

Application for Issuance of Bank Guarantee

We hereby request you to please issue a Bank Guarantee on our behalf with our full responsibility as per attached copy of Contract / Tender with the following details :

FOR BANK USE ONLY	
Guarantee No.	

[Please mark relevant choices with only] [Any alteration must be authenticated]

1. Instructing party/Applicant's Full Name & Address	2. Beneficiary's Full Name & Address
.....
.....
.....
.....
Tel No Fax No.....	Tel No Fax No.....
Contact Person.....Mob No.....	Contact Person.....Mob No.....

3. Amount of Guarantee		
Currency	Amount	Amount in words
	
	

4. Issuing form of Guarantee	
<input type="checkbox"/> Direct	Advise through (Specify Bank's name):
<input type="checkbox"/> Indirect (Counter Guarantee)	Primary Guarantee to be issued by second issuing Bank (Specify Bank's name):

5. Type of Guarantee	
<input type="checkbox"/> Tender/Bid Bond	<input type="checkbox"/> Performance
<input type="checkbox"/> Advance Payment	<input type="checkbox"/> Financial
<input type="checkbox"/> Retention	<input type="checkbox"/> Others (please specify):

6. Validity of Guarantee	
Effective Date (DD/MM/YYYY):/...../.....	<input type="checkbox"/> Extendable Required Period:
Expiry Date (DD/MM/YYYY):/...../.....	<input type="checkbox"/> Non-Extendable

7. Contract Details	
Contract/Tender No. :	Date (DD/MM/YYYY):/...../.....
Other Details (If any) :	

8. Wording / Format of Guarantee	
<input type="checkbox"/> As per BSI,UAE Standard Format	<input type="checkbox"/> As per the attached Format (Charges shall apply as per tariff)

9. The original Guarantee to be Collected by / Delivered to (If no other bank involved)	
<input type="checkbox"/> Applicant through BSI Branch.	<input type="checkbox"/> Beneficiary by Courier service

BANK SADERAT IRAN

10. Instruction on Charges and Payment

1. Please debit our account for all commission and charges plus margin amount in connection with issue of above Guarantee and subsequent amendments thereto, if any.
2. **In case of a Counter Guarantee**, Bank is authorized to debit the applicant's account upto 30 days after the expiry date of Primary Guarantee against a claim.

MARGIN AMOUNT, AUTHORIZATION & SETOFF

1. The Applicant irrevocably and unconditionally authorizes the Bank to debit the Applicant's account number as stated above ("the Account") as cash margin ("the margin amount") upon receipt of this application.
2. The margin amount shall be transferred to and held by the Bank for the Applicant's obligations to the Bank in relation to the Guarantee, and for all monies and liabilities (whether actual or contingent) owing by the Applicant to the Bank from time to time.
3. The margin amount shall be in the same currency and amount as the Guarantee.
4. In the event the monies in the account are denominated in a currency that is different from the currency of denomination of the Guarantee, the Applicant authorizes the Bank to convert such amount in the account at the exchange rate on the date of transfer of the margin amount.
5. The Applicant:
 - (a) shall not be entitled to withdraw the margin amount (and the Bank has no obligation to release or repay the same) and shall not do or omit to do any act or thing which may in any way delay or prejudice the Bank's right to retain the margin amount or apply all or any part of the same in or towards such payment, discharge or satisfaction of its obligations or liabilities to the Bank; and
 - (b) shall not mortgage, charge, pledge or otherwise encumber or assign, transfer or otherwise deal with or grant or suffer to arise any third party rights over or against the whole or any part of the margin amount or purport to do so, except in the Bank's favour. The Bank is authorized to notify the Applicant's creditors of the terms and the Applicant's undertakings herein at any time.
6. The Applicant acknowledges that no interest shall accrue on the margin amount.
7. The Bank shall be at liberty to apply any part or all of the Margin Amount to satisfy the Applicant's liabilities to the Bank at any time without notice. Any unutilized amount of the margin amount remaining one calendar month after the Guarantee is returned to the Bank for cancellation, or in the event the Guarantee has been destroyed or lost or if otherwise not available for return to the Bank, expiry of one calendar month after receipt of written notice from the beneficiary of the Guarantee that the Bank is released from all liability there under, shall be credited to the account of Applicant. The Bank may at its sole discretion utilize the remaining amount of margin amount to satisfy the other obligations and liabilities (actual or contingent) of the Applicant to the Bank.

