

INDEMNITY FOR APPLICATION FOR BANK GUARANTEE

1. In consideration of your agreeing at our request to issue or to request your correspondent bank to issue and give a Bank Guarantee to the beneficiary (as applied for in the Application for Bank Guarantee) we, inclusive of our successors-in-title and assigns hereby jointly and severally agree and undertake to indemnify and keep you, at all times, fully and completely indemnified from and against all liabilities, claims, demands, actions and proceedings, losses and expenses including legal costs on a full indemnity basis and all other liabilities of whatsoever nature or description which may be made or taken or suffered by you in relation to or arising out of the Bank Guarantee, including any amendments thereto, modifications thereof and any letter or document made supplemental thereto.
2. We acknowledge and understand that where the Bank Guarantee is issued by you or your correspondent bank may be required to either issue its own guarantee in favour of the beneficiary or add a confirmation to the Bank Guarantee issued by you on such terms and conditions as you and/or your correspondent bank may deem fit and we agree and confirm that our joint and several liability under the aforesaid indemnity shall not be affected or prejudiced in any way by the issuance of the Bank Guarantee or the addition of such confirmation by your correspondent bank.
3. We agree that you may make payment under the Bank Guarantee of any sum or sums of money without requiring or obtaining any evidence or proof that the amount claimed or requested by the beneficiary (which expression shall include his successors and assigns) or the amount paid by you is due and payable to the beneficiary and without any notice or reference to or further authority from us notwithstanding that we may dispute the validity of such claim, request or payment. For Bank Guarantee with automatic renewal or extendable provision or without specific expiry date, we acknowledge that you may pay the guaranteed amount to the beneficiary in exchange for a release of your obligations thereunder notwithstanding that the beneficiary has not demanded payment.
4. We also agree that we shall not at any time question or challenge the validity, legality or otherwise of any such payment by you or deny any liability hereunder on the ground that such payment or any part thereof made by you was not due or payable by you under the Bank Guarantee or on any ground whatsoever. We also agree that any indulgence, time, forbearance, alternations or amendments in the terms and conditions of the Bank Guarantee issued by you will not abrogate, affect or relieve or discharge us from our liabilities to you hereunder.
5. We further agree that our joint and several liability aforesaid is irrevocable and shall remain in full force and effect until the Bank Guarantee given by you is released or has expired or been returned to you for cancellation and your liability thereunder is fully discharged to your satisfaction.
6. In the case of standby letters of credit, we agree that the terms and conditions herein set out shall be subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce, Publication No. 600 ("UCP") or any future revision thereof except so far as is expressly stated therein. The terms used herein shall have the same meanings as are set out in the UCP.
7. Without prejudice to the generality of our aforesaid indemnity, we hereby unconditionally and irrevocably authorise you:-
 - a) to charge us your commission on the guaranteed sum and your commission on the guaranteed sum for the Bank Guarantee which are automatically renewed;
 - b) at your discretion and without reference to us set-off any money in your hands belonging to us or to debit against any account which we now or may hereafter have with you whether in Singapore or abroad and whether in Singapore Dollars or a foreign currency against any sum of money which you may pay in respect of the Bank Guarantee; and
 - c) to effect any exchange of currency in connection therewith and we agree to pay interest on any money so paid by you at your usual overdraft rates or such rate as may be applicable to us (which shall be determined at your discretion) from the date when payment is due until repayment thereof is received by you from us (whether before or after judgement).
8. All payments made by us to you pursuant to this indemnity shall be in the currency of the damages, costs, claims, demands, expenses and losses suffered, incurred or sustained by you (the "Actual Currency"). Any amount received or recovered in a currency other than the Actual Currency by you in respect of any sum expressed to be due to you from us hereunder shall only constitute a discharge to us to the extent of the Actual Currency which you are able, in accordance with your usual practice, to purchase with the amount so received or recovered in the alternate currency on the date of that receipt or recovery. If that amount in the Actual Currency is less than the amount in the payment currency due to you hereunder, we will indemnify you against any loss sustained by you as a result.
9. We shall, at your request, to immediate effect in your favour such security a sum for the full face value of the Bank Guarantee from time to time and, otherwise will do or procure the doing of all such acts and execute or procure the execution of all such documents as you may require in your absolute discretion.
10. In the event the original of the Bank Guarantee is not returned to you for any reason whatsoever after the expiry of the Bank Guarantee or, as the case may be, its claim period, if any, we shall:
 - a) not only be solely and fully liable for, but shall also hold you harmless from, whatsoever consequences that may arise out of the above-mentioned event;
 - b) fully indemnify you and hold you harmless from actions, proceedings, damages, costs, claims, demands, expenses or losses which you may suffer, incur or sustain in relation to or in connection with the Bank Guarantee;
 - c) have no objection whatsoever to your reinstating your liabilities under the Bank Guarantee, even after its reversal on your books, whenever you deem it necessary under such circumstances as, for example, your eventual receipt from the beneficiary of the Bank Guarantee or a request to extend the validity thereof or a claim to perform your liabilities thereunder, and also in any one of such instances we shall perform our liabilities to you in accordance with the provisions of the foregoing; and
 - d) exert our utmost efforts for the recovery of the original Bank Guarantee and to return it to you forthwith after such recovery.
11. In the event that the Bank Guarantee to be issued by you is to the Singapore government or its agencies and statutory boards via Networked Trade Platform ("NTP") electronically and the Bank Guarantee templates are on the government website, we agree and consent to:-
 - a) the issue of the Bank Guarantee to the Singapore government or its agencies and statutory boards via NTP electronically and not in paper form; and
 - b) the issue and delivery of the Bank Guarantee in electronic form directly to the beneficiary via NTP.

Additional Indemnity Applicable to Bank Guarantee Governed by Laws of a Jurisdiction other than Singapore

1. In the event that the Bank Guarantee to be issued by you is subject to and is to be governed by the laws of a jurisdiction other than Singapore and should a demand be subsequently made by the beneficiary under the Bank Guarantee, we agree and authorise you to then, and at your own discretion, obtain an opinion from legal counsel on the validity and enforceability of the Bank Guarantee, prior to your making payment in accordance with the beneficiary's demand. We further agree that we shall bear the entire cost of your obtaining such an opinion and that we shall indemnify you for any loss or expense whatsoever suffered by you due to any delay in the payment of the guaranteed sum to the beneficiary caused by your having to obtain such an opinion. Notwithstanding the aforesaid, you shall not be obliged to issue any Bank Guarantee which is to be governed by laws of a jurisdiction other than Singapore.
2. If notwithstanding the following express provisions of the Bank Guarantee (or any of them):-
 - a) the Bank Guarantee will expire on a specific date;
 - b) the Bank Guarantee shall be void and invalid after a specific date;
 - c) no claim may be made under the Bank Guarantee after a specific date;
 - d) any other provision similar to any of the provisions set out in sub-clauses (a) to (c) above or any other provision, howsoever phrased, of a similar effect to any of the provisions set out in sub-clauses (a) to (c) above,any applicable law (whether in force now or hereafter), entitles or would entitle for any reason whatsoever, the beneficiary with the Bank Guarantee to make a claim under the Bank Guarantee after the relevant specified date, we hereby, irrevocably and unconditionally, authorise you to debit our account or amounts for commission charges on a quarterly basis with a minimum of S\$50.00 per quarter (based on last charged rate or such rate as you may from time to time determine in the relevant circumstances), for so long as the original Bank Guarantee is not returned to you for cancellation.