

The undersigned (hereinafter the "Client") requests that National Bank of Canada (the "Bank") issue an irrevocable documentary credit (the "Credit") substantially as set forth below and forward same through a selected correspondent by SWIFT. Such issuance shall be subject to the general terms and conditions appended hereto.

Numbers appearing in square brackets refer to the SWIFT field number and are specified herein for information purposes only.

[40A] The Credit is to be: (if left blank, Credit will be Non-Transferable): Transferable Non-Transferable

[31D] Expiry date (YYYY MM DD): _____

CLIENT: (Legal name, complete address, contact name, e-mail address, telephone number, fax number)

Transit to debit: _____

USD Account No.: _____

CAD Account No.: _____

Foreign exchange contract no.: _____

Note:

Drawing(s) and all fees will be charged in the currency of the credit for US dollars and Canadian dollars. For all other currencies, drawing(s) and fees will be converted to Canadian dollars at the Bank's spot rate.

[50] APPLICANT (to appear in Credit if different from the Client): (Company name, complete address)

[59] BENEFICIARY (Company name, complete address, contact name, telephone and fax number)

[32B] CURRENCY CODE

[32B] AMOUNT (in figures)

[39A] PERCENTAGE CREDIT AMOUNT TOLERANCE

+ _____ %
 - _____ % (may require adjustments to quantity and unit prices in description of goods and/or services, field 45A)

[41A] CREDIT AVAILABLE BY (payment terms):

Payment (at sight)
 [42M] Mixed payments (please complete if mixed payment details apply) For example: 50% of credit amount at sight, 50% of credit amount 30 days sight

[42P] Deferred payment _____ days sight _____ days after transport document date payable on _____ YYYY MM DD

Other: _____

[43P] PARTIAL DRAWINGS / SHIPMENTS
(if left blank, are allowed)

Allowed Not allowed

[43T] TRANSHIPMENTS
(if left blank, are allowed)

Allowed Not allowed

SHIPMENT:

[44A] Place of taking in charge/dispatch from/receipt:

[44E] Port of loading/Airport of departure:

[44F] Port of discharge/Airport of destination:

[44B] Place of final destination/of delivery/for transportation to:

Complete either option as applicable

[44C] LAST SHIPMENT DATE: Date (YYYY MM DD) _____

[44D] SHIPMENT PERIOD: (insert shipment schedule)

GENERAL CONDITIONS

In consideration of the Bank's issuance of the Credit, the Client agrees as follows (for the purpose of these General Conditions, reference to the Credit shall include any amendment thereto):

