

### **Terms and Conditions for the Application for Shipping Guarantee or Indemnity**

In consideration of your endorsing the attached transport document or countersigning the attached letter of indemnity/guarantee (as the case may be) at our request in order to facilitate us to take delivery of the Goods, we hereby undertake and agree with you as follows:-

1. We shall indemnify you and your delegate(s) on demand (on a full indemnity basis) against all liabilities, losses, payments, damages, demands, claims, expenses and costs (including legal fees), proceedings or actions which you or your delegate(s) may suffer or incur in connection with your so doing upon our request in this agreement and upon your request to apply and defend at our own cost and expense any action which may be commenced against you in connection with this application. We further agree to redeem and deliver the attached letter of indemnity/guarantee (if any) to you for cancellation immediately upon receipt of the relevant bills of lading or transport documents and undertake that our obligations hereunder shall remain in full force and effect until the attached letter of indemnity/guarantee is returned to you for cancellation.
2. We declare and represent that the Goods are, to the best of our knowledge, not hypothecated to any person nor will this be done by us other than to you and we shall hold the Goods and sale proceeds in trust for you. The Goods have been and will continue to be pledged to you as continuing security.
3. You are hereby authorized (but not obliged) (i) to honour any drawings made under the DC or documentary collection or to pay the invoiced amount of the Goods without examining any of the presented documents; and (ii) to utilize the bills of lading or transport document in your possession for the redemption of the letter of indemnity/guarantee from the relevant transport company. We irrevocably agree and undertake to reimburse you on demand in respect of such drawings or payments together with all charges, expenses and interest irrespective of any discrepancy(ies) that may appear in such documents (all of which, if any, are hereby waived) and/or even if the Goods, drawings or payments are unacceptable to us due to whatever reasons.
4. We shall provide you with cash or other collaterals in such form and value as you may require from time to time. To secure the discharge of our obligations to you under this application, you are irrevocably authorized to debit our account(s) with you and you shall have a lien over all our properties in your possession, with power to sell or dispose of such properties at any time for satisfaction of our obligations.
5. We agree to keep the Goods fully insured at our own expense and will furnish proof of this at any time, if requested to do so by you.
6. We hereby authorise you to hold all monies paid to you, if any, in relation to this application as a margin deposit against any liability incurred by you in connection with this application and you are hereby authorized to apply all or part of such deposit at your discretion in settlement of any of our liability under this application and, if necessary for the foregoing purpose, to convert such deposit into the required currency at the exchange rate as determined by you.
7. This application is subject to the Trade Finance Security Assignment, Standard Terms for Banking Facilities as are in effect from time to time and any other agreement(s) previously signed and delivered to you by us. In case of conflict, terms of this application shall prevail.
8. This application is governed by and shall be construed in accordance with the laws of Hong Kong SAR and we agree to submit to the nonexclusive jurisdiction of Hong Kong courts.