

## Application & Agreement for Standby Letter of Credit

To Mashreqbank psc  
P O Box 1250  
Dubai, United Arab Emirates

LC no .....  
Date | d | d | m | m | y | y | y | y | .....

The undersigned Applicant requests you to issue and transmit by teletransmission ..... by mail ..... without adding their confirmation .....  
adding their confirmation ..... adding their confirmation on beneficiary's request and cost .....  
an irrevocable standby Letter of Credit (the Credit) in favour of the Beneficiary shown below as follows:

### Beneficiary - PLEASE TYPE OR PRINT

Name in full .....  
Address .....  
Advising Bank (if any) ..... Currency amount .....  
Expiry date | d | d | m | m | y | y | y | y | ..... Expiry place .....

### Documents

Available with ..... by draft(s) at sight to be drawn on you (or on a correspondant selected by you) when accompanied by the following documents:

..... Beneficiary's statement signed or purporting to be signed by or on behalf of the Beneficiary reading (plesase state below the exact wording to appear on the statement to be presented with the draft):

.....  
.....  
.....  
.....  
.....

..... Other documents:

..... Additional instructions, if any:

..... All bank charges, recording fee and commision, except the LC opening charges, are to be bourne by the Beneficiary/me/us.

### Terms and conditions of Credit are outlined on pages 2, 3 & 4 of this application

*If the application is to be executed by two or more parties, in lieu of the above signature, the joint Applicant Agreement appearing on page 4 should be executed. If the terms of the Credit applied for above indicate that an account party other than Applicant or Joint Applicant, the Authoristion and Agreement of Account Party appearing on page 4 should also be executed.*

My Signature here indicates agreement to the terms and canditions on each page of the application.

By Authorised Signature .....

Title .....

Name of Applicant .....

Address of Applicant .....

Account number .....

## Terms & conditions

---

### 1 Payment Terms

- (a) Applicant agrees to pay to the Mashreqbank psc ("Bank") on demand, at Bank's office located at P.O. Box 1250, Dubai United Arab Emirates in Dirhams, in immediately available funds; (i) each amount drawn under the Credit in Dirhams or in the event that drafts under the Credit are payable in a currency other than Dirhams, the Dirham equivalent of each amount so drawn; (ii) interest on each amount (or the Dirham equivalent thereof) so drawn for each day from the date of payment of the relevant draft to and including the date of payment of the relevant draft to and including the date of payment in full of such amount by Applicant to bank, at an agreed rate and (iii) any and all commissions and charges of, and any and costs and expenses incurred by bank and each of its correspondents in relation to the issuance and maintenance of the Credit and all drafts there under.
- (b) Bank is hereby authorised to charge Applicant's account(s) maintained with Bank for any and all amounts payable hereunder.

### 2 Security Interest

To secure the payment and performance of all of the obligations, Applicant hereby grants to bank a continuing security interest in, and assigns and pledges to bank, all of the Collateral. If any Applicant shall have executed or shall at any time execute a security agreement with bank, the Collateral of such Applicant shall also constitute and be included as "Collateral" as defined in said agreement, the obligations shall also be "Obligations" as defined in said agreement, and, in addition to its rights hereunder, Bank shall have all of the rights provided for in said agreement.

### 3 Administration of Credit

- (a) Applicant will promptly examine the copy of the Credit (and any amendments thereof) sent to Applicant by Bank, as well as all other instruments and documents delivered to Applicant from time to time, and, in the event Applicant has any claim of non compliance with the instructions or of any discrepancy or other irregularity, Applicant will immediately notify Bank thereof in writing, and Applicant will conclusively be deemed to have waived any such claim against Bank and its correspondents unless such immediate notice is given as aforesaid.
- (b) Bank may (but need not) pay any drafts otherwise in order which are signed or issued by, or accompanied by required statements or other documents otherwise in order which are signed or issued by, the custodian, executor, administrator, trustee in bankruptcy, debtor in possession, assignees for the benefit of creditors, liquidator, receiver or other agent or legal representative of the Beneficiary of the credit or other party who is authorised under the Credit to draw or issue any drafts, required statements or other documents.
- (c) Neither Bank nor any of its correspondents shall be responsible for, and neither Bank's powers, and rights hereunder nor Applicant's obligations shall be affected by, (i) any act or omission pursuant to Applicant's instructions, (ii) any other act or omission of Bank or its correspondents or their respective agents or employees other than any such arising from its or their gross negligence or willful misconduct, (iii) the validity, accuracy or genuineness of drafts, documents or required statements, even if such drafts, documents or statements should in fact prove to be in any or all respects invalid, inaccurate, fraudulent or forged (and notwithstanding that Applicant shall have notified Bank thereof), (iv) failure of any draft to bear any reference or adequate reference to the Credit, (v) errors, omissions, interruptions or delays in transmission or delivery of any messages however sent and whether or not in code or cipher, (vi) any act, default, omission, insolvency or failure in business of any other person (including any correspondent) or any consequences arising from causes beyond Bank's control, or (vii) any acts or omissions of any beneficiary of the Credit or transferee of the Credit, if transferable.

