

## SIMULATION 3 Documents

### Irrevocable Standby Credit Application Form

<b>Applicant:</b> Enterprise Electronics Company North Point Street Hong Kong	<b>Issuing Bank:</b> Premium Bank Kennedy Town Road Hong Kong
<b>Date of Application:</b> 01 December 2XX1	<b>Expiry Date and Place for Presentation of documents</b> <b>Expiry Date:</b> 30 June 2XX2 <b>Place for Presentation:</b> Buenos Aires, Argentina
<b>Issue by:</b> <input type="checkbox"/> Airmail <input type="checkbox"/> Courier <input checked="" type="checkbox"/> Teletransmission	<b>Beneficiary:</b> Buenos Aires Port Authority Buenos Aires, Argentina
<b>Advising Bank:</b> Big Apple Bank New York, New York	<b>Amount in figures and words (Please use ISO Currency Codes):</b> USD 500,000 (US dollars five hundred thousand)
<b>Confirmation of the Credit:</b> <input type="checkbox"/> not requested <input checked="" type="checkbox"/> requested <input type="checkbox"/> authorised if requested by Beneficiary	<b>Credit available with Nominated Bank:</b> Big Apple Bank New York, New York
<input checked="" type="checkbox"/> Credit is to contain an automatic extension clause with (specify all that apply): i. a notification period of ( <u>45</u> ) days in the event of non-extension; ii. multiple renewal period(s) of ( <u>6 months</u> ); iii. a final expiration date of <u>1 July 2XX4</u> .	<input checked="" type="checkbox"/> by payment at sight <input type="checkbox"/> by deferred payment at: <input type="checkbox"/> by acceptance of drafts at: <input type="checkbox"/> by negotiation:
<b>All banking charges, other than Issuing Bank's charges, are for account of:</b> <input checked="" type="checkbox"/> Beneficiary <input type="checkbox"/> Applicant	<b>Against the documents detailed herein:</b> <input type="checkbox"/> and Beneficiary's drafts(s) drawn on:
<b>Description of transaction:</b> Backstop for issuance of a Bank Guarantee by Gaucho Bank on behalf of Enterprise Electronics Argentina S.A. based on the local standard format to guarantee lease payment obligations at the Buenos Aires Port Authority under a certain Lease Agreement. The Standby credit will be effective after the Lease Agreement is signed.	
<b>Documents:</b> Beneficiary's authenticated SWIFT/Telex or written statement stating the amount of any drawing hereunder represent funds due and payable because: A) it has become necessary for Gaucho Bank to make payment under its garantia bancaria issued on behalf of Enterprise Electronics Argentina S.A., in favor of the Port Authority, Buenos Aires, Argentina OR B) we received a notice of non-renewal of expiry date of Standby Letter of Credit No. _____ issued by Premium Bank and substitute Letter of Credit or security has not been provided OR C) we received a notice of non-renewal of the expiry date for the confirmation of Standby Letter of Credit issued by Premium Bank and substitute Letter of Credit or security has not been provided.	
<b>Additional Instructions:</b> 1. The letter of credit is assignable. 2. Letter of credit to be confirmed by Premium Bank Hong Kong. 3. <u>Incorporate the following clause in the Standby credit:</u> Each presentation honored by us shall immediately reduce the amount available to be drawn hereunder by the amount of the payment made in respect of such presentation. In addition, the amount available to be drawn under this letter of credit shall be reduced, automatically and without amendment, on each date (each, an "Automatic Reduction Date") set forth in the following automatic reduction schedule by the amount (the "Reduction Amount") set forth opposite such date. However, such scheduled reduction amount(s) shall be reduced, or offset, by the amount of any payment made by us against a drawing made on or prior to the relevant automatic reduction date.	We request you to issue on our behalf and for our account your Irrevocable Standby Credit in accordance with the above instructions (marked (✓) where appropriate). This Credit will be subject to the International Standby Practices (1998 Revision) Publication No. 590 of the International Chamber of Commerce, Paris, France, insofar as they are applicable.

CDCS® Specimen Paper C - Simulation exercises

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AUTOMATIC REDUCTION SCHEDULE		
AUTOMATIC REDUCTION DATE	AMOUNT	
1 July 2XX2	USD100,000	
1 January 2XX3	USD100,000	
1 July 2XX3	USD100,000	James T. Chen <i>JT Chen</i>
1 January 2XX4	USD100,000	
1 July 2XX4	USD100,000	

**Name and signature of the Applicant**