

**LETTER OF CREDIT
APPLICATION**

Riga, ___/___/200__

Customer _____
(Customer full name)

Financial security account No _____

Registration No / Unified Registration No _____

Address _____

represented by: _____ **acting under** _____
(Name, Surname)

Current Account No in JSC "Rietumu Banka" _____

Representative ID _____

1. Please issue Letter of Credit (L/C) at our expense in accordance with the following instructions
(please mark X if appropriate)

1.1. **Type of L/C** Irrevocable Transferable Confirmed Standby

1.2. **Partial shipments** Allowed Prohibited

1.3. **Transshipment** Allowed Prohibited

1.4. **Shipment from** _____ **to** _____

no later than by _____

1.5. **Short description of goods (services), unit price, quantity** _____

1.6. **Delivery terms (Incoterms 2000):** FOB EX WORKS CIF Others: _____

1.7. **L/C is available:** at sight payment by acceptance

by deferred payment at ___ days by negotiation

with the Bank _____
(Bank name)

1.8. **Documents required** _____

1.9. **Period to present documents:** ___ days after shipment documents but no later than by L/C expiry date.

1.10. **Commission fees:** **Bank commissions** Customer pays Seller pays

commission of Correspondent bank Customer pays Seller pays

comission of Beneficiary bank Customer pays Seller pays

2. Please issue L/C taking into account the following instruction:

2.1. **The L/C value:** Amount (in figures) _____ Currency _____

Currency and amount (in words) _____

2.2. In favour of Beneficiary _____
(Full Name)

Address, details _____

2.3. Beneficiary bank _____
(Bank Name, details, SWIFT/BIC)

3. Preconditions for issuing of the L/C :

3.1. The Amount of the L/C has been paid to the Financial security account, the commissions have been paid to the Bank.

4. Validity of the L/C:

4.1. The L/C expiry date and place _____

4.2. Additional conditions of the L/C _____

4.3. The performance of the conditions of the L/C is governed by the UCP 500 (1993 revision)

the UCP 600 (2007 revision)

5. The Bank has the rights:

5.1. to transfer the funds in the Amount of the L/C, which will serve as the security of the L/C, from the Customer Current account with the Bank to the Financial security account. The respective amount of the funds transferred to the Financial security account in line with the provisions of this clause will be kept there:

1. up to 7 (seven) days after the expiry of the L/C, if the L/C is available with the Bank, or;
2. until the Bank pays it to the Beneficiary, or;
3. until the Bank receives a confirmation that the Bank is released from liabilities if the L/C is available with another bank, but no longer than 45 (forty five) days after the L/C expiry date;

5.2 to write off the commissions for the L/C from the Customer Current account with the Bank, as well as all other possible charges and commissions in accordance with the tariffs of the Bank, as well as commissions and expenses of other banks involved, if the Beneficiary refuses to reimburse them.

6. The usage of the L/C value:

6.1. If the Bank receives the Documents (mentioned in Clause 1.8) pursuant to Sections 1 and 2, the Customer authorises the Bank without fulfilment of any additional procedures/actions to write off the Amount of the L/C (fractional) from the Financial security account in the required amount and to pay the claim in line with the L/C and pursuant to provisions of Clause 1.7.

7. Financial security:

7.1. The Customer pledges as a financial security all his/her existing and future financial resources (money, except banknotes and coins) in the amount of the L/C value in any currency that is available on the Financial security account.

7.2. The Financial security ensures the discharge of claims (Secured financial liabilities), that the Beneficiary can bring against the Bank in line with the L/C.

7.3. The Financial security guarantees the payment of any and all claims arising from the L/C.

7.4. The Customer is liable to the extent of the Financial security for the required and reasonable expenses, which the Bank has incurred in connection with the L/C. If the Financial security fails to cover all Secured financial liabilities, expenses and/or losses incurred by the Bank in connection with the L/C, the Bank is entitled to initiate recovery procedure on all Customer's property in the amount required to cover the Secured financial liabilities, the Bank's expenses and losses.

7.5. The Customer is not entitled to use the Financial security until the Bank is released from liabilities in line with the issued L/C.

8. Representation and warranties of the Customer:

8.1. The Customer is the sole and legal owner of the Financial security and has the right to dispose of it freely.

8.2. The Customer acknowledges that until submitting this application to the Bank, neither the Financial security as an aggregation of property, nor a separate part of the Financial security as a part of the aggregation of property is pledged, alienated to third persons, no restriction or seizure is imposed on it, no encumbrances, limitations and disputes exist, and that the activities mentioned before shall not be carried out during the term of this application without written permission of the Bank.

9. Dispute settlement and applicable legislation:

9.1. The performance of the conditions of the L/C is governed either by the UCP 500 (1993 revision) or the UCP 600 (2007 revision) depending on the Customer's will specified in Clause 4.3 thereof.

9.2. The applicable laws and regulations of the Republic of Latvia regulate legal relations between the Bank and the Customer.

9.3. Any dispute between the Bank and the Customer is settled by mutual negotiations. Any negotiations related to the dispute settlement shall be documented in writing.

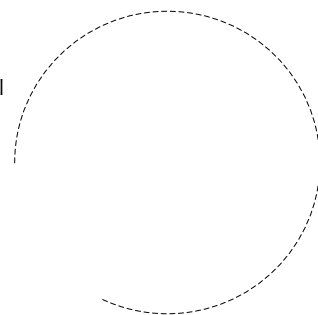
9.4. Any dispute, which the Parties fail to settle by negotiation, will be referred at the claimant's choice either to a court under Latvian legislation or to a single Arbitrator of the Court of Arbitration of the Association of Latvian Commercial Banks in Riga appointed at the joint request of the Parties by the Association's Chairman under its Articles and Regulations and its Costs Regulations. The language of dispute settlement is Latvian. The arbitrator's decision is final - i.e., no appeal is allowed - and is binding on the Parties.

10. Customer Signature:

(Name, Surname)

(Signature)

Seal



Test-Key _____

11. The liabilities of the Bank:

11.1. The Bank agrees with the information mentioned in this application and accepts it as a binding agreement between the Bank and the Customer.

11.2. In accordance with this application, recognised as an agreement, the Bank issues the

L/C No _____