



### Application for Standby Letter of Credit/Guarantee

Terms and Conditions applicable to the Standby Letter of Credit/Guarantee accompany this form.

For assistance, in Canada call Trade Finance Support Lines 1-800-268-6331,  
or the Trade Finance Centre/Letter of Credit Issuing Office in your area.

#### FOR TRADE FINANCE USE ONLY

Bank Reference No.	Date Received
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#### FOR BANK USE ONLY

To: <b>The Manager</b> <b>Canadian Imperial Bank of Commerce</b>	Branch of Account
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Place an "X" in the appropriate box(es):

<input type="checkbox"/> Applicant is a new CIBC Letter of Credit customer	<input type="checkbox"/> Applicant is an existing CIBC Letter of Credit customer	<input type="checkbox"/> Applicant information requires updating
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#### FOR COMPLETION BY APPLICANT

Please issue the following Standby Letter of Credit/Guarantee:

<input type="checkbox"/> Irrevocable	<input type="checkbox"/> Revocable	<input type="checkbox"/> By Mail	<input type="checkbox"/> By Teletransmission
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**Note:** The name of the applicant appearing on this application must be the same as the name of the party signing the application. If other arrangements are desired, contact your Trade Finance Centre/Letter of Credit Issuing Office.

Currency	Amount	Expiry Date (yyyy/mm/dd)
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Automatic renewal clause  Yes  No \_\_\_\_\_ Days notice to beneficiary in order to prevent the automatic renewal of the Letter of Credit on its expiry date or on any subsequent expiry date.

No. of days

**Important:** The automatic renewal clause will, unless you request otherwise under "Details" below, provide for the automatic renewal of the letter of credit for successive one year periods commencing on the expiry date. As well, an automatic renewal clause may, in certain circumstances, change the conditions under which the beneficiary may draw under the letter of credit. If you are uncertain as to the effect of an automatic renewal clause on the letter of credit, please contact your Trade Finance Centre/Letter of Credit Issuing Office for further information.

<b>Beneficiary</b> (full name and address including postal code)	<b>Applicant</b> (full name and address including postal code)
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Details including purpose and documentation required in the event of a drawing.

Suggested pro forma attached \_\_\_\_\_  Use similar format as L/C No. \_\_\_\_\_

The undersigned hereby request(s) Canadian Imperial Bank of Commerce (the "Bank") to issue its standby letter of credit substantially in accordance with the foregoing instructions and the Bank's usual practice and authorize(s) the Bank to issue a bank guarantee in lieu thereof on the basis of its usual practice. The Bank is authorized to arrange for the issuance of the requested standby letter of credit or a guarantee in lieu thereof by another institution of its choice against the Bank's counter-guarantee or supporting letter of credit. The undersigned acknowledges receipt of Terms and Conditions applicable to the Standby Letter of Credit/Guarantee and agrees to be bound thereby upon issuance by the Bank of its standby letter of credit, bank guarantee, counter-guarantee or supporting letter of credit. Nothing herein shall oblige the Bank to issue its standby letter of credit, or bank guarantee or to arrange for the issuance of a standby letter of credit or guarantee by another institution.

_____ Date	_____ Authorized Signature of Applicant	_____ Authorized Signature of Applicant
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## TERMS AND CONDITIONS APPLICABLE TO THE STANDBY LETTER OF CREDIT/GUARANTEE

In consideration of Canadian Imperial Bank of Commerce (the "Bank") issuing its standby letter of credit or bank guarantee or requesting another institution to issue its standby letter of credit or guarantee against the Bank's counter-guarantee or supporting letter of credit, all in substantial compliance with the instructions set out in the Application and the Bank's usual practice, the Applicant hereby agrees with the Bank as follows:

**1. Definitions.** In this Agreement:

**"Applicant"** means each party signing the Application;

**"Application"** means the Application for Standby Letter of Credit/Guarantee on the Bank's Form 5654 as amended by the Bank from time to time;