### 4 Extensions, Increases and Modifications of Credit

Each Applicant agrees that the bank may at any time and from time to time, in its discretion, by agreement with Applicant and if this Agreement is executed by two or more Applicants, each Applicant agrees that Bank may at any time and from time to time, in its discretion by agreements with one or more Applicants (whether or not such other Applicants shall have been appointed as the "Agent Applicant" in the Joint Applicant Agreement contained in the Application): (i) further finance or refinance any transaction under the Credit: (ii) renew, extend or change the time of payment or the manner; place or terms of payment of any of the obligations; (iii) settle or compromise any of the Obligations or subordinate the payment thereof to the payment of any other debts of or claims against any Applicant which may at the time be due or owing to bank: or (iv) release any Applicant or any Guarantor or any Collateral, or modify the terms under which such collateral is held, or forego any right of setoff, or modify or amend in any way this Agreement or the Credit, or give any waiver or consent under this Agreement; all in such manner and on such terms as Bank may deem proper and without notice further assent from such Applicant. In any such event, such Applicant shall remain bound by such event and this Agreement after giving effect to such event, and the Obligations under this agreement shall be continuing Obligations in respect of any transaction so financed or refinanced.

### 5 Reserve Requirements and Similar Costs

If Bank is now or hereinafter becomes subject to any reserve, special deposit or similar requirement against assets of, deposits with, or for the account of, or credit extended by, bank, or any other condition is imposed upon Bank, which imposes a cost upon bank, and the result, in the determination of bank, is to increase the cost to Bank of maintaining the Credit or paying or funding the payment of any draft thereunder, or to reduce the amount of any sum received or receivable by bank hereunder, or reduce the return to Bank by an amount determined by Bank to be material. Applicant will pay to Bank upon demand such amount in respect of such increased cost to reduction as Bank may determine to be the additional amount or amounts required to compensate Bank for such increased cost or reduction. In making the determinations contemplated hereunder. Bank may make such estimates, assumptions, allocations and the like which Bank in good faith determines to be appropriate, but Bank's selection thereof, and Bank's determinations based thereon, shall be final and binding and conclusive upon Applicant.

### 6 Events of Default: Remedies; Pre-funding

- (a) It shall be an Event of Default if: (i) Applicant defaults in the payment when due of any of the obligations; (ii) Applicant otherwise defaults in the performance of any of the obligations; (iii) any representation or warranty made by any Applicant to Bank in connection with the Credit or otherwise for the purpose of obtaining credit proves to have been incorrect or misleading in any material respect when made; (iv) any Applicant fails to pay when due any other indebtedness for borrowed money, the maturity of any such indebtedness is accelerated or an event occurs which, with notice or lapse of time or both, would permit acceleration of such indebtedness; (v) any Applicant (if an individual) or Guarantor (if an individual) dies or becomes incompetent, or any Guarantor challenges, or institutes any proceedings, or any proceedings are instituted, to challenge, the validity, binding effect or enforceability of its obligations with respect to any of the obligations; (vi) any Applicant challenges, or institutes any proceedings or any proceedings are instituted, to challenge the validity, binding effect or enforceability of this Agreement; (vii) any Applicant (if a business entity) or any Guarantor (if a business entity) is dissolved or is a part to any merger or consolidation or sells or otherwise exposes of all or substantially all of its assets without the written consent of Bank; (viii) any Applicant fails to make available to Bank for inspection and copying any of its books and records; (ix) any Applicant or any co-partnership of which any Applicant is a member is expelled from or suspended by any stock or securities exchange or other exchange; (x) any Applicant or any Guarantor becomes insolvent or unable to meet its debts as they mature, or is generally not paying its debts as they become due, or suspends or ceases its present business, or a custodian, as defined in (UAE Laws) of substantially all of its property, or a receiver or other person or entity serving a similar function, shall have been appointed or taken possession; or (xi) a case under such (UAE Laws) or any proceeding under any other federal, state or foreign bankruptcy, insolvency or other law relating to the relief of debtors, the readjustment, composition or extension of indebtedness or reorganization, is commenced by or against any Applicant or any Guarantor.

