

**INSTRUCTIONS FOR
APPLICATION AND AGREEMENT FOR COMMERCIAL LETTER OF CREDIT
(Long Form)**

Form No. 15-100508-AS

These instructions describe how to complete First Citizens Bank's long form Application and Agreement for Commercial Letter of Credit, Form No. 15-100508-AS. Be sure that you understand the meaning of each of the choices that you make. If something is unclear to you, please contact the Bank's International Banking Services Department at 919.716.2887 for assistance. However, only you know the specific terms and conditions which have been agreed upon by you and the seller. While we will make every reasonable effort to protect your interests, an incomplete application or an application that contains errors can cause costly delays and financial loss.

This form should be used if you need a "one-time" commercial letter of credit or if you request the issuance of commercial letters of credit infrequently. If you are a customer who utilizes commercial letters of credit frequently in your business dealings, you may want to speak with your loan officer about signing a Standing Agreement for Commercial Letters of Credit, Form No. 15-010308-AS. The Standing Agreement supports the issuance of multiple commercial letters of credit – it contains all of the "boilerplate" language that appears in our 14-page Application and Agreement for Commercial Letter of Credit (the long form). Each time you need another commercial letter of credit, you would submit Form No. 15-010108-AS, a much shorter (6 page) application that references the Standing Agreement.

Specific Instructions for Completion of Form

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- **For Bank Use Only Box:** The Applicant should leave this box blank -- it may be completed only by Bank associates.
 - ❖ **Letter of Credit No.** The Bank's International Banking Services Department will fill in the number assigned to the Letter of Credit when it is issued.
 - ❖ **Variable Interest Rate:** The responsible account officer should indicate the interest rate margin that will apply to the Applicant's reimbursement obligation. According to Section 1(a) of the Letter of Credit Application and Agreement, the Applicant agrees to reimburse the Bank on demand for all sums the Bank pays in settlement of its obligations under the letter of credit, plus interest. Interest accrues at the variable rate of three percentage points above the highest Prime Rate as published from time to time in the Money Rates table of *The Wall Street Journal* unless the responsible account officer designates a lower rate in this blank, in which case the lower rate applies.
- **Designated Deposit Account To Debit:** We will not issue a letter of credit unless you (or a person or entity closely related to you) (i) designate a deposit account maintained at First Citizens Bank, and (ii) authorize us to debit the deposit account to satisfy your reimbursement obligation to us and to pay all fees related to the letter of credit. **This section must be completed and signed by the owner of the designated deposit account or by an authorized signer on behalf of the account owner.**
 - ❖ Insert the account number of the designated deposit account.
 - ❖ If the owner of the deposit account is an entity, complete the signature block on the left side of the box. Indicate the name of the account owner. An authorized signer for the account must sign on the "By" line, and the name and title of that individual should be typed or printed on the line below the signature.
 - ❖ If the account owner of the deposit account is an individual, complete the signature block on the right side of the box. The account owner must sign, and account owner's name should be typed or printed on the line below the signature.
- **Date:** Type in the date you are completing the application.
- **Letter of Credit Transmission:** Mark one box only instructing us how you would like the letter of credit to be transmitted.

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- **Advising Bank:** Insert the name, address, and SWIFT code (if known) of the advising bank. If no advising bank is indicated, we will use a correspondent bank of our choice in the country of the beneficiary.
- **For Account Of:** Fill in your full legal name and your physical address.
- **In Favor Of:** Indicate the full legal name and the address of the beneficiary.
- **Currency and Amount:** Specify the currency and amount of the letter of credit in both words and figures.
- **Expiry Date:** Fill in the latest permissible date that drafts may be presented for negotiation (expiration).
- **To be available by drafts at:** Mark one box only to indicate the tenor of the required draft(s). Also specify the percentage of invoice value (100%, unless otherwise specified) for which draft(s) are to be drawn.
- **Primary Documents:** Specify those documents that must accompany a draft, and the number of copies needed.
- **Insurance Documents:** If insurance is to be provided by the beneficiary, indicate the type or types of coverage required.
- **Other Documents:** List here any other documents that must accompany a draft, indicating the number of originals and copies needed.

