

INFORMATION SHEET
Documentary credit

Data: 31.03.2023

This document highlights the **economic conditions applied to issuance of documentary credit** on credit facilities opened at our branch. The relationship will be governed by the contractual conditions reported in the documents: **“Framework agreement for Guarantees, Import Letters of Credit and Detachments”** and **“Credit Facility”** (jointly, hereinafter, the **“Agreements”**) as the case may be. The client (the **“Client”**) may request a copy of this document in print or in any other permanent support from the bank.

Intermediary information	
Name	Commerzbank AG
Legal form	A.G.
Administrative headquarter	Kaiserstrasse 16 – FRANKFURT am MAIN (Germania)
Secondary Office in Italy	Corso Europa 2 – 20122 MILAN
Internet address	www.commerzbank.it
Office to be contacted	Corporate Clients – Trade Finance Cash Management
E-mail address	infomilano@commerzbank.com
Telephone Number	+39 02 72596.1
Certified mail (PEC)	cobamilano@actaliscertymail.it
Registration number	5376
Controlling company	Commerzbank AG
Register number of german chamber of commerce	HRB 32000 - Frankfurt
Subscribed Stock capital	As of 30-09-2022 Euro 1.252.357.634
Register number R.E.A.	1288226 - Milano
Partita IVA	12486580157
Fiscal code and register number of commerce	97067350153
ABI code	03095.7
Monetary and Financing Institutions Code (FMI Code)	IT0001198963145
Other information	Subject to the German Central Bank's and Bank of Italy's supervision Adhering to the National Guarantee Fund, and through the head office, to the German Law Fund “Entschädigungseinrichtung Deutscher Banken GmbH “EDB”, analogous to the Interbank Fund for the Deposit's Guardianship. Funds deposited by the clients are also protected by the Interbank Fund for the Deposit's established by Associated national German banks (Einlagensicherungsfond des Bundesverbandes Deutscher Banken, “EFS”) with an additional protection in addition to the one of EDB .

What documentary credit is

Characteristics of the financial service provided

The **documentary credit** operation consists in the undertaking of a commitment by a bank (issuing bank), on the order and on behalf of its own Client (sender), generally a buyer of goods, as a result of which this bank will carry out, or will have its correspondent bank carry out an economic service (payment at sight, acceptance of a deferred payment commitment, acceptance of effect, etc.) up to a certain amount and within a set time period, in favor of a third party (Beneficiary), generally the seller of the goods involved in the underlying transaction, against presentation, by the same seller, of commercial documents relating to the supply and shipment of the goods that comply with the terms and conditions set out in the credit text.

This is a widespread operation in international trade with which a marked contextuality is achieved between the supply of the goods and its payment with the exchange, through the banks of the seller and the buyer, of the documentation concerning the supply and shipment of the goods, documentation for which the banks check formal compliance (thus omitting assessments of merit) according to consolidated principles and rules referring to the Rules and Uniform Uses related to Documentary Credit of the International Chamber of Commerce, Publication 600, as amended and integrated (Norme ed Usi Uniformi relativi ai Crediti Documentari approvate dalla Camera di Commercio Internazionale).

The Documentary Credits are governed by the following agreements:

a) Framework agreement for Guarantees, Import Letters of Credit and Detachments

Through the Framework agreement, the bank grants the Client one or more Credit Line for (i) the issuance of domestic and/or foreign guarantees, with the possibility for the Company to request at its own risk the issuance of guarantees in its interest or in the interest of beneficiary companies (belonging to the Group); (ii) detachments of Credit Line in favor of beneficiary companies, and (iii) utilizations for Import Letters of Credit.

The Client may propose a variation of each issued financial product by submitting a duly signed variation request, without prejudice of the right of the bank to refuse it. The duration of guarantees and/or fideiussioni and/or import letter of credit and/or stand-by letter of credit cannot be extended for a term longer than the one agreed in the contract.

b) Credit Facility

Through the Credit Facility, the bank grants the Client a revocable credit facility for a predetermined amount, which the Client shall use through the issuance of guarantees and/or fideiussioni and/or Import Letters of Credit and/or stand-by letter of credit in favor of its commercial counterparts within the scope of its business activity.

The Client may propose a variation of each issued financial product by submitting a duly signed variation request, without prejudice of the right of the bank to refuse it. The duration of the guarantees and/or fideiussioni and/or import letter of credit and/or stand-by letter of credit cannot be extended for a term longer than the one agreed in the contract. The bank may ask to the Client at any time the issuance of one or more securities or guarantees in favor of the bank, being

the total secured/guaranteed amount adequate to the bank's commitment or the issuance of a counter-guarantee by a primary standing financial institution, considered satisfactory to the bank.

Main risks:

- Since the documentary credit operations are payment instruments that operate through an obligation independent of the bank with respect to the underlying commercial operation - that rely only on the presentation of the required documents and not on the information contained herein - the sender bears the risk of receiving goods that do not comply with contractual agreements upon presentation of documents that comply with the terms of the credit for which his bank (issuer) is required to pay or undertake to pay, and therefore to debit it;
- Transactions denominated in currencies or settled against euros or in currencies other than their denomination are subject to the risk of exchange rate fluctuations, as they are settled at the exchange rate applicable at the time of trading.