- (b) If any Event of Default shall have occurred and be continuing, other than an Event of Default specified in paragraph 6 (a) (x) or 6 (a) (xi), Bank may declare all obligations (including any such which may be contingent and not matured) to immediately due and payable, and in the case of an Event of Default specified in paragraph 6 (a) (x) or 6 (a) (xi), all such obligations shall automatically be immediately due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are expressly waived.
- (c) Without limiting the generality of the foregoing, Applicant agrees that if (i) any Event of Default or even which with notice or lapse of time would become an Event of default shall have occurred and be continuing, or (ii) Bank at any time and for any reason deems itself to be insecure or the risk of non-payment or non-performance of any of the obligations to have increased, or (iii) in the Event that the Credit is denominated in a currency other than Dirham, Bank determines that such currency is unavailable or that the transactions contemplated by this Agreement are unlawful or contrary to any regulations to which Bank may be subject or that due to currency fluctuations the Dirham Equivalent of the amount of the credit exceeds the amount of Dirhams that Bank in its sole judgement expected to be its maximum exposure under the Credit, then, Applicant will upon demand pay to Bank an amount equal to the undisbursed portion, if any, of the Credit, and such amount shall be held as additional collateral for the payment of all obligations hereunder, and after the expiration hereof, to the extent not applied to the Obligations, shall be returned to Applicant.

## 7 Definitions

As used herein, the following terms shall have the following meanings:

- (a) **"Agreement"** shall mean, collectively, the Application and Agreement for standby Letter of Credit, these terms and conditions, the joint Applicant Agreement and the Authorisation and Agreement of Account Part, as the same may be amended and supplemented from time to time.
- (b) **"Applicant"** shall mean the person or entity executing this Agreement as Applicant; provided that if two or more persons or entities shall have executed this Agreement as Applicant or as Joint Applicant the terms "Applicant" and "Applicants" shall mean each and all of such persons and entities, individually and collectively, except that, if the term "Applicant" and "Applicants" shall mean each and all of such persons and entities, individually and collectively, except that, if the term "Applicant" is preceded by the word "any" or each" or a word or words of similar import, such term shall be deemed to refer to each of such persons or entities, individually.
- (c) **"Credit"** shall mean the irrevocable standby letter of credit issued by bank upon Applicant's request, as the same may be amended and supplemented from time to time, and any and all renewals, increases, extensions and replacements thereof and therefor.
- (d) **"Collateral"** shall mean and include (A) ALL PERSONAL PROPERTY OF APPLICANT OR IN WHICH APPLICANT HAS AN INTEREST WHICH IS NOW OR HEREAFTER PLEDGED TO, GIVEN TO, OR LEFT IN THE POSSESSION OR CUSTODY OR UNDER THE CONTROL OF, OR MAINTAINED WITH BANK BY OR FOR THE ACCOUNT OF APPLICANT, FOR SAFEKEEPING OR ANY OTHER PURPOSE, and whether or not Bank shall have accepted the same for such purpose (including but not limited to any amounts paid to Bank pursuant to paragraph 6(c) hereof), WHETHER NOW OR HEREAFTER EXISTING OR, NOW OWNED OR HEREAFTER ACQUIRED and whether or not subject to Article 9 of the Uniform Commercial Code, including but not limited to instruments, investment securities, money, chattel paper, letters and advices of credit, goods, documents (together with all goods represented thereby and all insurance policies insuring same) and general intangibles, (B) if such property includes instruments, all distributions thereon including distributions with respect to instruments which are Collateral by reason of this clause (C) and all instruments and other property issued with respect to or in exchange for instrument constituting collateral under this Agreement, and (d) the proceeds, products and accessions of and to any of the foregoing, in whatever form. For purposes, hereof, all remittances and property shall be deemed left in bank's possession as soon as pt in transit to Bank by mail or carrier or otherwise or lodged for Bank's account with any correspondent or agent.
- (e) **"Dirham Equivalent"** shall mean (i) the number of Dirhams that is equivalent to an amount of a currency other than Dirham, determined by applying the Bank's selling rate for the relevant currency against Dirham applicable to cable transfer to the place where and in the currency in which the relevant amount is payable, or (ii) in he event that Bank shall not at the time be offering such a rate, the amount of Dirhams that bank, in its sole judgement, specifies as sufficient to reimburse or provide funds to Bank in respect of amounts drawn or drawable under the Credit; in either case as and when determined by Bank.
- (f) **"Dirhams"** shall mean lawful currency of the United Arab Emirates (UAE)
- (g) **"Guarantor"** shall mean any maker, drawer, acceptor, guarantor, endorser, surety, accommodation party or other person liable upon or in respect of the obligations.
- (h) **"Obligations"** shall mean and include all indebtedness, obligations and liabilities of Applicant to Bank, present or future, due or to become due, absolute or contingent, arising hereunder or in connection with the Credit or any financing or refinancing thereof.