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- **Transport Document:** Complete as follows:
 - ❖ Mark one box only to indicate the type of title document that must accompany a draft (i.e., Waybill, Full Set Clean “On Board” Ocean Bill of Lading, or Combined Transport Document).
 - ❖ If Air Waybill is chosen, fill in the blanks where indicated with the name and address of the consignee and the “and marked “Notify”” party. You must complete the “Air Waybill consignee consigned to” blank. If the “and marked ‘Notify’” blank is not completed, we will insert your name and address.
 - ❖ If either the Full Set Clean “On Board” Ocean Bill of Lading option or the Combined Transport Document option is chosen, please specify by marking the appropriate box whether the title documents are to be issued to the order of First-Citizens Bank & Trust Company or to the order of some other party. If the second box is marked, please provide the complete name and address in the space provided. In addition, fill in the name and address of the “and mark ‘Notify’” party where indicated. If the “and marked ‘Notify’” blank is not completed, we will insert your name and address.
- **Transport Document to Indicate Freight:** Mark whether freight is to be prepaid or sent collect.
- **Covering:** Supply a brief description of the goods to be purchased, omitting details as to grade, quality, etc.
- **Shipping Terms:** Check appropriate purchase/shipping terms.
- **Shipment From:** Indicate the port/airport of departure.
- **Shipment to:** Indicate the port/airport of arrival.
- **Latest Shipping Date:** State the latest date of shipment (if different from the expiration date).
- **Partial Shipments:** Specify whether partial shipments are permitted.

- **Transshipments:** Indicate whether transshipments are permitted.
- **Charges:** Mark boxes where appropriate to indicate whether (a) all banking charges (other than those imposed by First Citizens Bank) are for your account or the beneficiary's account, and (b) discount charges (if any) are for your account or the beneficiary's account.
- **Miscellaneous:** In this section, please provide the following information, as appropriate:
 - ❖ For the first item, indicate the number of days after the issuance of the transport document that all shipping documents must be presented. If this section is left blank, then the 21 day rule will automatically apply -- documents must be presented to the negotiating or paying bank within 21 days after the issuance of documents evidencing shipment or dispatch or being taken in charge (but no later than the expiry date of the letter of credit).
 - ❖ If you (rather than the beneficiary) are arranging for insurance coverage, you should mark the box in the second item.
 - ❖ If you want us to issue the letter of credit that is **transferable**, the box in the last item must be marked.

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- **Other Instructions:** Indicate here any special instructions that you wish to have included in the letter of credit.

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- **Signature Blocks:** This Application has two sets of signature blocks for the Applicant -- one for a business entity and the other for one or two individuals. Complete the signature block on the left hand side of page 14 if you are a business entity (such as a corporation, partnership, limited partnership, LLC, or trust). Complete the signature block on the right hand side of page 14 if you are an individual (including a sole proprietorship). Be sure to type the name of each person who signs immediately below his or her signature. The Applicant's contact information should be filled in completely, including phone number, fax number, and email address.
- **Client Bank Co-Applicant:** If the Applicant is a customer of one of our Client Banks, the following additional steps should be taken by the Client Bank:
 - ❖ **Section 17, Page 11:** The full legal name of the Client Bank should be inserted in the blank.
 - ❖ **Signature Blocks, Page 14:** The full legal name of the Client Bank should be typed in the "Client Bank Co-Applicant" signature block, and an authorized officer of the Client Bank should sign on behalf of the Client Bank. Be sure to type the name of each person who signs immediately below his or her signature. The contact address for the Client Bank should be filled in completely and include phone number, fax number, and email address.
- **For Bank Use Only:** A First Citizens Bank relationship manager should confirm the required information and complete this box, signing where indicated.