

SENDER :

RECEIVER:

40A:	Form of Documentary Credit	IRREVOCABLE
20:	Documentary Credit Number	
31C:	Date of Issue	
31D:	Date and Place of Expiry	
50:	Applicant	
59:	Beneficiary	
32B:	Currency Code Amount	
	Currency :	USD (US DOLLAR)
	Amount :	
39A:	Percentage Credit Amt Tolerance	05/05
41D:	Available With...By...-Name/Addr	ADVISING BANK BY NEGOTIATION
42C:	Drafts at...	AT SIGHT FOR 100 PCT OF INVOICE VALUE
42A:	Drawee	
43P:	Partial Shipments	SEE BELOW
43T:	Transshipment	NOT ALLOWED
44A:	On Board/Disp/Taking Charge	
44B:	For Transportation to	
44C:	Latest Date of Shipment	SEE BELOW
45A:	Descp of Goods and/or Services	PRIMARY UNALLOYED ALUMINIUM INGOT QUANTITY : METRIC TONS

SPECIFICATIONS : ACCORDING TO LME REGISTERED  
P1020 SPECIFICATIONS

AL 99.7PCT MIN

FE 0.20 PCT MAX

SI 0.10 PCT MAX

AND ACCORDING TO P1320 SPECIFICATIONS

AL 99.7PCT MIN

FE 0.20 PCT MAX

SI 0.13 PCT MAX

PACKING : STANDARD SIZE 12-26 KGS IN BUNDLES OF  
700-1,000KGS EACH

PRODUCER :

UNIT PRICE: USD PER METRIC TON FOB (FREE ON  
BOARD) STOWED, LASHED, SECURED, DUNNAGED IN  
, CHINA

45A: Documents Required 1.- SIGNED COMMERCIAL INVOICES IN TRIPLICATE  
INDICATING THIS L/C NO., CONTRACT NO. AND NAME OF  
PRODUCER.



10. SEPARATE SET OF DOCUMENTS FOR LOTS 1, 2, 3, 4, 5 AND 6 IS REQUIRED.

11. FREIGHT CHARGES TO BE SETTLED OUTSIDE L/C.

12. UPON RECEIPT OF OUR L/C, BENEFICIARY IS ALLOWED TO DRAW USD (85 PCT OF USD ) WITH INTEREST AT PCT P.A. FOR THEIR ACCOUNT AGAINST PRESENTATION OF THE FOLLOWING DOCUMENTS:

A) COPY OF SIGNED CONTRACT (APPLICANT AS BUYER, BENEFICIARY AS SELLER).

B) WRITTEN CONFIRMATION FROM BENEFICIARY THAT THEY UNDERTAKE TO EFFECT SHIPMENT AND PRESENT COMPLIANT DOCUMENTS UNDER THIS L/C WITHIN ITS VALIDITY WHICH MUST BE PRESENTED TO US THROUGH L/C ADVISING BANK.

UPON RECEIPT OF THESE DOCUMENTS, WE SHALL REIMBURSE IN ACCORDANCE WITH PRESENTING BANK'S INSTRUCTION.

13. THIS L/C WILL BECOME OPERATIVE, SUBJECT TO OUR ADVICE BY MEANS OF L/C AMENDMENT CONFIRMING OUR RECEIPT OF :

A) XXXXX BANK OF CHINA, PROVINCIAL BRANCH'S CONFIRMATION THAT ALL NECESSARY APPROVALS TO ISSUE THE GUARANTEE HAS BEEN OBTAINED

B) BANK GUARANTEE IN THE AMOUNT OF USD ISSUED BY XXXXXXXX BANK OF CHINA, PROVINCIAL BRANCH IN FAVOUR OF XXX BANK WITH THE FOLLOWING CONTENTS :

CONTENTS OF THE BANK GUARANTEE  
QUOTE  
(BY AUTHENTICATED SWIFT OR TESTED TELEX MESSAGE)

FROM : XXXXX BANK OF CHINA,

DATE :

GUARANTEE NO.

TO :

DEAR SIR,

1. WITH REFERENCE TO THE CONTACT NO. XXXXXX ,  
SIGNED ON XXXXXX (HEREINAFTER REFERRED TO AS  
THE "CONTRACT" BETWEEN  
(HEREINAFTER REFERRED TO AS THE "BUYER") AND  
(HEREINAFTER REFERRED TO AS THE  
"SUPPLIER") UNDER WHICH YOU, XXXXXX BANK SHALL  
ON BEHALF OF THE BUYER EFFECT AN ADVANCE  
PAYMENT OF USD (UNITED STATES DOLLARS  
ONLY) HEREINAFTER  
REFERRED TO AS THE "ADVANCE PAYMENT") TO THE  
SUPPLIER IN PART PAYMENT FOR THE TOTAL DELIVERY  
TO THE BUYER ON FOB BASIS BY THE SUPPLIER  
OF METRIC TONS (PLUS/MINUS 5PCT) OF PRIMARY  
UNALLOYED ALUMINIUM INGOT (HEREINAFTER  
REFERRED TO AS THE "ALUMINIUM") AS PER THE  
FOLLOWING SCHEDULE WITH SUCH QUALITY AND  
SPECIFICATIONS AS DESCRIBED IN THE ANNEX  
ATTACHED HERETO:

