

NOTE: Please fill-in this form in "BLOCK" letters and sign at all required places.

* Indicates mandatory field

Date * Branch *

D D M M Y Y Y Y

Code

Name

For Bank Use only

Letter of Credit (LC) Liability

Margin %

Commission

Postages

Cable

Total

LC No.

By

Short Swift Full Swift Courier

Application and Agreement for Irrevocable Documentary Credit

I/We hereby request you to open by Courier/Swift on my / our behalf an Irrevocable Documentary Credit in the amount and available as follows:

You will instruct your branch or correspondent to negotiate the manually signed drafts of Messrs.

without recourse to the extent of

F.O.B. / C.F.R. / C.I.F.

Drafts to be drawn on

at sight for full invoice value of shipments purporting to be

From

To

By Steamer / Air Freight

Drafts in duplicate negotiated under this credit are to be accompanied by the following documents marked (✓):

Beneficiary's manually signed Original Invoices in quintuplicate certifying merchandise to be of

Origin separately showing the amount of freight prepaid.

Full set of clean 'Shipped on Board' Ocean Bills of Lading showing freight prepaid, and made out to order of Habib Bank Limited, and/or "to order and blank endorsed" marked notify your bank and us.

Air consignment note(s) bearing this LC number showing Habib Bank Limited as consignees marked freight prepaid and notify your Bank and us.

Account Number

Signature and Stamp (Customer)

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Application and Agreement for Irrevocable Documentary Credit (continued)

Insurance covered locally under Policy / Cover Note No. of _____

Name of Insurance Company _____
(Copy attached)

Part-shipments allowed prohibited Transshipment allowed prohibited

Bills of Lading must be dated not later than _____

Bill of exchange must be negotiated within 15 days from B/L but not later than _____

in _____ Short Form / Blank Back Bills of Lading not acceptable

Goods to be imported under Additional Conditions (1) Foreign Bank Charges are on Opener's / Beneficiary's Account

Harmonised System Code No. _____

In consideration of your opening this Irrevocable Documentary Credit in the above terms and conditions, the undersigned unconditionally agrees as per the terms and conditions set out below.

Terms and Conditions

1. To accept or pay upon presentation all drafts pursuant thereto.
2. To pay at maturity/on demand in legal tender at your office all drafts drawn under this letter of credit, together with interest at the rate prevailing in UAE and quoted by Local Commercial Banks on the date of negotiation of document by your correspondent abroad together with all expenses incurred by you in connection with the said drafts or the relative merchandise. The foreign currency amount of the value of the documents will be converted into local currency at the time the documents are processed upon their receipt by you at the rate of exchange prevailing on the date of negotiation abroad.
3. To pay on demand your commission which shall be determined by the Bank from time to time, on the full amount of the credit.
4. I/We hereby irrevocably authorize you, if you think fit, to fix at any moment decided upon by you for me/us and on my/our behalf a ready or forward exchange contract in the Foreign currency to the extent of the amount of the Letter of Credit by which you contract to sell to me/us at the rate fixed by you, the said Foreign Exchange and such contracts shall have the same effect as if I/we had myself/ourselves entered into the said contract with you. In the event of your fixing such exchange, retirement of the documents referred to in Clause 2 hereof shall be done at the rates fixed by you in exercise of the authority hereby given in your favour. This authority forms an essential part of letter of credit agreement entered into by me/us with you today.
5. Until the payment of every indebtedness and liability absolutely or contingent which now is or hereafter may become due owing by the undersigned to you on any transactions now or hereafter had with you, including transactions under other Letter of Credit, the undersigned agree that the title and ownership of all goods shipped under or in connection with the said credit or in any way relating thereto whether or not released to the undersigned against trust or bailee receipt and/or of the proceeds of such goods and of all bills of lading, policies or Certificates of Insurance or other documents given therefore, shall be and remain with you, and the undersigned hereby give you full power and authority at your discretion, by yourselves or through agents at any time, to have and take possession thereof and of all policies, certificates of insurance thereon and proceeds of such policies and certificates, and to hold and/or collect the same or, under the terms expressed below, to dispose them of at any time and irrespective of the maturity of the drafts or acceptance under the said credit.

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Application and Agreement for Irrevocable Documentary Credit (continued)

Terms and Conditions (continued)

6. In the absence of written instruction given by the undersigned expressly to the contrary, the undersigned authorize you and your correspondents to receive and accept as "bill of lading" under the said credit, any documents issued by or on behalf of any carrier including lighterage receipt which acknowledge receipt of goods for transportation, whatever the specific provision of such documents and date of each such documents to be regarded as the date of bills of lading and/or of shipment within the terms of the said credit, and the undersigned authorize you or your correspondents to accept as sufficiently evidencing "insurance" under the said credit, either policies or certificates of such insurance
7. The undersigned assume all risks of acts of any person using the said credits who are hereby accepted as the agents of the undersigned, together with all responsibility for the character, kind quality, quantity, delivery or existence of the merchandise purporting to be represented by any document and/or for any difference of character, quality, or quantity of merchandise shipped under this credit from that expressed in any invoice accompanying any of said drafts and/or for the validity, genuineness, sufficiency, form or correctness of any documents, even if such documents, should, in fact, prove to be any or all respects incorrect, defective, irregular, fraudulent or forged and/or for time, place, manner or orders in which shipment is made and/or for partial or incomplete shipment and/or for failure or omission to ship any or all of the merchandise, referred to in the credit and /or for the character, adequacy, validity or genuineness of any insurance, or policy or certificate of insurance or the solvency or responsibility of any insurer, or any other risk connected with insurance and/or for any delay, default, fraud, or deviation from instructions of the shipper or any one else in connection with the merchandise or the shipping or other document with respect thereto and/or for delay in arrival or failure to arrive either of the merchandise or of any of the said documents and/or for any breach of contract between the shippers or vendors and the undersigned hereby agree not to claim damages from you or hold you in any manner responsible for any delay, oversight or mistake or negligence on your part or on the part of any of your agent or sub-agents in issuing the credit or in complying with any Instructions of the undersigned or otherwise in relation to the applications of the said credit, whatsoever suffered by you by reason of any and all action taken by you or your correspondent in good faith, in furtherance of your above request or due to errors, omissions, interruptions or delays in transmission or delivery of any and all messages by mail, or swift, whether or not the same be in cypher.
8. We hereby authorize you to insert the following paragraph in the letter of credit.