Main Economic terms

These economic terms are also applicable to stand-by letter of credit requesting the presentation of original transport documents and commercial letters of credit. In case of issuance of documentary credit and/or stand-by letter of credit in foreign currency, the economic conditions (including the simulation of the impact of the foreign currency conversion over the total amount to be reimbursed at maturity date or upon occurrence of each payment date) will be subject to separate negotiation between the bank and the Client.

GENERAL CHARGES

Description	Value	Comment
Value date	2 days	
Postage charges	EUR 2,00	
Courier charges	EUR 35,00 min. EUR 100,00 max.	
Swift charges	EUR 15,00	
Law 185 dossier management	EUR 50,00	

LC EXPORT

Description	Value	Comment
Pre-notice/Pre-check Letters of Credit	EUR 150,00	LC from abroad in favor of our Clients
	EUR 150,00	LC issued by order of our Clients
Notice Letter of Credit export	EUR 100,00	Even in case of confirmed LC
Amendment	EUR 100,00	Amendments to the letter of credit and collection instructions. If the modification of an LC involves an increase in the amount or the extension of the expiration date, the "confirmation" fees (for confirmed LCs) or the "issuance" fees in other cases will also be required.
Confirmation of export letter of credit <i>(Note: * variable according to the issuing bank risk and the country risk rating)</i>	On demand (*) EUR 150 min. per quarter	Calculated from the "notice" date and for the entire duration; for LC with tolerance in the amount the calculation amounts to 110%
	On demand (*) EUR 150 min. per quarter	For the deferred payment period. They are always calculated from the date of acceptance of the documents and for the entire duration; For LC with tolerance in the amount, the calculation amounts to 110%
Acceptance / commitment of export letters of credit <i>(Note: * variable according to the issuing bank risk and the country risk rating)</i>	On demand (*) EUR 150 min. per quarter	For LC negotiable against acceptance of effects pronounced on us; it is calculated from the date of acceptance to the expiration date
LC Export transfer	0,35% EUR 150,00 min. per quarter	By instructions of first beneficiary
Management and Payment	0,35% EUR 150,00 min.	In the case of LC at sight payable at the repaying bank through our account with it, the interest payable resulting from the difference between the debit date of our account and the debit date of our Client will be borne by the Client.
Irrevocable payment mandate	0,10% EUR 100,00 min. EUR 300,00 max.	
Discrepant documents	EUR 60,00	
Unpaid documents return	EUR 150,00	By instructions of first beneficiary
Supervisory Commission	EUR 55,00 max. per quarter	In the event that the payment of a collection is not carried out, despite the investigations, within six months of the deadline (if "at sight": within six months of submitting the documents to us)

	EUR 150,00	In the case of unconfirmed Letters of Credit with deferred payment
--	------------	--

LC IMPORT

Import letter of credit opening fees	EUR 150,00 max.		To cover expenses. Calculated on the basis of the commitment deriving from the issuance of the LC
Issuance of import letters of credit	On the basis of credit risk	EUR 150,00 min. per quarter	For irrevocable letters of credit.
		EUR 150,00 min. per quarter	For letters of credit with deferred payment. Calculation from the date of taking charge of the documents up to the expiry date of the credit.
Amendment	EUR 55,00		Amendments to the letter of credit. If the modification of an LC involves an increase in the amount or the extension of the expiration date, the "confirmation" fees (for confirmed LCs) or the "issuance" fees in other cases will also be required.
Management and Payment	0,35%	EUR 150,00 min.	In the case of LC at sight payable at the repaying bank through our account with it, the interest payable resulting from the difference between the debit date of our account and that of our Client's debit will be borne by the Client.
Documenti discrepanti	EUR 30,00		

COLLECTION OF DOCUMENTS

Collection of export documents and effects <i>(Note: Fees will also be charged if the same remains unpaid or the documents are released to the drawee later without payment)</i>	0,30%	EUR 55,00 min.		By order of our Clients against acceptance and / or payment
Issuing of documents <i>(Note: If a collection order is modified when the documents are issued without payment during its use (original instructions with no indication in this regard) the commissions will not be claimed)</i>	0,15%	EUR 80,00 min.	EUR 160,00 max.	By order from our Clients but without payment, and / or without a collection order estimate
Receipt of documents and effects from abroad	0,30%	EUR 55,00 min.		For collection against acceptance and / or payment
Release of Goods <i>(Note: the goods will not be taken over by us, but will be released against taking charge of the documents)</i>	0,15%	EUR 80,00 min.	EUR 160,00 max.	Delivered to Commerzbank
Unpaid documents	0,10%	EUR 55,00 min.	EUR 140,00 max.	In case of protested effects, the cost of the protest and all related expenses will be added: In general, however, these expenses are borne by the sending bank.
Payments to be made out of collection in favor of third parties (Agents)	0,15%	EUR 15,00 min.		
Amendment	EUR 55,00			

Termination (recesso and risoluzione), complaints, maximum time for termination

Termination (recesso and risoluzione):

The contracts do not provide for the right of termination in favor of the Client.

