

## Application for Shipping Guarantee

Name of Customer:	
Account Number:	

To: Public Bank (Hong Kong) Limited (the "**Bank**")

Date: \_\_\_\_\_

I/We, the above-named customer of the Bank, hereby request the Bank to countersign or endorse the letter of indemnity, guarantee, undertaking, air transportation waybill, parcel post receipt, agreement or instrument of any other description to enable me/us to take or secure delivery of the goods or produce briefly identified below, without production by me/us of the relevant bills of lading or other documents:

Bill of Lading No. & Date:		Letter of Credit No.:
Voyage No.:		AWB/Car No. & Date:
Vessel Name:		Flight No. & Date:
Name of Shipping Co.:		
Shipment From:		
Marks & Nos.	No. of Package	Description of Goods
Invoice Approximate Value:		

and I/we will pay to the Bank a fee in such amount and in such manner as are for the time being prescribed by the Bank for shipping guarantees.

In consideration of the Bank accepting my/our request herein and countersigning, endorsing, assuring, giving or issuing the instrument mentioned above (the "**Instrument**" which expression shall include any extension or modification thereto, whether or not any such extension or modification is made at my/our request or with my/our consent) or otherwise acting on or in relation to the Instrument and thereby assuming the obligations ("**Obligations**") arising therefrom or in connection therewith, I/we hereby agree with and undertake to the Bank as follows:

**1. Indemnity and Security Cover**

- 1.01 I/We shall reimburse and pay to the Bank forthwith on demand all moneys and liabilities whatsoever which may be claimed or demanded from and paid or incurred by the Bank under or by reason of the Instrument or the Obligations.
- 1.02 I/We shall further indemnify the Bank and hold the Bank harmless against all actions, claims, demands and proceedings that may be taken, made or threatened against the Bank and against all costs, charges and expenses (legal, governmental and otherwise and whether required by law, regulation or the interpretation thereof or otherwise considered by the Bank to be necessary or desirable), damages, liabilities and losses of whatever nature that may be sustained, suffered, incurred or paid by the Bank in accepting, assuring and/or maintaining the Obligations and otherwise generally in connection with or arising out of the Instrument or the Obligations.
- 1.03 The Bank may at any time upon demand call upon me/us to provide or furnish the Bank with cash cover or security in such form as the Bank shall at its discretion deem adequate for securing to the Bank my/our liability hereunder.

**2. Interest**

- 2.01 I/We shall pay to the Bank immediately upon demand from time to time interest on all sums due from me/us hereunder at such rate as is conclusively determined by the Bank and specified to me/us from the date certified by the Bank to be the date on which the Bank has incurred or paid the relevant liability or amount until the date on which the Bank shall have received payment in full of such sum. Such interest shall be compounded if it is not punctually paid in accordance with the Bank's usual practice.
- 2.02 Such interest shall be calculated according to the actual number of days elapsed on the basis of, in the case of Hong Kong dollars, a 365-day year and in the case of other currencies, such number of days in a year as is customary for interest calculation on such currency and shall accrue from day to day.

**3. Authority to Honour, Perform or Terminate Obligations**

- 3.01 (a) The Bank is authorised to honour any draft drawn under any letter of credit relating to the goods or produce, notwithstanding the absence of required accompanying documents or any defects in the accompanying documents;
- (b) I/We shall, on the due date, honour by acceptance and/or by payment and discharge all drafts relating to the goods or produce, whether presented to me/us by the Bank or by any other person, and notwithstanding any discrepancies which may appear in the accompanying or relevant documents, and even if the goods or produce are unacceptable to me/us for any reason whatsoever;