**"Beneficiary"** means the party in favour of whom or which the Applicant has requested the Bank to issue the Credit and in the case of a transferable Credit, each transferee designated by such Beneficiary but, where the Bank has issued a counter-guarantee or supporting letter of credit to another institution as authorized in the Application, "Beneficiary" means the party in favour of whom or which the counter-guarantee or supporting letter of credit has been issued;

**"Branch"** means the branch or office first designated in the Application;

**"Credit"** means the standby letter of credit which the Applicant has requested the Bank to issue in substantial compliance with the instructions in the Application and the Bank's usual practice or any bank guarantee which the Bank is authorized to issue in lieu thereof or a counter-guarantee or supporting letter of credit which the Bank is authorized to issue pursuant hereto and, to the extent that the Credit is transferable, each Credit issued in transfer thereof;

**"Drawing"** means any demand or request for payment under the Credit, in accordance with the provisions of the Credit and includes any payment of the proceeds of the Credit made or to be made by the Bank into court or otherwise to the credit of the outcome of any action or proceeding;

**"Foreign Currency"** means any currency other than Local Currency;

**"Local Currency"** means currency of the country in which the Branch is situated.

- 2. Copy of the Credit may be Forwarded to Applicant.** The Applicant authorizes the Bank to send to the Applicant at the address in the Application, or at an address provided to the Bank by the Applicant by written notice declaring the change of address, by ordinary mail, or facsimile, and at the risk of the Applicant a copy of the Credit, or in the case of a Credit established by telecommunication, a copy of such telecommunication or of the Bank's requisition therefor. The Applicant may also authorize the Bank to make available a copy of such Credit by computer transmission. If the copy of the Credit is sent by ordinary mail, the Applicant shall be deemed to have received it on the fifth day following deposit thereof in the mail by the Bank. If the copy of the Credit is sent by facsimile, the Applicant shall be deemed to have received the copy on the date of the facsimile. If the copy of the Credit is made available by computer transmission, the Applicant shall be deemed to have received it on the date the Bank made it available by computer transmission.
- 3. Authorization to Pay.** The Bank is hereby irrevocably authorized and directed to pay forthwith any Drawing purporting to be made by a Beneficiary or any other person to whom the Bank is authorized to make payment pursuant to paragraph 11 hereof up to the maximum amount and in the currency specified in the Credit. The Bank may effect such payment without reference to, confirmation of or verification by the Applicant, it being expressly agreed that any Drawing as aforesaid shall be, as between the Applicant and the Bank, the Bank's irrevocable and sufficient authority for making payment under the Credit.
- 4. Reimbursement, Payment or Prepayment by Applicant.** The Applicant agrees, forthwith upon demand, to provide the Bank with funds to meet all Drawings that the Bank is to pay under the Credit or to reimburse the Bank for each Drawing that the Bank has paid under the Credit and, if required by the Bank in its sole discretion, to prepay all amounts for which the Bank might become liable under the Credit. Subject to paragraphs 7, 8 and 9 hereof, each prepayment or reimbursement shall be in the currency in which the Bank is to make, has made or may be called upon to make payments under the Credit.
- 5. Payment of Fees.** The Applicant shall pay the Bank on demand its fees in respect of the Credit or in respect of services in relation to the Credit in such amounts or at such rates as are established and as may be varied from time to time by the Bank and as are set out in the Bank's schedule of charges current at the time of the Bank's demand for its fees or as may be otherwise agreed in writing between the Bank and the Applicant and in such currency as the Bank may determine to be appropriate. Without limiting the generality of the foregoing or paragraph 6 below, the Applicant further agrees that it will, in addition, prepay or reimburse the Bank on demand, as the Bank may require, for all charges and expenses to be incurred by the Bank or already incurred by it at the time of demand in connection with the Credit including without limitation charges and expenses of other banks or other parties to be paid by the Bank on behalf of the Applicant or which may become owing by the Bank on behalf of the Applicant as a result of any failure by the Beneficiary to pay the charges and expenses of the other banks or other parties.
- 6. Applicant's Agreement to Indemnify Bank.** The Applicant hereby indemnifies and agrees to hold the Bank harmless from all losses, damages, costs, demands, claims, expenses and other consequences which the Bank may incur, sustain or suffer, other than pursuant to its own gross negligence or wilful misconduct, as a result of issuing or amending the Credit or enforcing or protecting the provisions hereof, including without limitation legal and other professional expenses reasonably incurred by the Bank and whether incurred in defending any action brought against the Bank to compel payment under the Credit or to restrain the Bank from making payment thereunder in any proceedings brought by or on behalf of a Beneficiary or the Applicant, or in any proceedings brought by the Bank against the Applicant, any guarantor of the Applicant's liabilities to the Bank hereunder or with respect to the Applicant's or any guarantor's property charged or pledged to the Bank for the purpose of protecting, taking possession thereof, holding or realizing thereon, or otherwise in connection herewith. The Applicant further agrees that the Bank shall not be liable for issuing a bank guarantee in lieu of a standby letter of credit as authorized in the Application, for any choice of another institution to issue a standby letter of credit or guarantee against the Bank's counter-guarantee or supporting letter of credit, or for any act or omission of such institution whether in issuing a standby letter of credit or guarantee on instructions of the Bank or otherwise.

