

Issuance of Letter of Guarantee - Application

Date of Application _____

We request you to issue a letter of guarantee on behalf of us with the below mentioned terms and conditions.

Please issue guarantee as per
And inBank's Standard Format
English ArabicAttached Format
Both**Applicant (Name, Address & Contact):****On Account of (On behalf of):****Beneficiary (Name, Address & Contact Nos.):****Type of Guarantee:**

Tender Bond	Advance Payment	Performance
Financial	Retention	Maintenance
Trade License	Labor	Others _____

Expiry Date: _____ **Auto-Renewable:** Yes No**Currency & Amount (In figures):** _____

In words: _____

Tender / Contract No. (if any):
% of Contract Value:**Purpose of Guarantee:**

Please issue guarantee	To Beneficiary directly	To Beneficiary and advise via your correspondent bank
Via your counter guarantee to correspondent bank and request them to issue the guarantee in favor of Beneficiary		

Please debit our account no. _____ with Commercial Bank International PSC for any charges related to this guarantee and debit our account no. _____ for margin, if any. (Please fill the account no. in one place, if both charges and margin are to be debited from same account).

Kindly contact _____ at phone no. _____ or email
_____ for any queries or clarifications_____
Name, Stamp and Authorized Signatory (ies) of Applicant

Terms and Conditions

The undersigned hereby applies for a letter of guarantee to be issued by Commercial Bank International PSC (the " **Letter of Guarantee** ") in accordance with this application (this " **Application** ") and agrees to the following terms and conditions or such other terms and conditions applicable to us in respect of the Letter of Guarantee as may be provided pursuant to credit facility agreement with you (together the " **Terms and Conditions** "):

1. The words "we", "our" and "us" shall refer to the undersigned. The words "you" "your" and "Bank" shall refer to "Commercial Bank International PSC".
2. We understand and agree that you, at your sole discretion, may issue the Letter of Guarantee pursuant to this Application.
3. We further understand and agree that despite any instructions provided otherwise by us in the Application, the Bank may at its discretion issue the Letter of Guarantee to be governed under the rules of ICC's Uniform Rules of Demand Guarantee No. 758 (URDG) and its subsequent revisions.
4. In consideration of you issuing the Letter of Guarantee at our request, we agree that you may honor/pay any claim of the beneficiary made under the Letter of Guarantee, without referring to us and notwithstanding any objection or contestation from us or from any other party.
5. We further undertake to repay you, your successors and assignees all amounts paid by you or your agents in pursuance of the Letter of Guarantee together with interests, commissions and other charges.
6. We hereby represent and warrant that:
 - a. The transaction(s), guaranteed by the Letter of Guarantee, is not executed with any of our related entity/ group/ sister company/ subsidiary or an associated company (whether directly or indirectly) controlled by us.
 - b. The requested guarantee is towards a genuine transaction and all supporting documents submitted by us are authentic and genuine.
 - c. We have not requested/shall not request any other lender or party to guarantee for the transaction(s).
 - d. We have not assigned, charged or otherwise encumbered our rights on our account, held with you, to any third party.
 - e. We have not concealed any material fact relevant to this Application upon which the Letter of Guarantee may be issued.
7. We hereby irrevocably authorize you to debit any of our accounts held with you or utilize any cash margins or any assets or securities belonging to us, held with you, without referring or notifying us, towards satisfaction of any of our liabilities for making any payment to the beneficiary or any other amount that the Bank is liable under the Letter of Guarantee. In doing this, you may at any time without notice to us, combine and/or consolidate all or any of our accounts and set-off or transfer any sums standing to the credit to any one or more of such accounts and undertake to immediately deposit sufficient funds in our account(s), in case our account(s) is/are overdrawn.
8. In case the beneficiary calls upon you to either pay or extend the validity of the Letter of Guarantee for another period/s, you have the right without making reference to us, to extend the validity period of the Letter of Guarantee and such extension will become an integral part of the original Letter of Guarantee and shall be fully binding on us without any objection or contestation from us.
9. We acknowledge and agree that all instructions and correspondences by us relating to the Letter of Guarantee will be sent at our own risk and that you do not assume any responsibility for any inaccuracy, interruption in transmission by SWIFT or post/ courier or any other means of delivery.
10. We further declare that these terms and conditions shall remain in full force and effect and shall continue to be binding notwithstanding any changes which may from time to time take place in the partners or constitution of our company.
11. We agree that these terms and conditions are in addition to any facility offer letter and/or other documents already signed or which may hereafter be signed by us in your favor. In addition we declare that we are aware of the terms on which you shall issue the Letter of Guarantee to the beneficiary and agree not to contest such terms.
12. We understand and agree that we will be considered to be in default with you and that we will have to pay you, on first written demand, all amounts we owe you for the full value of the Letter of Guarantee issued to the beneficiary plus interests and applicable charges (the " **Outstanding** ") if one or more of the following events occur:
 - a. We fail to pay the Outstanding when demanded by you;
 - b. We fail to pay any debts when due;
 - c. We breach one or more of our representations, undertakings or obligations under these Terms and Conditions;
 - d. We default under any other credit facility agreement we have with you;
 - e. We become insolvent, bankrupt, abscond from the U.A.E, commence winding-up proceedings, a receiver is appointed for the whole or any part of our business assets or undertakings or unable to pay any of our debts in general;
 - f. A material adverse change occurs to our legal status, ownership structure, business affairs, condition (financial or otherwise) which in your opinion would impair our ability to honor our obligations hereunder; or
 - g. The guarantee availed pursuant to this Application becomes illegal or restricted by virtue of new law or regulations.
13. We hereby unconditionally and irrevocably agree to indemnify you against all actions, lawsuits, claims, demands, liabilities, losses, damages, costs, charges and expenses of whatever nature which may result or which you may sustain or incur in connection with or arising in any way whatsoever out of the Letter of Guarantee, and to pay to you forthwith all moneys which from time to time be claimed or demanded from you, or which you shall pay, under or by reason of or in connection with the Letter of Guarantee.
14. These Terms and Conditions shall be governed and construed in accordance with the laws of United Arab Emirates and any dispute arising hereunder shall be referred to the exclusive jurisdiction of Dubai courts.

By signing below, we confirm and agree to the terms and conditions mentioned above.

Name, Stamp and Authorized Signatory (ies) of Applicant