

Application and Indemnity for Issuance of Bank Guarantee

To Mashreqbank psc

Place

Date d d m m y y y y

Dear Sirs

I/We place on record that at my/our benefit you have, in terms approved and accepted by us, agreed to issue the following bank Guarantee

in English in Arabic type of guarantee

Name of beneficiary in full

Address

Currency and Amount Guarantee to be issued on behalf of

Date from which guarantee to become effective d d m m y y y y Expiry date of guarantee d d m m y y y y

For and on behalf of

Address

PO Box Emirate

Telephone no Fax no

Contract no and other particulars/purpose

Delivery/Other instructions

- 1 In consideration of your issuing or agreeing to issue the above Guarantee, I/we hereby irrevocably and unconditionally undertake to fulfil and discharge all my/our obligations and liabilities which you have guaranteed and to hold you, your successors and Assignees harmless and indemnified against all actions, proceedings, claims, demands brought and/or may be brought or made against you or your Successors and Assignees and also against all damages, losses, costs and expenses incurred or suffered or may be suffered or incurred by reason of or in consequence of such guarantee or incidental to it or in connection thereof and to procure you or your Successors' and Assignees' release from the said Guarantee.
- 2 I/We further undertake on your demand to do, perform and execute and cause to be done, performed and executed any act, deed, documents, matter or thing which you or your Successors and Assignees may require for your or their further security and for indemnifying you against all consequences of the Guarantee and in particular and without prejudice to the resulting generality of the foregoing, to deposit with you cash or other collateral security satisfactory to you which you will hold until you are finally released from such guarantee. You may at any time and without notice to me/us combine or consolidate all or any of my/our accounts and set-off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of my/our liabilities to you on any other accounts or in any other respect whether such liabilities are actual or contingent, primary or collateral, several and joint. The combination, consolidation, set-off and transfer referred to in this clause may be made on one or more occasions and at any time at your absolute discretion. The exercise or non-exercise of the right under this Clause shall not affect any of our rights on any security held by you.
- 3 I/We undertake to pay you on demand any amount paid by you along with all commissions, interest and all other charges and expenses due or becoming due to you in respect of issuing the Guarantee or any extension thereof. Unconditional and irrevocable authority (ies) is/are hereby granted to you by me/us to debit any one or more of my/our accounts with you or with any of your branches toward recovery of such amount, commission, interests, charges and expenses.
- 4 I/We also undertake to reimburse you on demand any amount that you may pay pursuant to your above mentioned Guarantee including interest and other charges and expenses, regardless of whether or not the party in whose favour such obligation was incurred or to whom such undertaking was given by you is justified in making claim against you.
- 5 If an overdraft results due to you having debited my/our accounts for payment against this guarantee, you will be entitled to charge a penal interest at an annual rate of two percent (2%) over and above the applicable rate of interest on such overdrafts and this shall continue to be compoundly charged on monthly basis till the overdraft is duly and finally adjusted by me/us. Such interest rate on overdrafts are compoundable on a monthly basis and the penal interest rate may be fixed and also varied at your option at any time and from time to time without notifying me/us. I/We also agree to pay financial charges of AED 50.00 per day on overdrafts exceeding the permissible limit. You may vary such financial charge any time and from time to time at your option without notifying me/us.
- 6 You are hereby authorized to do all things and acts which you in your sole discretion deem fit or necessary in satisfying your obligations under the Guarantee or otherwise in accordance with the terms and conditions of the Guarantee. Without limitation to the aforesaid and without the need to obtain my/our consent and despite any objection from my/our part, you may extend the validity period of the Guarantee for one or more times, or may pay the amount of the Guarantee or any part thereof as an alternative to extending the validity period of the guarantee.
- 7 This indemnity shall be in addition to and shall not affect or prejudice any other or further security(ies) required or obtained by you in connection with the Guarantee.

- 8 This Indemnity is continuing and binding on me/us, my/our heirs, successors and assignees and shall remain valid until the obligation to which it is issued/made and/or any renewal or extension thereof is, in your sole judgement notwithstanding any term hereof, expired and/or released.
- 9 Any payment(s) made or to be made hereof by me/us shall be made without set-off or counter claim.
- 10 Any responsibility/liability of mine /ours to you hereof shall be joint and several responsibility/liability.
- 11 Every demand or notice served or communicated by you to me/us shall be considered to have been duly served and communicated to me/us if sent to the recorded address of mine/ours either by hand delivery, ordinary or registered mail, telex and/or any other usual and practised means of transmission/delivery. Every demand or notice sent in this manner by you to me/us or any of the persons representing me/us shall be deemed to have been sent to each and all of us.
- 12 Without prejudice to the Bank's absolute right to submit to any other law or jurisdiction, this document shall be governed, construed and interpreted in accordance with the commercial law/practice prevailing in United Arab Emirates and the civil courts in United Arab Emirates shall have full jurisdiction over any difference or dispute arising or which may arise out of the contents of this document or any part thereof.
- 13 We further undertake to return to you the original guarantee after the expiry of its validity and until such time, you will be entitled to recover from me/us your usual charges plus administrative fee at the rate of _____ % per annum on the amount of the Guarantee.
- We authorize you now to debit my/our account number [] with you for recovery of all such charges, fees, commissions and margins, if any.

Very truly yours authorised signatures []