SCHEDULE

- LOT 1)
- LOT 2)
- LOT 3)
- LOT 4)
- LOT 5)
- LOT 6)

2. WE, XXXXXXXX BANK OF CHINA, PROVINCIAL  
BRANCH AT THE REQUEST OF THE SUPPLIER HEREBY  
UNCONDITIONALLY AND IRREVOCABLY UNDERTAKE TO  
PAY YOU ON FIRST DEMAND IRRESPECTIVELY OF THE  
VALIDITY AND THE EFFECTS OF THE CONTRACT IN THE  
EVENT OF:

(1) NON-DELIVERY OF THE RESPECTIVE MONTHLY  
SHIPMENT (AS DEFINED IN THE ANNEX ATTACHED  
HERETO) THE FOLLOWING AMOUNTS (HEREINAFTER  
REFERRED TO AS THE "MONTHLY SUM")

- |               |              |
|---------------|--------------|
| (1) UP TO USD | ON OR BEFORE |
| (2) UP TO USD | ON OR BEFORE |
| (3) UP TO USD | ON OR BEFORE |
| (4) UP TO USD | ON OR BEFORE |
| (5) UP TO USD | ON OR BEFORE |
| (6) UP TO USD | ON OR BEFORE |

OR

(2) A SHORTFALL WHEN THE VALUE OF THE ALUMINIUM (AS DESCRIBED IN THE ANNEX ATTACHED HERETO) DELIVERED MONTHLY AS PER THE ABOVE SCHEDULE IS NOT UP TO THE MONTHLY SUM, YOU MAY CLAIM ON US UNDER THIS GUARANTEE THE DIFFERENCE BETWEEN THE RESPECTIVE MONTHLY SUM AND THE RESPECTIVE INVOICE VALUE TO COVER THE SHORTFALL.

3. ANY CLAIMS MADE UNDER THIS GUARANTEE MUST BE PRESENTED TO XXXXXXXXXX BANK OF CHINA, PROVINCIAL BRANCH AGAINST A PRESENTATION OF YOUR WRITTEN STATEMENT IN TESTED TELEX FORM OR AUTHENTICATED SWIFT CERTIFYING THE SUM DEMANDED IS PROPERLY DUE BY THE SUPPLIER BY REASON OF NON-DELIVERY AND/OR SHORT DELIVERY OF THE ALUMINIUM TO THE BUYER AS PER THE ABOVE SCHEDULE UNDER THE CONTRACT AND STIPULATING SPECIFIC DETAILS OF THE NON-DELIVERY.

4. OUR LIABILITY UNDER THIS GUARANTEE WILL BE LIMITED TO USD (SAY UNITED STATES DOLLARS ONLY) IN AGGREGATE AND WILL BE LIMITED TO THE RESPECTIVE MONTHLY SUM AS TO THE CLAIMS FOR EACH SCHEDULED MONTH, REGARDLESS IF WHETHER THIS GUARANTEE IS RETURNED TO US OR NOT THE LIABILITY UNDER THIS GUARANTEE WILL BE REDUCED BY :

(1) ANY PAYMENT EFFECTED UNDER THIS GUARANTEE; AND/OR

(2) YOUR TESTED TELEX OR AUTHENTICATED SWIFT CONFIRMING RECEIPT FROM US OF FULL SET OF ORIGINAL BILL(S) OF LADING AND OTHER RELATED DOCUMENTS IN RESPECT OF THE ALUMINIUM AND THE EXACT AMOUNT (100PCT INVOICE VALUE OF THE RESPECTIVE MONTHLY SHIPMENT LESS INTEREST AT PCT P.A.) TO BE REDUCED FROM THE LIABILITY OF THE BANKGUARANTEE.

5. YOUR RIGHTS AND BENEFITS (INCLUDING YOUR RIGHT TO CLAIM) UNDER THIS GUARANTEE IS NOT ASSIGNABLE EXCEPT WITH OUR CONSENT AND WRITTEN NOTICE OF SUCH ASSIGNMENT TO US.

6. THIS GUARANTEE SHALL COME INTO FORCE UPON:

(1) RECEIPT OF YOUR ADVANCE PAYMENT OF USD (UNITED STATES DOLLARS ONLY) THROUGH OUR USD ACCOUNT NO. XXX WITH (NAME OF THE CORRESPONDENT BANK IN NEW YORK) QUOTING OUR REF. XXX

(2) YOUR TESTED/AUTHENTICATED CONFIRMATION THAT THE RIGHTS AND OBLIGATIONS AS STIPULATED IN PARAGRAPHS 4, 5 AND 6 UNDER THE GUARANTEE ARE BINDING ON YOUR GOODSSELVES AND WILL BECOME AUTOMATICALLY NULL AND VOID AFTER XXX (HEREINAFTER REFERRED TO AS THE EXPIRY DATE) IN CHINA.