- 1. Authorization to pay.** The Bank is hereby irrevocably authorized and directed to pay the amount of any demand for payment purportedly made under the Credit by the Beneficiary (or any receiver, assignee for the benefit of creditors, trustee in bankruptcy, secured party or other like person that the Bank believes in good faith to be entitled to the Beneficiary's claim under the Credit). The Client certifies that it is aware of the implications of sections 7(c) and 12(b) of the UCP 600 (nomination for acceptance or deferred payment undertaking).
- 2. Undertaking to pay.** The Client shall reimburse all sums which the Bank shall pay under the Credit. The Client shall pay all charges and commissions required by the Bank and its correspondents for the issuance of the Credit and for the operations resulting therefrom, the whole in accordance with the rates and conditions in effect at the Bank and its correspondents. The Client acknowledges having been informed of the rates and conditions presently in effect at the Bank. The Client shall also pay all costs (including legal costs) which may be incurred and all damages which may be suffered by the Bank and its correspondents by reason of any dispute concerning the Credit or the operations resulting therefrom. All amounts due to the Bank hereunder shall be payable on demand with interest at the rate applicable to an overdraft in the Client's account (or, where applicable, the rate specified in the Client's credit agreement with the Bank). The Bank may debit these amounts (and the interest) from the account of the Client specified in the Application or any other account of the Client held with the Bank or it may consider such amounts as loans made to the Client. Any sum due in foreign currency (i.e. amount payable by the Bank under the Credit) may, at the Bank's discretion, be converted into Canadian currency at the Bank's spot rate in effect on the day of conversion (or, where applicable, at the rate as per the relevant foreign exchange contract entered into by the Client).
- 3. Issuance and appointment of Correspondent Banks.** The Bank may elect, at its sole discretion and particularly for certain countries, to issue the Credit or cause the Credit to be issued by a third-party institution. Any such third-party issuance shall be deemed issued by the Bank for the purposes of these General Conditions. The Bank is further authorized to appoint any other bank or financial institution (each a "Correspondent Bank") for services and acts required in connection with the Credit and may use the services of Correspondent Banks different from those requested by the Client. Nothing herein shall oblige the Bank to issue the Credit.
- 4. Payment of fees.** The Client undertakes to pay applicable fees to the Bank for the services rendered to it by the Bank in connection with the Credit. Such fees shall be payable in accordance with the fee structure in effect from time to time at the Bank and the Client acknowledges having received a copy of the statement of fees of International Trade Operations and Supply Chain currently in effect.
- 5. Promise to grant security.** The Client promises to remit and assign to the Bank all bills of lading, warehouse receipts and other documents relating to goods, as security for the payment of all amounts owed by the Client hereunder.
- 6. Security on the documents and the goods.** All documents described at the reverse hereof and those replacing same (collectively referred to as the "Documents") as well as all goods covered thereby, are hereby assigned and pledged to the Bank and may be held by the Bank as security for the payment of all amounts due hereunder and for all other obligations of the Client to the Bank, present and future, direct and indirect. If the Client is or becomes in possession of Documents or goods covered by the Bank's security, the Client shall hold same as depositary and trustee for the Bank, to which it shall remit same on demand. This security shall be governed by the *Bank Act*, without however limiting the rights the Bank may have under any other law or agreement.
- 7. Security on the proceeds from the goods.** This security shall also extend to the proceeds from the sale of the goods covered by the Documents, including any instrument or security received in payment as well as any claim against the purchasers. If the Client receives the proceeds of such sale, it shall hold same as depositary and trustee for the Bank and shall remit same to the Bank immediately.
- 8. Insurance.** The Client shall cause the goods covered by the Documents to be constantly insured for its full insurable value against damages caused by theft, fire and all other risks against which a prudent administrator would insure the goods. The Bank is hereby designated as the beneficiary of all policies relating to the goods and the Client shall cause such designation to be inscribed in the policies. The Client shall deliver or cause to be delivered to the Bank a copy of each policy. If the Client fails to fulfill the obligations contained in this paragraph, the Bank may, without being bound to do so, take insurance in respect of the goods for an amount it considers appropriate and, in such case, the premiums paid by the Bank shall be reimbursed by the Client.
- 9. Recourses.** Upon the Client's default to pay any sum owed to the Bank or upon the Client's default to perform any one of its obligations to the Bank or if the Client becomes insolvent, the Bank is authorized, without being bound to do so, to sell, in whole or in part, the Documents or the goods covered thereby; for that purpose, the Bank may take possession of these goods and use the premises occupied by the Client. The Bank shall have discretion as to the manner, time and place of such sale, and such sale may take place without any notice to the Client (other than the notice under the *Bank Act*, where applicable), without any formal procedure and without any obligation to advertise the sale or to sell at a public auction. The Bank shall have discretion as to how the proceeds of such sale shall be applied: the Bank may deduct from these proceeds all costs incurred by it with respect to the Documents, the goods or their sale.
- 10. Rights of the Bank.** The Bank's rights hereunder or under the documents are in addition to and not in substitution of the rights resulting from any other agreement or guarantee. The rights conferred on the Bank shall benefit any successor of the Bank, including any entity resulting from the amalgamation of the Bank with another person.
- 11. Responsibility of the Bank.** Neither the Bank nor any Correspondent Bank shall be liable for any punitive, exemplary, indirect or special damages in connection with the Credit requested or issued under this Agreement. Without limitation, the Bank shall not be responsible for i) the form, sufficiency, accuracy, genuineness, falsification or legal effect of Documents or for the conditions stipulated in such Documents, or superimposed thereon, ii) the description, quantity, weight, quality, condition, packing, delivery, value or existence of the goods represented by such documents or iii) the good faith, or acts or omissions, solvency, performance or standing of any consignor, carrier or insurer of such goods or any other person whomsoever. Furthermore and in accordance with the UCP, the Bank shall not be responsible for i) the consequences arising out of delay, loss in transit, mutilation or other errors arising in the transmission of the Credit, messages or documents, ii) errors in translation or iii) failure of any Correspondent Bank or other bank to carry out instructions transmitted by the Bank.
- 12. Electronic communication.** Any electronic communication, including communication by telephone, by computer or by means of any other electronic transmission or communication methods, including facsimile transmission and e-mail, purportedly received from the Client shall be deemed to be duly authorized by and binding upon the Client. The Bank is authorized to act upon any such communication and give full effect to any instructions or requests thus presented (including any acceptance of discrepancies), provided that it believes in good faith that such instructions or request come from a person authorized to act on behalf of the Client. The Bank shall consider any signature appearing on a facsimile or scanned copy to be the authentic and complying signature of the Client. The Bank is further authorized to transmit any notice relating to the Credit to the Client's fax number or e-mail appearing in this Application and any notice so transmitted shall be deemed delivered to the Client as of the date of sending. The Client acknowledges that the Bank offers no implicit or explicit guarantee regarding the confidentiality of the information exchanged between them electronically. The Client releases the Bank from any and all liability incidental to the use of such communication methods.
- 13. Governmental requirements.** The Client acknowledges that the issuance of the Credit is subject to legislation applying to anti-money laundering and anti-terrorist financing measures. The Client hereby certifies that the import of goods described in the Credit is not prohibited or restricted and undertakes to fully cooperate with and deliver to the Bank any documents required by any governmental/regulatory authorities.
- 14. Rules relating to documentary credits.** Except as otherwise provided herein, the latest version of the Uniform Customs and Practice for Documentary Credits, 2007 revision, International Chamber of Commerce Publication No. 600 (or any subsequent revision prevailing at the time of issuance) (the "UCP") shall govern the Credit and the rights and obligations of the Bank and of the Client with respect to operations resulting from the Credit. The UCP shall therefore be deemed to form part hereof and the Client acknowledges being aware of the content of the UCP. For all matters not covered by the UCP, the laws applicable in the Province of Québec shall apply to the relationship established by this Application. The courts of the district of Montréal shall have exclusive jurisdiction to adjudicate any claim, action or proceeding in connection with the Credit or this Application.

SIGNED AT: _____, this _____ day of _____ 20 _____.

First name and last name of Client's authorized signator(ies)

Client's authorized signature(s)