

# Cherubond Limited

## TRANSACTION DESCRIPTION:

1. Instrument: Bank Guarantee (BG) or Standby Letter of Credit (SBLC)
2. Total Face Value: Euro/USD 1,000,000.00 – Euro/USD 10,000,000,000.00
3. Issuing Bank: HSBC Bank London, HSBC Bank, Hong Kong, Barclays Bank London, Deutsche Bank AG Frankfurt, Royal Bank of Scotland.
4. Age: One Year and One Day (With the option of Rolls and Extension)
5. Leasing Fee: Based on the Face Value of BG/SBLC/LC Plus (1% + X %) Commission.  
1M – 50M: 4.0% + (1% + X%) = 5.0% + X%  
51M – 100M: 4.0% + (1% + X%) = 5.0% + X%  
101M – 500M: 4.0% + (1% + X%) = 5.0% + X%  
1B – 5B 4.0% + (1% + X%) = 5.0% + X%
6. Delivery: Bank to Bank Swift MT799 and/or MT760
7. Monetization: UniCredit Italy 80% LTV
8. Payment: MT103
9. Hard Copy: By Bank Bonded Courier within 10 banking days after delivery of Swift.

## TRANSACTION PROCEDURE:

1. **Provider and Beneficiary execute, sign and initiate this Letter of Intent / Memorandum of Understanding, which thereby automatically becomes a full commercial recourse contract agreement.**
2. **Beneficiary sends a copy of his bank statement demonstrating that he has 2% of the face value in his account, together with the completed agreement, to enable the provider countersign the agreement and issue invoice and a signed and sealed Corporate Refund Recourse Undertaking to the beneficiary guarantying to refund incase of failure of performance.**
3. **Beneficiary, within two (2) international banking days, instructs his Bank to send swift transmission/portfolio reservation cost of \$XXX,XXX ( ----) by wire transfer to the Providers provided receiving bank coordinates, and emails a copy of the wire transfer receipt to the Provider.**
4. **Within three (3) banking days after the Providers Bank has received above bank swift transmission/portfolio reservation cost, Provider will instruct his issuing bank to send MT760 to the monetization bank (Provider shall provide a copy of said MT760 to the Beneficiary by email).**
5. **Within 2-3 banking days after monetizing the instrument (UniCredit Italy)pays out the 86% to the beneficiary, the Beneficiary Bank pays within five (10) calendar days to Provider the amount of 4% Face Value + 2% consultancy fees/commissions, as their**

commission fees.

6. Should beneficiary default to pay the payment to the provider and the Intermediaries fees as agreed in this Confidential Agreement within allowed number of days after receipt of 86% LTV by the monetization bank, Provider shall instruct the bank to put a claim on the Bank Instrument thereby forcing the beneficiary's bank to return the Bank Instrument to the issuing Bank and any payment made by the beneficiary is considered non-refundable.
7. Providers bank, within seven (7) banking days of receipt of full payment for the Bank Instruments, sends the hard copy original BANK INSTRUMENTS to the Beneficiary's Bank by bank-bonded courier.
8. All subsequent tranches will be based on the same procedures until collateral or funds become exhausted.

**SCHEDULE OF BANK TRANSMISSION FEES BG/SBLC (MT760/MT799)**

<b>Face Value of Instrument (USD/EURO)</b>	<b>Bank Transmission Charges (USD/EURO)</b>
<b>1M – 10M</b>	<b>50,000.00</b>
<b>11M – 100M</b>	<b>70,000.00</b>
<b>101M – 250M</b>	<b>120,000.00</b>
<b>251M – 350M</b>	<b>150,000.00</b>
<b>351M – 450M</b>	<b>250,000.00</b>
<b>451M – 999M</b>	<b>450,000.00</b>
<b>1B and above (In Tranches of 500M each)</b>	<b>(450,000 for each tranche of 500M)</b>