"Name of the notify party on B/L, preparation of different sets of documents and buyer's name in pre-shipment inspection certificate and name of vessel will be conveyed by openers through us by tested telex". If the letter of credit is renewed at our request from time to time, you shall have the authority to insert the following paragraph in each amendment advice: "this amendment is subject to further amendment regarding name of buyers and notify party in B/L and pre-shipment inspection certificate which will be conveyed by the openers through us by tested telex". We hereby undertake to furnish to you all necessary information which is required to be provided by us in terms of the 'above paragraphs to be inserted by you in the letter of credit or in the amendment advice (s) and we undertake to furnish to you such information well in advance of the expiry of the letter of credit (or of any renewal thereof) so as to reasonable enable the beneficiary to utilise the letter of credit (or any renewal thereof) and to comply with all its obligations thereunder. In case we fail to furnish to you the necessary information as above stated, we undertake to indemnify you against all proceedings, actions, losses, damages, expenses and liabilities whatsoever which may be taken or made against or incurred by you by reason of our failure to you the necessary information in accordance with our above undertaking.
9. The undersigned agree to be caused to procure promptly the necessary Import Licence/Sub-Authorisation of the said merchandise and will keep the same adequately covered by the policies of fire, marine and war-risk insurance, in companies satisfactory to you, assigning the Policies or Certificates of insurance to you or making the loss or adjustment if any, payable, to you, at your option.
10. The undersigned agree to give you on demand any further security you may require, and further agree that any and all other funds, credit instruments, property and securities and proceeds thereof including also any and all collection items and proceeds thereof now or hereafter handed to you or for any purpose left in your possession by the undersigned or other account, or at their disposal, for transit to or from you by mail or carrier, for any of the said purpose, are hereby made security for this obligation, and also for any and all other obligations, and/or liabilities absolute or contingent, due or not due, which are or may at any time be owing by the undersigned to you and may be held or disposed of as you may see fit and applied towards payment of any and all such obligations and liabilities, all of which in the event of default by the undersigned in any part thereof, or of bankruptcy, receivership or general assignment of the undersigned, shall subject to your option forthwith become due and payable and the undersigned hereby authorize you, if any obligation covered by this instrument or any other indebtedness due from the undersigned to you shall not be punctually met forthwith without further demand or notice or advertisement of any kinds all of which are hereby expressly waived, to sell or otherwise dispose of the whole or any part of said funds, credits instruments, property and securities, arrived and/or to arrive at any broker's exchange or by public or private sale or otherwise, at your option, with permission to yourselves to recover from the purchasers, in whole or in part, without accountability save for the purchase price and free from any right of redemption, which is hereby waived and released; and to apply the net proceeds thereof against any and all obligations or liabilities of the undersigned to you, however arising.

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Application and Agreement for Irrevocable Documentary Credit (continued)

Terms and Conditions (continued)

11. The receipt by you at any time of other collateral of whatsoever nature, shall not be deemed a waiver of any of your rights or powers relating to any collateral which you may hold at the time of receipt.
12. This obligations to continue in force notwithstanding any change in memberships of any partnerships of the undersigned whether arising from the death or retirement of one or more partner or partners or the accession of one or more new partner or partners.
13. This letter of credit can be revoked or altered only with the consent of all parties interested.
14. Irrespective of the port to which shipments are affected we shall retire the bill on demand of payment.
15. The documents accepted in connection with the credit may be those which are generally acceptable in accordance with the laws customs and usages at the place of negotiation.
16. This will also constitute an agreement between the undersigned and your correspondent whom you employ (as you are at liberty to do) for the purpose and in connection with this credit agreement.
17. I/We authorize you to debit my/our account with all your charges, on account of this credit, including amendments, extensions of this credit, as well as charges levied by your overseas Correspondents or Agents. I/We also authorize you to make payment of the premium to the Insurance Company concerned by debiting my/our account.
18. I/We forward herewith my/our cheque for AED
Please debit my/our a/c with all commission, expenses, Insurance premiums and margins, etc.
19. This credit is subject to "Uniform Custom and Practice for Documentary Credits" in force.

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We guarantee due compliance with the terms of the above credit agreement to the bank issuing advising and negotiating drafts thereunder and to hold the said banks harmless from all loss or damage in respect of any matters and from any and all damage or loss whatsoever suffered by the said Banks by reason of any action taken under the above credit agreement.

Name of the Guarantor

Signature of the Guarantor

NOTE: If any special documents (over and above what is usually termed "shipping documents") are required such as health, inspection, analysis or origin certificate, etc., or any special or unusual kind or class of insurance, such documents should always be specially mentioned and included in the applications.