

Ship Before:

YYYYMMDD

Partial Shipment:

Notify:

Drawn/ Consigned to the order of Royal bank of Canada

Transshipment:

Covering:

3. ACCOMPANYING DOCUMENTS (select from applicable items below)

Commercial Invoice # of Originals: # of Copies:

Canada Customs Invoice # of Originals: # of Copies:

Packing Slip / List # of Originals: # of Copies:

Certificate of Origin # of Originals: # of Copies:

Insurance Policy / Certificate # of Originals: # of Copies: Covering: For %

of In Negotiable Form with Loss Payable to Royal Bank of Canada in:

OTHER DOCUMENTS**SPECIAL CONDITIONS**

ALL BANKING CHARGES OUTSIDE CANADA FOR:

Beneficiary's Account

Applicant's Account

IS THIS CREDIT COVERED BY A FORWARD CONTRACT?

Yes

No

Please Note:Trade operations must be notified if a foreign exchange
forward contract has been arranged after the issuance of
the Letter of Credit.

TERMS AND CONDITIONS

In consideration of Royal Bank of Canada (hereinafter called the "**Bank**") issuing, honouring, revising and amending a documentary credit (hereinafter called the "**Credit**") at the request of the person(s) (herein collectively called the "**Customer**", their liabilities herein being joint and several) whose signature(s) appears on these terms and conditions, such terms and conditions forming part of the Application and Agreement for Documentary Credit (the "**Application**") and subject to modifications in the Credit which may be made by the Bank from time to time, the Customer covenants and agrees with the Bank as follows:

- The Customer shall provide for all bills of exchange, drafts, cable and written demands for payments and receipts drawn or issued under a Credit (a "**Drawing**") by payment of the amounts thereof to the bank in accordance with the following provisions:
 - a Drawing in the currency of the place of issue of the Credit shall be provided for by payment in that currency;
 - a Drawing in a currency other than the currency of the place of issue of the Credit (a "**Foreign Currency**") shall be provided for by payment in the currency of the place of issue of the Credit in an amount determined by applying the Bank's current announced rate of exchange for converting such Foreign Currency to the currency of the place of issue of the Credit to the amounts due under the Credit or, with the Bank's approval, in such Foreign Currency, by bankers' demand draft or by telegraphic transfer;
 - if the Drawing is payable on sight, payment will be made on demand of the Bank together with interest from the date the Drawing was honoured by the Bank; and
 - if the Drawing is not payable on sight, payment will be made a sufficient number of days prior to the maturity of the Drawing, to enable the Bank to transfer the funds to (and for value in) the place where the Credit is to be honoured.
- The Customer shall pay the Bank's fees (including, without limitation, any legal and documentation fees) and expenses incurred by the Bank in connection with the Credit or these terms and conditions, including the enforcement of its rights under the Credit or these terms and conditions with interest thereon.
- The Customer shall pay the Bank's fees and charges at the prevailing rate for issuing, renewing, honouring, revising and making amendments to documentary credits. The Customer shall reimburse the Bank that amount which compensates the Bank for any additional cost or reduction in income caused by: (i) an imposition of or increase in taxes on amounts payable by the Customer to the Bank in connection with the Credit or these terms and conditions, other than taxes on the overall net income of the Bank; (ii) an imposition of or increase in reserve or similar requirement against assets of, or deposits in or for the account of loans by, or any other acquisition of funds by, the Bank; (iii) a change in any requirement of the Bank relating to capital adequacy; or (iv) the imposition of any other condition with respect to the Credit by any government, governmental body or agency, tribunal or regulatory authority, through any directive, regulation, request or requirement with which financial institutions operating in the relevant jurisdiction are accustomed to or have generally complied, whether or not having the force of law.
- The Customer shall pay interest on all overdue payments, fees and charges. Any interest payable hereunder is payable at the rate of interest announced from the time to time by the Bank as the reference rate then in effect for determining rates of interest for commercial loans in the relevant currency and location. Such interest shall be calculated daily and shall be payable monthly with interest on overdue interest at the same rate as on the principal.
- All users of the Credit shall be deemed to be agents of the Customer, and neither the Bank nor its agents or correspondents shall be responsible for the existence, nature, condition, quality, weight, quantity or value of any property which may be purchased through the use of the Credit (the "**Goods**"), or the packing, shipment, export, import, handling or storage thereof, or the safety or preservation thereof at any time, and neither the Bank nor its agents or correspondents shall be liable for any loss resulting from the total or partial destruction of or damage to or deterioration or fall in value of the Goods, or from the inadequacy or invalidity of any documents or insurance, or from the default or error in or misinterpretation of or default or delay in the sending, transmission, arrival or delivery of any message, whether in cipher or not, by post, telegraph, cable, wireless or otherwise, and the liability of the Customer to the Bank shall not be in any way lessened or affected if any bill or document accepted, paid or acted upon by the Bank or its agents or correspondents should be in any or all respects invalid, insufficient, fraudulent or forged or if any bill does not bear a reference or sufficient reference to the Credit or if no note thereof is made on the Credit.
- The Customer shall obtain promptly all necessary permissions, licenses and other authorizations in respect of the shipping, export or import of any Goods and shall comply with all foreign and domestic governmental requirements with regard thereto, the whole to the exoneration of and without expenses to the Bank, and deliver to the Bank such certificates in respect thereof as it may require from time to time. The Customer shall also confirm to the Bank, the country of origin and the intermediate and ultimate destination of the Goods, as the Bank may require.
- The Customer grants to the Bank, by way of a fixed and specific mortgage, assignment and charge, a security interest in the Goods and any related documents, including all shipping documents, warehouse receipts and rights under policies or certificates of insurance and other documents accompanying or related to any Credit or to any drawings under any Credit, and the proceeds of each of them (the "**Property**"), as security for any obligations, matured or contingent, the Customer may have to the Bank at any time and from time to time, including obligations in connection with any Credit (the "**Obligations**"). If in the Bank's opinion, the Bank is faced with a potential loss in respect of any of the Obligations, the Bank may take possession of the Property by any means permitted by law, and dispose of any or all of the Property as permitted by law.
- The Customer shall grant the Bank, from time to time whenever requested by it, additional security, satisfactory to it in nature and amount, for the Obligations and the Bank may hold all property of any kind belonging to the Customer at any time in possession of the Bank or under its control as security for all the Obligations.
- Notwithstanding any other provision of these terms and conditions, the Bank may at any time or from time to time, without notice to the Customer or to any other person, set-off, appropriate and apply any and all deposits (general and special) by or for the benefit of the Customer with any branch of the Bank, whether matured or unmatured, and regardless of currency and any other indebtedness of the Bank to the Customer, against and on account of the amounts payable to, or the liabilities of the Customer to, the Bank under these terms and conditions, irrespective of whether or not the Bank has made any demand for payment pursuant to the provisions of these terms and conditions or the amounts payable are due or the liabilities are contingent.
- These terms and conditions and the obligations hereunder shall continue in force and apply notwithstanding any change for any cause or in any manner whatsoever in the composition or membership of any firm which is a party hereto or may be a user of the Credit.