- 7. Overdue Amounts.** If the Applicant fails to pay when due any amount payable by the Applicant to the Bank, then, subject to the provision otherwise of any agreement in writing between the Applicant and the Bank, the Applicant shall, after the date of its default, pay the Bank the Local Currency equivalent of the overdue amount determined as of the date on which the Branch receives notice of the payment under the Credit or of any requirement for prepayment with respect thereto in accordance with the Branch's usual practice and shall pay the Bank interest on the daily balance of such Local Currency amount calculated and payable monthly not in advance from and including the date when due to but excluding the date of payment in full at the variable nominal rate per annum equal at all times to the Bank's prime rate of interest for loans to customers of the Branch in Local Currency plus 3% per annum. The Bank's prime rate of interest for loans to its customers in a currency is the reference interest rate per annum declared by the Bank from time to time to be its prime or base interest rate for loans to customers of the Branch in that currency.
- 8. Debiting the Applicant's Account.** The Bank may charge all amounts payable to the Bank pursuant to the provisions hereof to any account or accounts the Applicant maintains with the Bank. Where an account is denominated in a currency other than the currency in which the Applicant owes payment to the Bank, the Bank may charge to the account such amount as will enable the Branch to purchase in accordance with the Branch's usual practice, the currency required to provide for payment of the Bank. Notwithstanding the aforesaid, nothing herein shall oblige the Bank to charge any amount to an account of the Applicant, nor shall the Bank be liable for any appropriation from any account or among accounts that it may make pursuant hereto. The debiting of an amount to the customer's account as provided for herein shall constitute the Bank's demand for payment of such amount unless the Bank has otherwise demanded payment in respect thereof.
- 9. Payments Made Other Than in the Required Currency.** The Applicant shall make all payments required of it hereunder or with respect hereto in the currency required hereby (the "required currency") unless otherwise agreed between the Applicant and the Bank. However, if a court or tribunal of competent jurisdiction orders any payment due in required currency to be made in any other currency (hereinafter referred to as "judgement currency") then payment shall be made as so ordered provided that if any payment in judgement currency made as aforesaid is insufficient to enable the Bank on the date of its receipt to purchase in accordance with the Branch's usual practice the amount of required currency of which the Applicant owed payment to the Bank, then the Applicant shall pay the Bank such additional sum in judgement currency as is necessary to ensure that the amount the Applicant pays the Bank in judgement currency when converted as aforesaid is sufficient to produce the amount of the Applicant's payment obligation denominated in required currency. Each amount payable by the Applicant pursuant to this paragraph as an additional sum shall be due to the Bank as a separate debt.
- 10. Responsibility of Bank and Issuance of Credit.** Except as otherwise expressly provided, the Credit, if in the form of a letter of credit, shall be subject to the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce current at the time of issuance of the Credit ("UCP"). Without limitation thereof and in the case of a bank guarantee or counter-guarantee neither the Bank nor its employees shall be responsible for the form, sufficiency, accuracy, genuineness, falsification or legal effect of any documents received under the Credit, or for any failure by the Bank's agents or correspondents to carry out their instructions, or for any loss or delay in transit, in transmission or in the mail of the Credit, or any amendments or messages pertaining thereto, or for any error arising from translation or from interpretation of technical terms, or for loss arising out of the interruption of business by acts of God, riots, civil commotions, insurrections, wars, labour disputes, or any other cause beyond the control of the Bank or its employees. Subject to any instructions set out in the Application and except in the case of the Bank's delivery of the Credit or any amendment thereto to the Applicant for delivery to the Beneficiary, the Applicant authorizes the Bank to issue or amend the Credit by mail, including ordinary mail, by teletransmission or by courier in accordance with the Bank's usual practice for credits of the type for which the Applicant has applied hereby. The Applicant further authorizes the Bank to amend the Credit to change the Bank's address and the place of expiry from time to time.
