



Letter of Credit with BLOOMZ New Zealand Limited

All Letter of Credit transactions must be directed to the BLOOMZ New Zealand bank - WESTPAC BANKING CORPORATION via a Westpac approved USA, UK or European bank, with a minimum of one month prior to dispatch of consignment AND the expiry date of the LC must be at least one month after the estimated consignment delivery date. The LC should allow for transshipment.

All charges are to the applicant's account including bank commission, reimbursement charges, negotiation commissions, swift costs, advising fees, establishment costs and confirmation charges, acceptance commissions, LC insurance and interest if applicable.

The LC may be negotiated on sight of documents or by special arrangement with BLOOMZ on a term basis (e.g. 90, 120, 180, 270 days) for which the current US\$ interest charge will apply - approx 5.50-6.50% p.a.

- e.g.
- 90 day term LC would attract an upfront interest charge of approx. 1.75% of the total Proforma Invoice value
 - 120 day term LC would attract an upfront interest charge of approx. 2.5% of the total Proforma Invoice value
 - 180 day term LC would attract an upfront interest charge of approx. 3-4% of the total Proforma Invoice value
 - 270 day term LC would attract an upfront interest charge of approx. 5% of the total Proforma Invoice value

This actual interest rate will be confirmed at the time of order confirmation. Any term LC including the length of the term is completely at the discretion of BLOOMZ and will be added to the initial Proforma Invoice.

For information purposes, we can advise approximate costs from our negotiating bank, WESTPAC New Zealand:

1. Advising commissions - Nil. Other New Zealand Banks do charge for this.
2. Confirmation Costs -This will depend on the bank and country the L/C has been established through; however an indication of the costs for confirmation is approximately 1% p.a. for USA banks listed below, however the confirmation fee for the following WESTPAC approved banks is a minimum of US\$250.00.

Bank of America, Bank of New York, Bank One, Bank One International, Bankboston, Chase Manhattan Bank, Citibank, City National Bank, Cobank, Comerica Bank Detroit, Fifth Third Bank, First Chicago International, HSBC, Norwest Bank Minnesota, Riggs Bank, Silicon Valley Bank, Standard Chartered Bank, Union Bank of California, Union Planters Bank NA, US Bank, Wells Fargo Bank.
3. Establishment Costs, Finance Charges, Interest, Discount Commissions, Reimbursement costs, Swift Costs -This would normally be charged by the Issuing Bank/Reimbursing Bank. WESTPAC is unaware of those costs, as it depends entirely on the overseas banks' charge, and interest structure which will be confirmed in due course.
4. WESTPAC Negotiating Costs - Commission @ 0.375% Minimum US\$100.00, Courier US\$20.00, Swift - US\$20.00 per SWIFT.

Please forward a copy of your LC application prior to establishment. We would like to review the LC before it is established, to avoid any possible amendments.

Please do not hesitate to check with us if you have any further questions or concerns.