



Trade Terms and Conditions (TTC) (Conventional)

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1. APPLICATION OF TTC TO TRADE PRODUCTS

1.1 *These Trade Terms and Conditions (“TTC”, “this document”, “these terms” which are subject to amendment from time to time by you), shall be read together with and form an integral part of the prevailing Application Form(s) and / or document(s) (“Forms”) of Hong Leong Bank Berhad (HLBB) (as the case may be) (“the Bank”, “You”, “Your”) as submitted by the Customer (“Customer”, “We”, “Us”, “Our”) from time to time in applying for the usage / utilisation / drawdown (“usage”) of any of the Bank’s Trade Products (being, but not limited to, any trade related product, service or facility provided by you enabling or in connection with the purchase, sale, storage, release, preparation or shipment of, or other dealings in, goods or services).*

Amendments to these TTCs may be made by you in such reasonable manner and with such notice period as you deem reasonable given the circumstances in which the amendments are being made, including publication on your website, included in any account or other statements sent to us or by general notice indicated or displayed in your business premises or sent to us electronically via email or any other such means (including social media).

1.2 *We acknowledge you do not offer any advice to customers in relation to Trade Products. While the Bank may provide information or express opinions at our request, we recognise that such information or opinions are not at any time offered as advice. We are to make our own appropriate enquiries and assessments and shall place no reliance on the Bank. We are to read and understand the terms herein and in relation to any Trade Product and are to seek our own professional legal and financial advice in relation thereto.*

1.3 *Any application for and usage of a Trade Product for the benefit of a person permitted by you at our request (“user”) shall be treated at all times as if on our application (including where such terms involve indemnities to you, which you may treat as having been given by us, in addition to by our user) with our obligation being primary and direct. This is regardless of, and without prejudice to, whether the Bank has any concurrent direct or indirect rights of recourse howsoever described against our user.*

When we (or our user, whose actions you may take as our own) make any application for a Trade Product for the benefit of our user:

- a. *we confirm (and we will procure the concurrent understanding of our user) that you have no obligation to obtain instructions from the user and the Bank may choose to deal solely with us only should you decide to;*
- b. *references in these TTC to us as customer presenting, handling, disposing, transferring, dealing with or using (howsoever described) the relevant documents, goods or proceeds of sale shall include the user equally undertaking any such action;*

- c. *we will procure that the user complies with all terms of and undertakings in these TTCs and in respect of the Trade Product, its documents, goods and proceeds of sale; and*
 - d. *each representation or undertaking in these TTCs in relation to a user shall be deemed made by us and bind us and our user.*
- 1.4 *The TTC is to be read jointly with the terms of and superseded (if applicable) as stipulated in the letter of offer and/or facilities agreement (howsoever described, if any) ("**Facilities Terms**") on which Trade Product(s) have been granted to us.*
- 1.5 *All pricing shall be as stipulated in the Bank's standard Trade Fees and Charges, unless specific pricing for the Trade Product had been separately agreed, whether in the Facilities Terms on which Trade Product(s) has been granted or made available to us. Where any pricing or rate as stipulated in these terms is inconsistent with the Trade Fees and Charges, the Trade Fees and Charges is to prevail. The pricing or rate in the Facilities Terms shall prevail over both in the case of any inconsistency.*
- 1.6 *Where Forms are submitted by us via the Bank's Trade Upload (TU) channel, we are aware that our use of the channel shall also be subjected to terms and conditions incorporated per the below link (as updated and or revised from time to time): -*
https://www.hlb.com.my/Connect_First/HL_ConnectFirst_TC.pdf
and we acknowledge we shall be bound thereby.