Terms & Conditions for Issuance of Bank Guarantee

1. In consideration of the Bank:
 - (a) issuing the Guarantee to the Beneficiary (whose particulars are stated in the application form overleaf) or
 - (b) arranging or agreeing to arrange for the issuance of the Guarantee to the Beneficiary by the BSI Correspondent Bank specified in the application form (for which the Bank has indemnified or agreed to indemnify), for the amount and in the form attached or in such form as the Bank considers appropriate), the Applicant HEREBY UNCONDITIONALLY AND IRREVOCABLY AGREES TO INDEMNIFY the Bank (which expression shall include the Bank's successors and assigns) against all actions, claims, demands, liabilities, losses, damages, costs, charges and expenses of whatever nature which may result or which the Bank may sustain, suffer or incur in connection with or arising in any way whatsoever out of the Guarantee, and TO PAY to the Bank forthwith all moneys and liabilities whatsoever which may from time to time be claimed or demanded from the Bank, or which the Bank shall pay or become liable to pay or sustain, suffer or incur under or by reason of or in connection with the Guarantee.
2. The Bank shall be paid commission in full in advance on the date of issue of the Guarantee and where the Guarantee is extendable or extended, on each automatic renewal date or extension date (where applicable). Commission charged is based on the Bank's current or agreed tariff charges, which is subject to changes from time to time without notice, and is calculated on the face value of the Guarantee and the number of months or part thereof from the date of issuance or effective date, whichever is earlier, to the expiry date of the Guarantee or claim period, whichever is later.
3. The Bank is hereby irrevocably authorized and empowered by the Applicant, without making prior demand, to debit the accounts of the Applicant with any amount from time to time payable hereunder and, in the event of a debit balance or a debit balance in excess of any agreed overdraft limit resulting there from, to charge interest on such amount to the date of repayment (notwithstanding any demand or any judgment obtained by the Bank or any other matter whatsoever) at the Bank's then prevailing unauthorized overdraft rates, or at such higher rate as may from time to time be payable on such account upon such days and upon such terms as the Bank may from time to time determine, and such interest shall be compounded in the event of it not being punctually paid in accordance with the Bank's usual practice, but without prejudice to the Bank's right to require payment of such interest.
4. The Bank is hereby further irrevocably authorized and empowered by the Applicant to pay immediately any amounts demanded from the Bank or which the Bank from time to time become liable to pay under or by reason of the Guarantee without any reference to or further authority from the Applicant and without being under any duty to enquire whether any claims or demands on the Bank has been properly made, notwithstanding that the validity of any such claim or demand or the amount thereof shall be in dispute.
5. The Applicant hereby agrees to accept any claim or demand on the Bank as conclusive evidence that the Bank was liable to pay and any payment made pursuant to such demand which purports to be in accordance with the Guarantee as binding upon the Applicant.
6. Any step taken by the Bank in good faith under or in connection with the Guarantee shall be binding on the Applicant and shall not place the Bank under any liability to the Applicant.
7. The Bank may at any time without prior reference to the Applicant determine the Guarantee or reduce the Bank's liability there under. In the event of the Bank deciding in its absolute discretion to terminate the facility/ies and/or cancel this guarantee for any reason whatsoever, we agree and undertake to return the original guarantee for cancellation or provide 100 % cash margin immediately holding the Bank harmless against any/all claims, cost and consequences.
8. (a) All sums payable hereunder shall be paid to the Bank in UAE, or otherwise as the Bank may from time to time direct, without any deduction or withholding for or on account of any present or future taxes, levies, imposts, duties or other charges, fees, withholdings, restrictions or conditions, and without setoff or counterclaim or any deduction whatsoever.