7. WE UNDERTAKE TO EFFECT PAYMENT OF ANY CLAIM MADE UNDER THE GUARANTEE BY T/T REIMBURSEMENT TO YOU VALUE WITHIN 5 BANK WORKING DAYS.

8. THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF ENGLAND CURRENTLY IN FORCE.

9. ANY DISPUTE ARISING OUT OF THIS GUARANTEE OR A BREACH HEREOF SHALL BE SUBMITTED TO AND FINALLY SETTLED BY ARBITRATION CONDUCTED IN (LONDON)

10. THIS GUARANTEE IS SUBJECT TO THE UNIFORM RULES FOR DEMAND GUARANTEE OF THE INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION NO. 458) SAVE FOR ARTICLE 20 OF THE SAME.

ANNEX

I. THE ALUMINIUM

THE WORD ALUMINIUM WHEN USED IN THE CONTRACT AS WELL AS IN THIS GUARANTEE MEANS THE ALUMINIUM INGOTS PRODUCED BY \_\_\_\_\_, CHINA OF THE FOLLOWING QUALITY AND SPECIFICATION:

AL	99.7PCT MINIMUM
FE	0.20PCT MAXIMUM
SI	0.13PCT MAXIMUM

LME REGISTERED ACCORDING TO P1020

AND

AL 99.7PCT MINIMUM  
FE 0.20PCT MAXIMUM  
SI 0.13PCT MAXIMUM

SHANGHAI METAL EXCHANGE REGISTERED ACCORDING  
TO P1320

## II. NON-DELIVERY

UNDER THE GUARANTEE NON-DELIVERY MEANS THE FAILURE OF THE SUPPLIER TO DELIVER THE REQUIRED QUANTITY OF THE ALUMINIUM OR ANY PART THEREOF AS PER SCHEDULED HEREOF.

IF SHALL BE CONCLUSIVELY DEEMED THAT AN EVENT OF NON-DELIVERY HAS OCCURRED IF FULL SET OF THE ORIGINAL BIL(S) OF LADING AND OTHER RELATED DOCUMENTS IN RESPECT OF THE RELEVANT MONTHLY DELIVERY IF ALUMINIUM IS NOT RECEIVED BY YOU ON OR BEFORE THE 21ST DAY AFTER THE SCHEDULED DELIVERY DEADLINE DEFINED UNDER THIS GUARANTEE.

## III. DELIVERY DEADLINE

UNDER THIS GUARANTEE DELIVERY DEADLINE MEANS THE LAST DAY OF THE SCHEDULED DELIVERY DATE FOR THE RESPECTIVE MONTHLY DELIVERY OF THE ALUMINIUM (AND THE ADDITIONAL ALUMINIUM AS PER SCHEDULE HEREOF).

IV. DELIVERY DATE SHOULD BE THE ON BOARD DATE OF BILL OF LADING.

## V. VALUE OF THE ALUMINIUM

THE VALUE OF THE ALUMINIUM DELIVERED MONTHLY BY THE SUPPLIER TO THE BUYER IN ACCORDANCE WITH THE CONTRACT SHALL BE THE PRODUCT OF THE SHIPMENT QUANTITY AND THE RELEVANT Q/P PRICE FIXED MINUS USD XXX PER METRIC TON FOR THE RESPECTIVE SHIPMENT MONTH.

13. THE TOTAL AMOUNT OF THIS LETTER OF CREDIT NO. WILL AUTOMATICALLY REDUCE BY EACH AND EVERY DRAWING MADE BY THE BENEFICIARY UNDER THE RED CLAUSE PORTION OF THIS L/C.

71B: Charges ALL BANKING CHARGES OUTSIDE LONDON ARE FOR THE ACCOUNT OF BENEFICIARY.

48: Period for Presentation DOCUMENTS MUST BE PRESENTED AT OUR COUNTER WITHIN 21 DAYS AFTER THE DATE OF SHIPMENT BUT WITHIN THE VALIDITY OF THE L/C.

49: Confirmation Instructions WITHOUT

78: Instrucs to Pay/Accept/Negot Bank THE PRESENTING BANK IS REQUESTED TO FORWARD DOCUMENTS BY AIR COURIER (AT BENEFICIARY'S COST) IN ONE LOT TO:  
AND ORIGINAL DRAFTS AND PHOTOCOPIES OF THE WHOLE SET OF DOCUMENTS TO:  
ACCOMPANIED BY THEIR REIMBURSEMENT INSTRUCTIONS.  
UPON RECEIPT OF DOCUMENTS IN FULL COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS CREDIT WE SHALL INFORM THE NEGOTIATING BANK/ADVISING BANK BY AUTHENTICATED SWIFT THE EXACT AMOUNT (100 PCT INVOICE VALUE OF THE RESPECTIVE MONTHLY SHIPMENT LESS INTEREST AT PCT P.A.) TO BE DEDUCTED FROM THE LIABILITY OF THEIR BANK GUARANTEE. IN CASE THE BALANCE OF THE SAID BANK GUARANTEE IS LESS THAN THE ABOVE MENTIONED EXACT AMOUNT, WE SHALL COVER THE SHORTFALL BY T/T REIMBURSEMENT.