2. TERMS APPLICABLE TO ALL TRADE PRODUCTS

2.1 Undertaking:

- a. *In seeking usage of any of the Trade Products, we on each application for usage certify and acknowledge that:*
 - i *any financing we apply for covers a **genuine transaction** and we confirm the accuracy of the information contained in documents submitted;*
 - ii *we have not applied for nor obtained and will **not obtain another source of financing** for the trade transaction concerned, including financing pursuant to a lease, hire purchase or factoring agreement; and*
 - iii *unless we have been permitted by the Bank to present for financing transactions involving our related or associated companies, we declare that the buyers / sellers / suppliers pertaining to each transaction are not our related or associated companies.*
- b. *The Bank may select any correspondent or agent or third party service provider in relation to a Trade Product and shall not be liable for any negligence, default, omission, failure to act, mistake or fraud of any correspondent, agent or third party service provider selected in*

good faith by the Bank. The Bank shall also not be liable for any loss we may suffer or incur arising from the insolvency, liquidation, suspension or similar event of any correspondent, agent or third party service provider.

- c. *Every communication between us and the Bank shall be in writing. Notices from the Bank to us may be sent by prepaid normal post, email, facsimile or such other means as are agreed from time to time, to the last postal address, email address, facsimile number or contact details notified by us to the Bank. Any change of our address, facsimile or contact details shall only become effective upon us providing the Bank (addressed to the Trade Services Department, Head Office) with at least fourteen (14) days prior written notice of such change. All notices and communication by the Bank to us shall be deemed to have been received by us*
 - i *if sent by normal post, on the second day after posting, or*
 - ii *if given or made by email, facsimile or other electronic means, at the time of successful transmission (or the following Business Day if it was transmitted on a day which was not a Business Day). [For the purpose of these terms, “**Business Day**” means the day(s) that the Bank is open for business in Kuala Lumpur, Malaysia]*

- d. *We have obtained the consent of all persons named in the Forms, supporting documents and all other related documents submitted to the Bank in connection with our application for a Trade Product for the Bank’s collection, holding and use of the personal information in accordance with the Bank’s Privacy Notice** as may be amended from time to time. As the Bank relies on correct and complete information to be provided by us, our continued representation and warranty that all necessary consents have been duly obtained shall also be relied on by the Bank to ensure compliance with the Personal Data Protection Act 2010.*

***“**Privacy Notice**” shall mean the Bank’s policies and principles pertaining to the collection, use and storage of personal information of existing and prospective individuals and entities dealing with the Bank as may be amended from time to time and made available at the Bank’s website (www.hlb.com.my) or in such manner as the Bank deems appropriate from time to time.*

- e. *In respect of every request for usage submitted to the Bank as follows:*
 - i *We do not have or foresee having any overdue facility with any bank / financial institution.*

 - ii *We are compliant, and irrevocably undertake to keep ourselves up-to-date and comply at all times, with the Foreign Exchange Notices (“**FE Notices**”) issued by Bank Negara Malaysia (BNM) as may be amended or supplemented by BNM from time to time, relating to dealings in currency, borrowing and guarantee, investment in foreign currency asset, payments, security and financial instrument and export of goods. This includes other laws or regulations of similar effect (including all amendments from time to time).*

- f. *In addition to the permitted disclosures provided under Schedule 11 of the Financial Services Act 2013 (“FSA”), we irrevocably authorize and permit the Bank, its officers and employees to disclose and furnish all information concerning this document, the services, our present and future accounts and any other matters relating to us or our business and operations to:*
- i. *other financial institutions granting or intending to grant any credit facilities to us, the Credit Bureau or any other central credit bureau established by Bank Negara Malaysia, Cagamas Berhad, Credit Guarantee Corporation, the Employees Provident Fund, any other relevant authority as may be authorized by law to obtain such information or such authorities/agencies established by Bank Negara Malaysia or any agency established by the Association of Banks in Malaysia;*
 - ii. *any current or future corporation which may be associated with or related to the Bank (as defined in the Companies Act 2016), including representative and branch offices and their respective representatives as well as subsidiaries of the Bank’s holding company;*
 - iii. *the counter parties or any party howsoever connected to the services and/or related documents or any party providing security in respect of the services;*
 - iv. *the Bank’s auditors, solicitors and/or other agents in connection with the recovery of moneys due and payable hereunder; and*
 - v. *the Bank’s professional advisers, service providers, nominees, agents, contractors or third party service providers who are involved in the provision of products and services to or by the Bank and its related or associated companies.*
 - vi. *any party the Bank may engage with for dealing with refinancing of trade receivables in the secondary market.*
- g. *We irrevocably consent to such disclosure and confirm that, save and except for damages arising directly from the Bank’s wilful default or gross negligence, the Bank, its officers and employees shall be under no liability for furnishing such information or for the consequences of any reliance which may be placed on the information so furnished.*
- h. *We authorise and consent to the Bank obtaining any other information about us from any credit reference agency or sources and at any time as the Bank considers appropriate.*
- i. *We agree that the Bank in providing any Trade Product assumes no liability or responsibility to us or any third party for the consequences of delay, loss in transit, mutilation or other errors arising in the transmission of any document, if that document is transmitted or sent according to the requirements stated therein or in accordance with the Bank’s usual procedures, or when the Bank may have taken the initiative in the choice of the delivery service in the absence of instructions to that effect. We agree that you assume no liability or responsibility for errors in translation or interpretation of technical terms and may transmit all or any part of the document text without translating it.*

- j. *If you use any payment or messaging platform for the purposes of issuing any instrument or letter of credit, making or receiving payment, handling documents or goods or for any other purpose in relation to a Trade Product, we agree that you shall do so at our cost and risk and the Bank shall assume no liability or responsibility should any instructions which you give to any party not be carried out even if the choice of such platform was yours. A "payment or messaging platform" shall include any electronic platform used by the Bank, us or any other person for giving or receiving any payment, instruction, claim or other communication in relation to a Trade Product.*
- k. *Government Taxes and/or statutory / regulatory imposed charges, fees etc:*
- i. *For the purposes of these terms: (i) "Tax" means any present or future, direct or indirect, Malaysian or foreign tax, levy, impost, duty, charge, fee, deduction or withholding of any nature, that is imposed by any Appropriate Authority, including without limitation, any consumption tax and other taxes by whatever name called, and any interest, fines or penalties in respect thereof; and (ii) "Appropriate Authority" means any government or taxing authority.*
 - ii. *The fees, charges and all other monies to be paid by us to the Bank under these terms, any related form(s), document(s) and/or security documents and/or the services for a Trade Product, including any amount representing reimbursements to be paid by us to the Bank, are exclusive of any Tax, and shall be paid without any set-off, restriction or condition and without any deduction for or on account of any counterclaim or any deduction or withholding.*
 - iii. *In the event if we are required by law to make any deduction or withholding from the fees, charges and/or all other monies payable to the Bank under this document, any related form(s), documents(s) and/or security document(s) and/or the services in respect of any Tax or otherwise, the sum payable by us in respect of which the deduction or withholding is required shall be increased so that the net fee/ charge and/or the net amount of monies received by the Bank is equal to that which the Bank would otherwise have received had no deduction or withholding been required or made.*
 - iv. *In addition to the fees, charges and all other monies payable, we will pay to the Bank all applicable Tax at the relevant prevailing rate and/or such amount as is determined by the Bank to cover any Tax payments/ liabilities/ obligations in connection therewith, without any set-off, restriction or condition and without any deduction for or on account of any counterclaim or any deduction or withholding, apart from any Taxes which may be required under any laws to be paid by us directly to any Appropriate Authority, which we will shall remit directly to the Appropriate Authority.*
 - v. *If at any time an adjustment is made or required to be made between the Bank and the relevant taxing authority on account of any amount paid as Tax as a consequence of any supply made or deemed to be made or other matter in connection with this document, any related form(s), document(s) and/or security document(s) and/or the services by the Bank, a corresponding adjustment may at the Bank's discretion be made as between the Bank and us and in such event, any payment necessary to give effect to the adjustment shall be made.*

- vi. *All Tax as shall be payable by us to the Bank as herein provided shall be paid at such times and in such manner as shall be requested by the Bank. We authorize you to debit our account for all Tax payable and other charges incurred by you.*
- vii. *We agree to do all things reasonably requested by the Bank to assist the Bank in complying with its obligations under any applicable legislation under which any Tax is imposed. In the event a new Tax is introduced and such Tax is required to be charged on or in relation to any Trade Product provided, we agree to provide our fullest cooperation to the Bank in assisting the Bank in complying with its obligations under the relevant laws.*
- viii. *For the avoidance of doubt, we agree that any sum payable or amount to be used in the calculation of a sum payable expressed elsewhere in these terms, any related form(s), document(s) and/or security document(s) has been determined without regard to and does not include amounts to be added on under this clause on account of Tax.*
- l. *If any provision of these TTCs is or becomes for any reason whatsoever invalid, illegal or unenforceable, it shall be severable from the document and shall be deemed to be deleted from it and the validity of the remaining provisions shall not be affected in any way.*
- m. *Limitation on Liability*
 - i. *You shall not be liable for any loss, damages, demands, claims, expenses or costs suffered or incurred by us (including any of our users) arising from or in connection with these TTCs or usage of any Trade Product other than where such loss, damage, payment, demand, claim, expense or cost arises as a direct result of your gross negligence or wilful misconduct.*
 - ii. *Notwithstanding item i above, you will not be liable to us (including any of our users) for:*
 - (a) *any loss of business, profits or data; or*
 - (b) *indirect, consequential or special loss or damage, whether or not you had been advised of the possibility of such loss or damage.*
 - iii. *Without limiting items i and ii above, you shall not be responsible or liable for, and we waive all claims against you in respect of:*
 - (a) *any act, omission, loss or delay relating to forwarding or collection of documents or payments to or by any person or correspondent bank, or any suspense, act, omission, insolvency or bankruptcy of any correspondent bank, correspondent(s), agent(s), sub-agent(s), third party service provider(s) or representative(s) thereof;*
 - (b) *any delay in performing or failure to perform any of your obligations under these terms due to any cause beyond reasonable control, including, but not limited to, the failure, malfunction or unavailability of telecommunications, data communications and computer systems and services over which you have no control, war, hostilities, invasion, civil unrest, strikes, lock-outs or other industrial action or trade disputes (whether your employees or any other person) or any law or government order (whether or not having the force of law);*

- (c) *any failure by you to pay on any demand, request for payment or for acceptance and payment, claim, presentation or drawing made in respect of a Trade Product by a beneficiary, us or any other person. or other act or failure to act because of any domestic or foreign law, regulation, ruling or interpretation of any domestic or foreign court or governmental agency;*
 - (d) *the form, sufficiency, correctness, genuineness, authority of any person signing or endorsing (including any person making presentations, demands, giving instructions (including by electronic means) to you purportedly on our authority or that of a beneficiary), falsification, or the legal effect of, any documents if such documents on their face reasonably appear to be in order;*
 - (e) *the source, accuracy, validity, authenticity, falsification or legal effect of any data, documents or statements made, presented or received from any messaging platform or any party to a trade transaction, any related documents, or the description, quantity, weight, quality, condition, packing, delivery, value or existence of the goods, services or other performance to which such data, documents or statements relates, or for the good faith or acts or omissions, solvency, performance or standing of any party to a trade transaction, the consignor, carrier, forwarder, consignee, insurer of the goods, or any other person;*
 - (f) *any improper acts of the beneficiary, including breach of contract in respect of a trade transaction, in which circumstances we assume and undertake all such risks.*
- n. *We shall not, knowingly engage in any business or transaction with countries or entities that may violate or breach any sanctions, anti-money laundering or counter-terrorist financing laws, regulations, rules, guidelines and procedures promulgated by the United Nations, the European Union, the United States of America, the United Kingdom and all other jurisdictions (“Sanctions”) to which the Bank and/or the transaction(s) is/are subject and/or which may be relevant to the Bank and/or the transaction(s).*
- o. *We declare that our directors / shareholders are not connected parties under the definition of the Financial Services Act 2013 (“FSA”) and Bank Negara Malaysia’s Guidelines on Credit Transactions and Exposures with Connected Parties (“Guidelines”), as amended or supplemented from time to time and the regulations/orders issued by thereunder, which includes but is not limited to, a spouse, child, parent or financial dependent of the Bank’s director, executive officer or credit-approving/appraising/reviewing officer. If at any time there is a breach of the above, we must notify the Bank in writing immediately.*
- p. *All our trade transactions do not infringe the Strategic Trade Act 2010 (“STA”), as amended or supplemented from time to time and the regulations/orders issued by thereunder. All necessary permits, licenses, registration, and approvals required under the STA for our trade transactions, exports, transshipment or transit of goods (including technology) and related documents have been obtained and are in full force and effect. A copy of the relevant permit, registration or approval shall be produced to the Bank as and when any transaction involving strategic items or restricted activity is submitted to the Bank.*