- (b) If the Applicant is compelled by law to make any such deduction or withholding, the Applicant will ensure that the amount deducted or withheld does not exceed the minimum legal liability therefore, and will promptly pay to the Bank such additional amount as will result in the net amount received by the Bank being equal to the full amount which would have been receivable had there been no deduction or withholding.
 - (c) If the effect of any, or a change in any, law or regulation is to increase the cost to the Bank of advancing, maintaining or funding this facility or to reduce the effective return to the Bank, the Applicant hereby agrees to make payment on demand of such amounts as the Bank consider necessary as compensation therefore.
9. All payments hereunder shall be made, at the Bank's option, either in the currency in which payments made or liabilities incurred by the Bank under the Guarantee are denominated, or in the currency commonly in use in any of the principal places of business of the Applicant.
 10. The Bank shall have a lien on and be entitled to retain as security for the liabilities of the Applicant hereunder any cheques, drafts, bills, notes or negotiable or non-negotiable instruments and any stocks, shares or marketable or other securities and properties of all kinds of the Applicant from time to time held by the Bank, whether for safe custody or otherwise. In addition, the Applicant hereby agrees to provide cash cover and/or other form of acceptable security sufficient to fully secure the Bank's contingent liability under the Guarantee if at any time this is demanded by the Bank.
 11. The Bank shall be entitled, at any time and without notice to the Applicant:
 - (a) Settle any of the Applicant's indebtedness to the Bank herein whether such liabilities be actual or contingent, primary or collateral and several or joint by transferring moneys from any credit balance to which the Applicant is entitled on any account with the Bank whether in UAE or anywhere in the world, notwithstanding that the balances of such other account and the liabilities may not be expressed in the same currency. The Bank's right will not be affected by the Applicant's bankruptcy, death or winding-up.
 - (b) Combine or consolidate all or any of the then existing accounts of the Applicant (of whatsoever nature and whether or not subject to notice) and setoff or transfer any sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of the liabilities of the Applicant to the Bank on any other account or in any other respect, whether as principal, or surety or otherwise including liabilities under facilities or accommodation for an unexpired fixed term or in respect of foreign exchange dealings or under guarantees or indemnities or other instruments whatsoever given or assumed by the Bank at the request of the Applicant whether such liabilities be present or future, actual or contingent, primary or collateral and several or joint. Where any such combination, consolidation, setoff or transfer requires the conversion of one currency into another, such conversion shall be calculated at the prevailing rate of exchange (as conclusively determined by the Bank) for telegraphic transfers between the currencies at the time of the combination, consolidation, setoff or transfer.
 - (c) Sell any of the Applicant's securities or properties held by the Bank on deposit or otherwise by way of a public or private sale without any judicial proceedings whatsoever and retain from proceeds derived there from the total amount remaining unpaid, including all costs, charges and expenses incidental to such sale. The Applicant will be responsible to the Bank for any deficiency whatsoever and howsoever arising and will immediately on demand pay the Bank the amount of any such deficiency.
 12. The indemnity herein :-
 - (a) shall not be in any way discharged or diminished, nor shall the liability of the Applicant be affected by reason of the Bank from time to time, without knowledge or consent of the Applicant, varying, realizing or releasing any of the same, or granting any time, indulgence or concession or compounding with any person, or concurring in accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment, or determining varying, reducing or extending the terms of the Guarantee, or by anything done or omitted which, but for this provision, might operate to exonerate the Applicant; and
 - (b) shall continue to apply to any extension to the Guarantee which the Bank may, in its sole discretion, agree to.
 13. The Applicant hereby waives all rights of subrogation and agrees not to claim any setoff or counterclaim against any other person liable, or to claim or prove in competition with the Bank in the event of the bankruptcy, liquidation, winding up or insolvency of any such person, or to have the benefit of or share in any guarantee, indemnity, or security now or hereafter held by the Bank, until the Bank has been fully indemnified against all matters referred to in paragraphs 1 and 2 hereof.
 14. The indemnity herein is in addition to any other guarantee, indemnity, assurance, pledge, lien, bill, note, mortgage, charge, debenture, or other security, right, power or remedy now or hereafter held by or available to the Bank.
 15. 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, e-mail and/or fax and/or any other usual and practiced 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.
 16. The Applicant agrees that no time for limitation of liability in respect of this indemnity shall begin to run in favour of the Applicant unless and until the Bank shall have made demand on the Applicant, and if more than one demand is made, then only from the date and to the extent of each demand respectively.
 17. Where this application is signed by more than one person the expression "the Applicant" shall be construed as referring to each such person individually and to any one or more of such persons collectively, and the agreements, undertakings, obligations and liabilities of the Applicant herein contained are joint and several and shall be construed accordingly, and none of the Applicant shall be entitled to any rights or remedies, legal or equitable, of a surety as regards the indebtedness, obligations or liabilities of any others of the Applicant.
 18. Where this application is signed by more than one person, each of the signatories agrees and consents to be bound by this application, notwithstanding that any others who were intended to sign or to be bound by these presents may not do so or be effectually bound hereby, and notwithstanding that this application may be invalid or unenforceable against any one or more of the Applicant, whether or not the deficiency is known to the Bank.
 19. Where this application is signed by more than one person, the Bank shall be at liberty to release any one or more of the Applicant from this indemnity, to compound with or otherwise vary or agree to vary the liability of, or to grant time or other indulgence to, or make other arrangements with, any one or more of the Applicant, without prejudicing or affecting the Bank's rights, powers and remedies against any others of the Applicant.
 20. The Applicant agrees that the Applicant's liability to the Bank shall remain outstanding until the expiry of one calendar month after the return of the Guarantee to the Bank for cancellation by the beneficiary of the Guarantee, or in the event that the Guarantee has been destroyed or lost or if otherwise not available for return to the Bank, until the expiry of one calendar month after the receipt by the Bank of written notice from the beneficiary of the Guarantee that the Bank is released from all liability there under. This clause shall not prejudice any liability of the Applicant arising hereunder prior to the date of cancellation of the Guarantee or the date of receipt of the said written notice (as the case may be).
 21. Where this application is signed on behalf of a firm, all agreements, undertakings, obligations and liabilities shall be binding both on the present partners and on the persons from time to time carrying on business in the name of such firm or under the name in which the business of such firm may from time to time be continued.