## 8 Expenses: Indemnification

Applicant agrees to reimburse Bank upon demand for and to indemnify and hold Bank harmless from and against all claims, liabilities, losses, costs and expenses, including attorney's fees and disbursements, incurred or suffered by Bank in connection with the Credit; such claims, liabilities, losses, costs and expenses shall include but not be limited to all such incurred or suffered by Bank in connection with (a) Bank's exercise of any right or remedy granted to it hereunder, (b) any claim and the prosecution or defence thereof arising out of or in any way connected with this agreement, (c) the collection or enforcement of the Obligations, and (d) any of the events or circumstances referred to in paragraph 3(c) hereof.

## 9 No Waivers of Rights Hereunder: Rights Cumulative

No delay by bank exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right preclude other or further exercises thereof or the exercise of any other right. No waiver or amendment of any provisions of this Agreement shall be enforceable against Bank unless in writing and signed by an officer of Bank, and unless it expressly refers to the provisions affected; any such waiver shall be limited solely to the specific event waived. All rights granted Bank hereunder shall be cumulative and shall be supplementary of and in addition to those granted or available to Bank under applicable law and nothing herein shall be construed as limiting any such other right.

## 10 Continuing Agreement: Termination

This Agreement shall continue in full force and effect until the expiration of the Credit, but, notwithstanding any such expiration, this Agreement shall continue in full force and effect until all obligations then outstanding (whether absolute or contingent) shall have been paid in full and all rights of Bank hereunder shall have been satisfied or other arrangements for the securing of such rights satisfactory to Bank shall have been made.

## 11 Governing Law; Jurisdiction; Certain Waivers

- (a) This Agreement shall be governed by and interpreted and enforced in accordance with the UAE Law and Bank shall have the rights and remedies of a secured party under applicable law, including but not limited to the UAE Law.
- (b) Applicant agrees that all actions and proceedings relating directly or indirectly to this Agreement shall be litigated only in courts located within the UAE or elsewhere as Bank may select and that such courts are convenient forums therefor and submits to the personal jurisdiction of such courts.
- (c) Applicant waives personal service of process upon it and consents that any such service of process may be certified or registered mail, return receipt requested, directed to Applicant at its address last specified for notices hereunder and service so made shall be deemed completed five (5) days, after the same shall have been so mailed.
- (d) Applicant waives the right to assert in any action proceeding with regard to this Agreement or any of the Obligations any offsets or counterclaims which it may have.

