

FORM OF LETTER OF CREDIT – FOR PERFORMANCE SECURITY

[Issuing Bank Name & Address]

Date of Issue: [Date]

Irrevocable Standby Letter of Credit

No. [Number]

Applicant:

[Customer Name and Address]

Beneficiary:

British Columbia Hydro and Power Authority

[Address]

Amount:

[Currency and Amount both in letters and numbers]

At the request of and for the account of the Applicant, we, [Bank Name], hereby establish in favour of the Beneficiary our irrevocable standby Letter Of Credit No. [Number] (hereinafter called the "Letter of Credit") for an amount not exceeding [Currency and Amount both in letters and numbers].

We, [Bank Name and Address], hereby unconditionally and irrevocably undertake and bind ourselves, and our successors and assigns, to pay you immediately, the sum, which you claim upon receipt of the following documents:

- (1) your written demand specifying the amount claimed, the number of this Letter of Credit, and the date of issue of this Letter of Credit; and
- (2) this original Letter of Credit, including any amendments, must be presented with your demand for payment for endorsement purposes.

This Letter of Credit may be presented for payment at the above issuing address or at [alternate Vancouver (B.C) branch location if letter of credit is not issued in Vancouver].

It is understood that we are obligated under this Letter of Credit for the payment of monies only and we hereby agree that we shall honour your demand for payment, on or before the expiry date or any future expiry date, without enquiring whether you have a right as between yourself and the Applicant to make such demand and without recognizing any claim of the Applicant.

Partial drawings and multiple presentations are allowed. The amount of this Letter of Credit shall be automatically reduced by the amount of any drawing paid hereunder.

This Letter of Credit takes effect from the Date of Issue set forth above, and shall remain valid until [Date]. However, it is a condition of this Letter of Credit that it will be automatically extended without notice for a further one year period from the present or any future expiry date unless at least ninety (90) days prior to such expiry date we notify you in writing by courier



or registered mail at your address above that we elect not to consider this Letter of Credit to be extended for any additional period. If we give you notice of our election not to extend for an additional period, you shall be entitled to immediately demand payment of the full amount of this Letter of Credit.

This Letter of Credit is subject to the International Standby Practices 1998 (“ISP98”). All matters not covered by ISP98 will be governed by the laws applicable in the Province of British Columbia. The parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of British Columbia. The number of this Letter of Credit must be quoted on all documents required hereby.

Authorized Signing Officer
[Bank Name]

Authorized Signing Officer
[Bank Name]

Letter of Credit Requirements
(wording contained in this box does not form part of the issued LoC)

- (a) issued or confirmed by a branch of a domestic Canadian financial institution having a minimum credit rating not less than Standard & Poor’s A-, Moody’s A3 or Dominion Bond Rating Service A (low). If the issuing financial institution is not a domestic Canadian financial institution, the Sovereign (Country) debt rating shall not be less than Standard & Poor’s AA, Moody’s Aa2 or DBRS AA and the financial institution must be acceptable to BC Hydro. BC Hydro, at its discretion, may accept a Sovereign debt rating of Standard & Poor’s AA-, Moody’s Aa3 or DBRS AA(low) if the issuing bank has a rating of not less than Standard & Poor’s A, Moody’s A2 or DBRS A. If such credit rating agencies publish differing credit ratings for the same financial institution, the lowest credit rating of any of the credit rating agencies shall apply for purposes of this section;
- (b) available for presentation in Vancouver (B.C.) Canada; and
- (c) for a term of not less than one year and providing that it is renewed automatically, unless the issuing or confirming financial institution advises otherwise as specified in the letter of credit.