22. The Applicant consents to the bank's disclosure of such information as the Bank may possess in relation to the Applicant, its account and banking relationship with the Bank, to any exchanges, regulators, government agencies, statutory bodies or such third parties as the Bank deems fit. The Applicant further acknowledges that the authorization is given in addition to and as a specific exception to the banking secrecy legislation applicable in UAE.

23. All costs and expenses incurred by the Bank in relation to this application shall be for the Applicant's account. In addition, should for any reason after submission of this application the documentation is not completed to the Bank's satisfaction or the application is not put in place or aborted or cancelled for whatever reason, the Applicant shall nevertheless be responsible for all costs and expenses (legal or otherwise) incurred by the Bank. Further, the Applicant shall indemnify the Bank for all costs and expenses (legal or otherwise) incurred for the enforcement of the Bank's rights hereunder. The Bank shall debit such costs and expenses referred to in this provision to the Applicant's accounts maintained with the Bank.

24. If any one or more provisions herein, or any part hereof, shall be declared or adjudged to be illegal, invalid or unenforceable under any applicable law, such illegality, invalidity or unenforceability shall not vitiate any other provisions herein, which shall remain in full force, validity and effect.

25. 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. The applicant hereby agrees that this undertaking and obligation whatsoever shall be exclusively governed in every respect by the laws of the country of issuing bank and the courts in the country of that bank shall have sole jurisdiction for any dispute and all matters related thereto. [Wherever Applicable].

26. The applicant hereby agrees and authorizes the bank to accept any instructions received from the Guarantor (Issuing Bank) requesting any amendments to any conditions of the counter guarantee as required by them in order to issue the Guarantee. The bank has all rights to act in accordance with the instructions received from the Guarantor and are not obliged to seek our consent nor required to refer to us for making or accepting any changes. We as the applicants waive all our rights of objections and defenses against the bank in respect of their acting at the request of the counter guarantor.

27. The Applicant hereby authorizes the Bank to extend the guarantee without any reference to them in case of receiving extend or pay request from beneficiary within the present expiry date or claim period of the guarantee.

28. I / We further declare that I / We have read, understood and hold myself / ourselves legally bound by the conditions laid down on all sides of this form and any authorized attachments thereto.

<p>Name of Authorized Signatory:</p> <p>Authorized Signature:</p> <p>Account Number:</p> <p>Signature Verified By: [Bank Use Only]</p>	<p>Company Stamp :</p> <div style="border: 1px solid black; height: 100px; width: 100%;"></div>
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For Bank Use Only

I / We confirm:

1. This application form is approved by : **BCC** (Copy Enclosed) **RCC** (Copy Enclosed)

2. The size/value of this transaction is consistent with the customer profile.

3. This application form filled out completely.

Margin:

Commission:

Checked By: **Signature:**

Review Officer's Signature: **Date:**

Branch Manager's Signature: