

PROCEDURE TO PURCHASE SBLC

DESCRIPTION OF STANDBY LETTER OF CREDIT (SBLC):

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| PRICE | 42 +2 (44 INCLUSIVE)) |
| INSTRUMENTS: | SBLC |
| CURRENCY: | EURO (€)/ USD |
| ISSUING BANK: | HSBC LONDON |
| PROVIDER SETTLEMENT BANKS: | HSBC LONDON, BARCLAYS BANK LONDON, DBS BANK SINGAPORE |

AMOUNT AVAILABLE: 100M FACE VALUE UP TO 50B CONTRACT
(ADDITIONAL CONTRACTS AVAILABLE: CONSECUTIVE OR CONCURRENT)

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1) Buyer must have a minimum of 44 Euros/USD in an account OR AN ACTIVE CREDIT FACILITY with a minimum of 44M Euros/USD in a top 20 bank (preferably banks located in Western Europe, UK, Canada, USA, Singapore, Hong Kong).

2) Buyer submits the following Compliance documents:

A) **Client Information Sheet (CIS)** - this CIS is very basic - needs to include the name and address of the Buying Entity and the Buyer's transacting bank/location (i.e. HSBC London and the contact information of the person designated to represent the Buying Entity.

B) **Bank Confirmation Letter** - The Buyer's Bank Officer addresses and e-mails an attached Bank Confirmation Letter to the Buyer and cc's the Provider's secure e-mail address (which will be provided).

The Bank Confirmation Letter (to be signed by two bank officers) will state that the Buyer's account is in good standing and that there is a minimum of 44M clear and unencumbered Euros/USD in the account OR (if the Buyer is using a credit facility to purchase the SBLC) that the Buyer's credit facility is: a) active b) fully collateralized, and c) that the Buyer has access to a minimum of 44M clear and unencumbered Euros/USD from the credit facility. The BCL will also state that the Buyer's bank is ready willing and able to issue a MT-103 Brussels SWIFT payment upon the Buyer's instructions.

3) Provider will verify the bank officer's IP address – no contact is made with the Buyer's bank. (NOTE: the IP Address verification is completed within two hours of the Provider receiving the BCL/ bank officer e-mail.) Once the IP address is verified the Provider will contact the Buyer immediately to arrange the purchase/ delivery of the SBLC and a purchase agreement/contract.

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4) Provider purchases the SBLC (the SBLC is available for delivery within 24-48 hours).

NOTE #1: THE BUYER DOES NOT SIGN A PURCHASE AGREEMENT/CONTRACT UNTIL THE SBLC HAS BEEN PURCHASED BY THE PROVIDER AND ARE IN CUSTODY (IN THE BUYER'S NAME) READY FOR DELIVERY.

NOTE#2: THE PROVIDER PURCHASES THE SBLC IN THE BUYER'S NAME.

5) Provider will contact the Buyer to confirm that the SBLC has been purchased and is in custody and ready for delivery. The Provider will then provide the purchase agreement /contract to the Buyer for signature.

6) Upon receiving the signed purchase agreement/contract from the Buyer, the Provider will disclose the custodial bank account details. (HSBC London) and the detailed contact information of the custodial bank officer. Buyer's bank officer can then contact the custodial bank officer via telephone and/or e-mail and subsequently send a MT-799 Brussels SWIFT Request for Confirmation that the SBLC is in custody and has been purchased in the Buyer's name. **IMPORTANT NOTE: THE FOLLOWING PROCEDURES APPLY IF THE BUYER AND PROVIDER ARE TRANSACTING OUT OF SEPARATE BANKS. IF THE BUYER HAS FUNDS IN HSBC LONDON, BARCLAYS BANK LONDON, OR DBS SINGAPORE, THE TRANSACTION IS COMPLETED INTERNALLY.**

7) Buyer's bank sends a MT-799 Brussels SWIFT Request for Confirmation to HSBC London requesting an MT-799 RWA confirming that the SBLC has been purchased in the Buyer's name and are in custody at the Provider's bank and available for purchase/delivery.

8) Provider's bank replies with an MT-799 Brussels SWIFT Confirmation with full bank responsibility that the SBLC has been purchased in the Buyer's name (the Buyer's Purchase Agreement/Contract Transaction Code will be referenced in the MT-799 Brussels SWIFT Confirmation) and are in custody at HSBC London and ready for purchase and delivery and that upon receipt of the MT-103 Brussels SWIFT payment the SBLC will be delivered immediately via MT-760 Brussels SWIFT into the Buyer's account.

NOTE: The Buyer does not send the MT-103 payment until he receives confirmation from his bank officer that he has confirmed bank-to-bank with full bank responsibility that the Provider's bank will deliver the SBLCs as stated in the MT-799 Brussels SWIFT. Confirmation.

9) Buyer's bank sends the MT-103 Brussels SWIFT payment.

10) HSBC London delivers the SBLC to the Buyer's bank via MT-760 Brussels SWIFT.

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