- (1) Upon the occurrence of one or more events of default indicated under the **Framework Agreement for Guarantees, Import Letters of Credit and Detachments** (non-payment, non-performance of or non-compliance with undertakings or obligations, misrepresentation, controlled companies, insolvency, material adverse change, interdictive sanctions pursuant to d.lgs. 231/2001), the bank may, by notice to the Client: (1) declare that the Cash Collateral is immediately due and/or due on demand; and (2) with reference to Events of Default relating to an Import Letter of Credit, sell the goods represented by the documents covered by the relevant Import Letter of Credit for which such amounts are due or the documents themselves on behalf of and at the risk of the Client, without notice or early warning, withholding from the price the full debt.
- (2) Upon the occurrence of one or more Events of Default indicated in the **Credit Facility** (non-payment, non-performance of or non-compliance with undertakings or obligations, misrepresentation, insolvency, circumstances under article 2447 of the Civil Code, insolvency proceedings, enforcement proceedings, illegality, material adverse change, interdictive sanctions pursuant to d.lgs. 231/2001), the bank may, by notice to the Client: (1) cancel the Credit Facility; (2) declare that Cash Collateral is immediately due and/or due on demand; (3) with respect to Events of Default relating to a Import Letter of Credit, sell the goods represented by the documents indicated under the relevant Import Letter of Credit for which such amounts are due or the documents themselves for the account and risk of the Client, without notice or early warning, withholding from the price the full debt, including by termination pursuant to and for the purposes of Article 1373 of the Civil Code (Unilateral) or termination pursuant to and for the purposes of Article 1456 of the Civil Code (Express Termination Clause).

Complaints

Complaints shall be sent to the bank's dedicated office (Corso Europa, 2 - 20122 MILAN) by registered letter or by certified email (PEC): cobamilano@actaliscertymail.it. The bank will respond within 60 (sixty) days of receipt of the complaint, except for complaints relating to payment services, for which a deadline of 15 working days from receipt is envisaged. In more complex cases that may require research and further studies, the deadline may be extended by providing the Client with a reasonable and reasoned response to the delay and specifying the deadline by which the Client will receive the definitive response, which may not in any case exceed 35 working days. If the Client is not satisfied or has not received a reply within the indicated timeframe, the Client may apply towards the Arbitro Bancario Finanziario (ABF) before commencing proceedings. To find out how to apply to the ABF please refer to the website www.arbitrobancariofinanziario.it, or please refer to the branches of the Bank of Italy, or please refer to the bank itself.

The decision of the arbitrator will not affect the Client's right to appeal to the ordinary judicial authorities.

The Client may alternatively carry out the mediation procedure within the terms provided for by the regulations in force, and then appeal: - To the Conciliatore Bancario Finanziario - Association for the resolution of banking, financial and corporate disputes - ADR. The Rules of the Conciliatore Bancario Finanziario may be consulted on the website www.conciliatorebancario.it or requested from the bank; or - to another body registered in the special register kept by the Ministry of Justice and specialised in banking and financial matters.

Legend

International Chamber of Commerce of Paris (ICC)	<i>Non-state organization representing the various branches of economic activity, which has as its main purpose the facilitation of international trade. To this end, and in the context of documentary operations with foreign countries, since 1929 it has drawn up the "Uniform Standards and Uses relating to documentary credits" which, updated over the years (currently the UNU. Publication 500 of 1993 is in force) are the fundamental reference for all international transactions involving settlement by means of the documentary credit instrument and Stand-by Letter of Credit as far as applicable to them.</i>
Issuing	<i>This is the moment of issuing the documentary credit, and that is when the issuing bank, on the instructions of the sender (the applicant for the documentary credit) dictates the conditions under which the Beneficiary must comply in order to receive the expected service from credit.</i>
Benefit provided for by the credit	<i>When documents conforming to the terms and conditions of the credit are presented, the Beneficiary expects either the payment at sight or the acceptance of the draft by the bank which then, by virtue of this commitment, will make the payment of the draft upon expiry or the assumption by part of the bank of a commitment (not represented by effect) to pay a certain sum on maturity. In the case of negotiation, the bank, other than the issuing bank and authorized to do so, "advances" the funds to the Beneficiary Salvo Buon Fine while waiting for the issuing bank to receive the documents and definitively cover its commitment.</i>
Amendment	<i>Indicates the change in the terms of the original credit. Attention: to be valid, the changes must be explicitly accepted by the Beneficiary (or whoever has the right to do so) or else they can be considered accepted if, upon presentation of the documents, it is clearly determined from the documentation itself that the Beneficiary has accepted the proposed changes.</i>
Usage	<i>It is the moment in which the Beneficiary presents the documents to receive the service.</i>
Country risk	<i>Economic insolvency of subjects located in a specific country (for political reasons, natural disasters etc.)</i>