- The Customer shall insure the Goods and keep them insured, or cause them to be insured and kept insured, against all risks, including war risks, with companies and by means of policies satisfactory to the Bank, the loss in every case to be payable to the Bank and the policies and all certificates of insurance to be delivered to it. Should any claim arise under any insurance the Bank is hereby irrevocably authorized to recover the full amount thereof from the insurers and to give a valid and binding receipt on behalf of the Customer and to apply the full amount thereof to the Obligations.
- The Bank may, in its sole and absolute discretion, use any agent to advise, confirm or issue the Credit or carry out any other act or deed in connection with the Credit or these terms and conditions.
- In case of any renewal or extension of the Credit or of any bills drawn thereunder, or any increase in the amount of the Credit or any modification in any of its terms, all obligations of the Customer under these terms and conditions shall subsist and apply to and in respect of such bills and the Credit so renewed, extended, increased or modified.
- Neither the Bank nor its agents or correspondents shall be liable for any loss resulting from (i) any act or omission pursuant to the Customer's instructions, (ii) any other act or omission of the Bank or its agents or correspondents other than arising from their gross negligence or wilful misconduct, (iii) the default or error in or misinterpretation of or default or delay in the sending, transmission, arrival or delivery of any message, document or payment, whether in cipher or not, by post, telegraph, cable, wireless or otherwise, (iv) any bill or document accepted, paid or acted upon by the Bank or its agents or correspondents being in any or all respects invalid, insufficient, fraudulent, forged or discrepant or any bill not bearing a sufficient reference to the Credit, (v) any act, default, omission, insolvency or failure in business of any other person (including any agent or correspondent), or (vi) any matter beyond the Bank's control.
- Notwithstanding the form of any action or claim which may be asserted by the Customer, the liability of the Bank under these terms and conditions or any document delivered or Credit issued will be limited in the aggregate to actual and direct money damages not exceeding the total fees and charges paid by the Customer to the Bank in connection with the Credit. In no event will the Bank be liable for any indirect, consequential or exemplary damages whatsoever, including loss of profits, or for any claims against or other liabilities of the Customer in respect of any third party, whether for breach of warranty, negligence or otherwise, even if the Bank has been advised or been given notice of such a possibility.
- The Customer shall indemnify the Bank from and against all losses, damages, expenses and liabilities (including legal fees and expenses), which the Bank may incur by reason of: (i) issuing, honouring and amending the Credit (including, without limitation, such losses, damages, expenses and liabilities that might arise by reason of complying with local laws, customs and regulations rendering invalid any provision of the Credit, including, without limitation, provisions dealing with the expiration thereof); (ii) the fraud, forgery or illegal actions of others or the Bank's performance of the obligations of a confirmer that wrongfully dishonours a confirmation; (iii) any action taken, admitted or suffered to be taken in good faith in reliance upon any instruction (including, without limitation, any modification to instructions provided on the Application), application, request or order from the Customer or upon other instrument, document or electronic communication reasonably believed by the Bank to be genuine; or (iv) otherwise arising out of the non-compliance by the Customer with any of these terms and conditions.
- Except as otherwise expressly stated, the Credit is subject to Uniform Customs & Practice for Documentary Credits (2007 Revision), International Chamber of Commerce, Publication No. 600 as revised from time to time.
- No failure to exercise and no delay in exercising on the part of the Bank, any right, power or privilege hereunder shall operate as a waiver thereof nor shall any partial or single exercise of any other right, power or privilege preclude any other right, power or privilege. No amendment, modification or waiver of any provision of these terms and conditions shall be effective unless it is in writing, duly signed by the Bank and the Customer, and then the amendment, modification or waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Bank. These terms and conditions and the obligations hereunder are in addition to and not in substitution for any other obligations or security held by the Bank for satisfaction of the Obligations. The remedies herein provided are cumulative and are not exclusive of any other right or remedy provided by law, in equity or under any agreement or instrument.
- These terms and conditions shall continue in full force and effect until the expiration of the Credit, but notwithstanding any such expiration, these terms and conditions shall continue in full force and effect until all obligations then outstanding under the Credit have been paid in full and all rights of the Bank hereunder have been satisfied or other arrangements for the securing of such rights satisfactory to the Bank have been made.
- The Credit is subject to all laws, customs and regulations which may be in force in any place of negotiation or payment thereof.
- These terms and conditions shall be binding upon the Customer, its heirs, executors, administrators, successors and assigns and shall inure to the benefit of, and be enforceable by, the Bank, its successors and assigns.
- The Customer has expressly requested that this document be drawn and executed in English. Le client a expressément demandé que ce document soit rédigé en langue anglaise.

THE CUSTOMER HEREBY ACKNOWLEDGES, AGREES AND RATIFIES THE PROVISIONS OF THE APPLICATION AND OF THE TERMS AND CONDITIONS SET OUT ABOVE AND FORMING PART OF THE APPLICATION.

Name of Borrower:

Authorized Person No.1 Signature

Authorized Person No.2 Signature

Name:

Name:

Title:

Title:

FOR BANK USE ONLY

SRF No. (Applicant):	Debit:	Applicant	Borrower
BRR Rating:	Debit Account at Transit:		
Facility No:	CAD	USD	Acct. No:
Borrower Name (if other than applicant):			
Borrower SRF:		Transit No:	