

**To: The Bank of East Asia, Limited
Singapore Branch
60 Robinson Road, BEA Building
Singapore 068892**

Date : _____

I/We enclose herewith for your countersignature our letter of guarantee addressed to _____ calling for the following Cargo per S/S _____, ("the Letter of Guarantee") the bill(s) of lading for which ("the Bill of Lading") has not yet arrived. In consideration of your countersigning the said Letter of Guarantee I/we agree to the terms and conditions appearing hereunder and overleaf.

| Markings | Quantity & description of goods ("the Goods") | Port of shipment | Shipped by |
|----------|--------------------------------------------------|------------------|------------|
| | | | |

The said Letter of Guarantee refers to shipment for value _____ made under:

- Letter of Credit No. _____
- *Documents against payment/Documents against acceptance through yourselves/other banks

In addition, we hereby

- authorise you to *debit/earmark our current account No. _____
- forward herewith *cash/cheques for a sum of S\$_____ to be held by you as deposit.

*Please delete where appropriate

Yours faithfully,

Authorised Signature(s) & Company's Stamp

Terms and Conditions

I/we acknowledge, agree and undertake hereby as follows:

- 1) I/we shall indemnify you fully against all consequences and/or liabilities of any kind whatsoever directly or indirectly that may arise either directly or indirectly in connection with or arising from or in relation to your acceding to my/our abovementioned request including, without limitation, losses, damages, costs (including legal costs as between solicitor and client) and any other expenses or liabilities of any kind whatsoever which you may sustain or incur either directly or indirectly in connection with or arising from or in relation to your acceding to my/our request herein and shall immediately on demand pay and reimburse you all monies due or owing in respect of such consequences and/or liabilities, including costs as between solicitor and client and all or any sums incurred by you for the defence of any proceedings brought against you by reason of your so doing.
- 2) I/we confirm that we have full and unencumbered title to the Goods and that there is no party with title, rights and interests in the Goods superior or ranking in higher priority to ours. I/we further confirm that the Bill of Lading has not been hypothecated or in any way pledged with / to any third party whatsoever and undertake not to pledge, mortgage, charge, hypothecate or otherwise encumber the Goods and the documents relating to the Goods in favour of any such third party.
- 3) The Goods and full set of Bill of Lading are pledged to you as security for the fulfillment of our obligations hereunder. We shall procure and hold the full set of the bills of lading duly endorsed in your favour or in blank on receipt and the Goods in storage in trust for you with liberty to sell as your agent whereupon we shall account for and pay the proceeds over to you as soon as they are received.
- 4) I/we shall keep the Goods insured against fire, theft and pilferage at our cost, the policy money being payable in case of loss to you and to do all other acts and things necessary to protect and preserve unimpaired your property and lien in the Goods, the Bill of Lading and other documents of title thereto.
- 5) If called upon, we undertake at any time while the Goods are in my/our possession to deliver same to you and to procure for you all warehouse receipts and attornment in your favour in respect of the Goods.
- 6) I/we undertake and agree upon demand to pay any freight and/or general average and/or charges due on the Goods (it being expressly agreed and understood that all liens shall subsist and be unaffected by the terms hereof).
- 7) I/we also undertake to pay all bills and charges incurred if any when the original documents are received by us irrespective of whether there are any discrepancies in the said documents.
- 8) I/we allow you at your sole discretion without reference to me/us notwithstanding any instruction by us to the contrary, to compromise settle pay or resist any claiming arising out of the release of the Goods to me/us without releasing me/us from my/our liabilities to or obligations to indemnify you.
- 9) I/we shall provide you with sufficient funds on demand to defend any proceedings instituted against you at any time in respect of the Goods, including all legal fees and costs. If called upon, I/we undertake at any time while the Goods are in my/our possession to deliver same to you and to procure for you all warehouse receipts and attornment in your favour in respect of the Goods.
- 10) I/we waive all irregularities and discrepancies in relation to the description of the Goods including, without limitation, irregularities and discrepancies as regards the value, numbers, marks, contents, weight, quantity and quality of the Goods under any contractual arrangement I/we may have with the supplier thereof, and I/we further agree that you may pay or accept as a complying presentation any draft and/or other documents received by you with respect to the Goods tendered under letter of credit/ pursuant to a collection notwithstanding any discrepancy or irregularity in the draft or documents and/or whether or not all the documents required under the letter of credit are presented, which discrepancy, irregularity and/or failure to present the requisite documents shall be deemed to have been irrevocably waived by me/us. Such discrepancy or irregularity shall be deemed to include the delay in such tender or presentation of any documents and/or drafts beyond what is permitted by the terms of the letter of credit or the collection.
- 11) I/we shall deliver the shipping guarantee to you for cancellation immediately upon presentation of the original Bills of Lading to the Carrier for the above shipment.
- 12) I/we authorise you from time to time and at any time without reference to us to debit our current account to make a deposit/ to earmark our current account with S\$ equivalent to the extent of all such sums which you have paid and all or any sums of monies demanded by you pursuant to [this agreement].
- 13) The Contracts (Rights of Third Parties) Act of Singapore shall not apply to the agreement between you and us contained in or evidenced by all the instructions and terms and conditions herein ("the agreement") so as to confer any rights on any party other than you and us as well as our respective assigns and successors in title.
- 14) The agreement is governed by and construed in accordance with the laws of the Republic of Singapore. We agree to submit to the non-exclusive jurisdiction of the courts of Singapore for any disputes arising out of or in connection with the agreement.