**12 Notices**

Any notice to Bank shall be effective only if writing or by authenticated teletransmission acceptable to you, directed to the attention of and received by bank's Credit Administration Division. Any notice to or demand on Applicant, or, if more than one Applicant executes this Agreement, the Agent Applicant, shall be binding on all Applicants and shall be effective when made to Applicant, or, if more than one Applicant executes this Agreement, the Agent Application, by mail, telegraph, cable, telephone or otherwise, in the case of mailed, telegraphed, or cable notices, to the address appearing below such Applicant's signature or at such other address as may be specified in a notice designated as a notice of change of address under this paragraph, and in the case of telephonic notices, to the last telephone number of such Applicant appearing on Bank's records. Any requirement under applicable law of reasonable notice by Bank to Applicant of any event shall be met if notice is given to Applicant or Agent Applicant, as the case may be, in the manner prescribed above at least seven days before (a) the date of such event or (b) the date after which such event will occur.

**13 General**

- (a) If this Agreement is executed by two or more Applicants, they shall be jointly and severally liable hereunder, and all provisions hereof regarding the Collateral shall apply to the Obligations and Collateral of any or all of them.
- (b) This Agreement shall be binding upon the heirs, executors, administrators, assignees or successors of each of the Applicants and shall incur to the benefit of and be enforceable by bank, its successors, transferees and assignees.
- (c) Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibitions or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.
- (d) **The Credit shall be subject to the "Uniform Customs and Practice for Documentary Credits" of the International Chamber of Commerce, as adopted from time to time and ISP 98.**

**Joint Applicant Agreement**

In consideration of your establishment of the Credit substantially as applied for herein, we agree to the terms and conditions of this Application and Agreement for Standby Letter of Credit and that this Application and Agreement for Standby Letter of Credit shall be joint and several agreement of Applicants and all property referred to in this Agreement as belonging to Applicant shall be understood to refer to the joint property of any or all of the several Applicants as well as to the individual property of each of them. The happening of any Event of Default as specified in paragraph 6 of this Application and Agreement for Standby Letter of Credit with respect to any Applicant shall mature the obligations of all Applicants. A demand made on any Applicant pursuant to paragraph 1 of this Application and Agreement for Standby Letter of Credit shall fix the exchange rate as to all Applicants.

We also agree that \_\_\_\_\_ shall appear in the Credit as Account Party and that \_\_\_\_\_ ("Agent Applicant") has the exclusive right to issue all instructions on any and all matters relating to the Credit, including, without limitation instructions as to disposition of documents and any unutilized funds, and waivers of discrepancies, and to agree with you upon any amendments, modifications, extensions, renewals, or increases in the Credit or any other matter relating to this Application and Agreement for Standby Letter of Credit or the Credit.

Name of Joint Applicant 1 \_\_\_\_\_

Address of Joint Applicant 1 \_\_\_\_\_

By Authorised Signature \_\_\_\_\_ Title \_\_\_\_\_

Name of Joint Applicant 2 \_\_\_\_\_

Address of Joint Applicant 2 \_\_\_\_\_

By Authorised Signature \_\_\_\_\_ Title \_\_\_\_\_

**Authorisation and Agreement of Account Party**

We join in the request of Applicant to you to issue the Credit discharged on page 1 hereof, naming us as Account Party and, in consideration thereof, we irrevocably agree that (i) Applicant has the sole right to give instructions and make agreements with respect of this Application and Agreement for Standby Letter of Credit, the Credit and the disposition of documents and we have no right or claim against you or your correspondent in respect of any matter arising in connection with any of the foregoing, (ii) the terms and conditions of this Application and Agreement for Standby Letter of Credit are applicable to the Credit and agreed to by us and (iii) if Applicant fails to pay when due and amount or amounts owing to you in respect of the Credit or payments or acceptances thereunder, we will immediately pay the same to you on demand. Applicant is authorised to assign or transfer to you all or any part of any security held by Applicant for our obligations arising in connection with this transaction and, upon any such assignment or transfer, you will be vested with all powers and rights in respect of the security transferred or assigned to you.

Name of Account Party \_\_\_\_\_

Address of Account Party \_\_\_\_\_

By Authorised Signature \_\_\_\_\_ Title \_\_\_\_\_

**Where specimen signatures of Account Party are not on file with the Mashreqbank psc, the following signature verification is required.**

The above signature of an officer, partner or agent of Account Party indicated above conforms to that on file with us and such officer, partner or agent is fully authorised to sign for such Account Party.

Verifying Bank \_\_\_\_\_

By Authorised Signature \_\_\_\_\_ Title \_\_\_\_\_