- 11. Acceptance of Certain Documents.** In the case of a bank guarantee or counter-guarantee and, notwithstanding any provision in UCP to the contrary in the case of a letter of credit, the Bank may accept as complying with the terms of the Credit any documents or instruments or both required by the Credit to be completed, signed, presented or delivered by a Beneficiary which has or have been completed, signed, presented or delivered by a receiver, trustee in bankruptcy, assignee for the benefit of creditors, secured party or other like person believed in good faith by the Bank to be lawfully entitled to the property of the Beneficiary in the Credit and the Bank may make payments under the Credit to such person. The provisions of this paragraph 11 are inserted for the sole benefit of the Bank and may not be relied upon by any other person whatsoever.
- 12. Ratification of Bank's Acceptance of Documents.** In the case of variance between Documents or instruments required under the Credit and those presented by a Beneficiary or other person authorized to make presentation thereof, the Applicant shall be deemed to have ratified and confirmed the Bank's acceptance of the Documents or instruments or both so presented as complying with the Credit and to have waived any right to object to variance from the Documents or instruments or both required under the Credit unless immediately upon receipt thereof the Applicant shall have advised the Bank in writing of any variance to which it objects and shall have returned all Documents and instruments received by it under the Credit to the Bank duly endorsed or otherwise transferred to the Bank as the Bank may instruct the Applicant for the Bank's disposition as the Bank may see fit.
- 13. Rights Conferred on Bank are Additional.** The rights and powers conferred upon the Bank hereby are in addition and without prejudice to any other rights which the Bank may now or hereafter enjoy and the security provided hereby is in addition to and without prejudice to any securities of any kind which the Bank may now or hereafter hold for the account of the Applicant. The Applicant agrees to provide the Bank with such further security as the Bank may require from time to time, for the Applicant's obligations hereunder.
- 14. Application and Benefit.** The provisions hereof shall apply to the Credit and any transfer thereof as varied from time to time with the consent of the Applicant and other requisite parties and this Agreement shall be binding upon the Applicant and the Applicant's respective heirs, executors, administrators, successors and assigns.
- 15. No Obligation to Issue Credit.** Nothing herein shall oblige the Bank to issue any credit at the request of the Applicant.
- 16. Governing Law and Joint Liability.** This Agreement shall be governed by and construed in accordance with the laws of the place where the Branch is situate. If this Agreement is executed by more than one Applicant, the liabilities of the Applicants to the Bank hereunder shall be joint and several.
- 17. Language.** The undersigned hereby confirms its express wish that this agreement and any documents related thereto be drawn up in English only and declares to be satisfied therewith, the whole without prejudice to any such agreement or document which may from time to time be drawn up in French only or in both French and English. *Le soussigné confirme sa volonté expresse de voir la présente convention et tous les documents s'y rattachant être rédigés en anglais seulement et s'en déclare satisfait, le tout sans préjudice cependant à tous tels documents qui pourraient de temps à autre être rédigés en français seulement ou à la fois en français et en anglais.*