- (c) I/We shall (i) use my/our best endeavours to obtain the bills of lading or other documents of title or supporting documents relating to the goods or produce with all necessary endorsements and to produce such instruments to the shipping company, forwarding agent or other parties concerned with the view to releasing the Bank from its obligation under the shipping guarantee; and (ii) return the shipping guarantee to the Bank for cancellation. The Bank is hereby authorised by me/us to endorse in my/our name all relative bills of lading or other documents of title or supporting documents relating to the goods or produce so that the same may be delivered direct by the Bank to the shipping company, forwarding agent or other parties concerned;
- (d) I/We shall pay to the Bank, in addition to all other charges payable by me/us, a fee calculated at such rate as shall be prescribed by the Bank for the time being on the invoiced value of the goods or produce if the bills of lading or other documents of title or supporting documents relating thereto shall not be received through the Bank or its agent; and
- (e) Until the Bank has been released and discharged from the shipping guarantee and all drafts relevant to the goods concerned have been duly honoured and discharged by me/us, the bills of lading or other documents of title shall on their receipt by me/us, if made out to me/us or to my/our order, be endorsed to the Bank or as the Bank may direct and to no other person.
- 3.02 The Bank is hereby irrevocably authorised and empowered by me/us to pay immediately any amounts demanded from the Bank or which the Bank may from time to time become liable to pay pursuant to or by reason of the Obligations or any draft drawn by the beneficiary of the Instrument without any reference to or further authority from me/us.
- 3.03 The Bank shall have no duty whatsoever to me/us to enquire or ascertain whether (i) any such claim or demand has been properly made or (ii) any payment demanded of the Bank under the draft drawn under the Instrument is properly due and owing or (iii) the draft has been properly presented by the beneficiary of the Instrument.
- 3.04 Notwithstanding that I/we may dispute the validity of any such demand or draft, the Bank is authorised to accept any such demand or draft as conclusive evidence that the Bank is liable to pay pursuant to or by reason of the Obligations or the Instrument and any such payment shall be conclusively binding upon me/us. Without limiting the generality of the foregoing, I/we hereby declare that my/our obligations hereunder shall not be affected or limited in any way by reason of any inaccuracy or insufficiency of or in any such claim, demand or draft.
- 3.05 Any step taken by the Bank in good faith under or in connection with the Obligations or the Instrument shall be binding on me/us and shall not place the Bank under any liability to me/us.
- 3.06 The Bank may, to the extent that the Bank is permitted so to do under the terms of the Instrument, at any time without prior reference to me/us (i) terminate the Obligations or the Instrument or (ii) reduce the Bank's liability thereunder.
- 4. Fees and Expenses**
- 4.01 I/We shall pay to the Bank a fee to cover the period from the effective date of the Instrument to the date upon which the Obligations shall have been effectively terminated. No part of any guarantee fee which has been pre-paid is liable to be refunded. Where applicable, such fee shall be calculated in accordance with the General Rules of the Hong Kong Association of Banks.
- 4.02 I/We shall from time to time forthwith on demand reimburse the Bank for all costs, charges and expenses (including but not limited to all legal fees and expenses on a full indemnity basis and the fees and expenses of accountants and other professional consultants and all other out-of-pocket expenses) reasonably and properly incurred by the Bank in suing for or recovering any sum due to the Bank hereunder or otherwise preserving or enforcing or seeking to preserve or enforce any of the Bank's rights hereunder.
- 5. Miscellaneous**
- 5.01 The terms herein shall be binding on me/us until the Bank shall have been released from all the Obligations notwithstanding (i) the death, bankruptcy or liquidation of me or any one of us or (ii) any change in my/our constitution or (iii) any change in the constitution of the Bank or its amalgamation with or absorption by or of any other corporation or (iv) any settlement of account or any other matter whatsoever.
- 5.02 The request herein is made by me/us on and subject to the terms and conditions of the General Letter of Hypothecation, General Letter of Guarantee and/or Trade Financing General Agreement entered into between the Bank and me/us, all of which shall be incorporated as if they were set out in full herein. In case of inconsistency arising, the terms herein shall prevail to the extent of the inconsistency.
- 5.03 This instrument herein shall not be in any way discharged or diminished, nor shall my/our liability hereunder be affected by reason of the Bank from time to time, without my/our knowledge or consent, varying, realising 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 terminating, varying, reducing or extending the terms of the Instrument or by anything done or omitted which, but for this provision, might operate to exonerate me/us.
- 5.04 This instrument 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.
- 5.05 No time for limitation of liability in respect of this instrument shall begin to run in my/our favour unless and until the Bank shall have made demand on me/us and if more than one demand is made, then only from the date and to the extent of each demand respectively.
- 5.06 If any one or more provisions of this instrument, or any part thereof, 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 of this instrument, which shall remain in full force, validity and effect.
- 6. Law and Jurisdiction**
- 6.01 This instrument is governed by and shall be construed in all respects in accordance with the laws of the Hong Kong Special Administrative Region ("HKSAR"). I/We hereby submit to the non-exclusive jurisdiction of the HKSAR courts but this instrument may be enforced by the Bank in the courts of any competent jurisdiction.

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 Authorised signature(s) of the above-named customer

FOR BANK USE ONLY		
Bank reference:	Signature verified by:	Checked by:
Remarks:		