- q. *These TTCs and all Trade Products provided hereunder shall be subject to the laws of Malaysia and directives of regulatory bodies of Malaysia. We submit to the non-exclusive jurisdiction of the courts of Malaysia.*

3. TERMS APPLICABLE TO SPECIFIC TRADE PRODUCTS (CONVENTIONAL)

3.1 Documentary Collection and / or Negotiation under Letter of Credit [Foreign / Domestic Bills of Exchange Purchased – Authority to Purchase (F/DBEP (AP)) - With and Without Recourse

3.1.1 General Conditions:

- a. *It is understood and agreed that having exercised due care in the selection of any correspondent to whom the documents mentioned in the Form(s) may be sent for collection, you shall not be responsible for any act, omission, default, suspension, insolvency or bankruptcy of any such correspondent(s), agent(s), sub-agent(s), third party service provider(s) or representative(s) thereof, and/or for any delay in remittance, loss in exchange or loss of the said documents, item or its proceeds during transmission or in the course of collection, until such time as actual payment shall have come into your possession.*
- b. *For any collections requested by us, you are not obliged to check the documents before sending them to a collecting or presenting bank, nor are you obliged to check the documents received from a remitting bank.*
- c. *We acknowledge that if you are requested by us to handle a collection as remitting bank, you shall be under no obligation to make any payment to us for the collection until you have received full payment from the collecting or presenting bank. Where made, we agree to reimburse you for any advances made in anticipation of collection as well as all disbursements made in an effort to effect and/or facilitate the same.*
- d. *In the event that we have selected to book the transaction against the Bank's limit and discrepancy(ies) are found by you, we hereby authorize you to book the transaction against our limit (as approved by the Bank and stipulated in the Facilities Terms).*
- e. *In the event our limit has been fully utilized or there is no available / approved limit, we hereby authorize you to present the said documents to the issuing / reimbursing bank for payment and once acceptance for payment is received from the issuing / reimbursing bank, we hereby authorize you to book the transaction against the Bank's limit.*

3.1.2 Negotiation under Letter of Credit [(F/DBEP (AP)) - With and Without Recourse

- a. *In consideration of the Bank agreeing to provide negotiation and advance payment services [“services”] to us as the beneficiary of a Letter of Credit (“LC”) from time to time at our request; we hereby agree to the following provisions:*
- i. **Terms and Conditions:**
- a. *The LC shall be:*

- (i) *Subject to the Uniform Customs and Practice (“UCP”) 600 or the applicable revisions of the UCP for LCs;*
- (ii) *Issued from a bank and country in the Bank’s approved banks / financial institutions counterparty list, which is subject to change from time to time at the Bank’s discretion;*
- (iii) *Be original, authenticated and a complete set with all amendments including those advised to the Bank through another party/bank; and*
- (iv) *Acceptable in both form and content to the Bank in its sole and absolute discretion.*

- b. *The services are provided only against complying Document(s) versus the terms and conditions of the sight or usance LC issued by a bank / financial institution acceptable to the Bank. In cases of discrepant Documents, the Bank may, but is not obliged to, provide the services subject to the receipt of an unconditional and irrevocable authenticated payment confirmation / acceptance / approval or waiver of discrepancies from the LC issuing bank.*

[For the purpose of F/DBEP (AP), “Document(s)” refers to the LC and/or any document(s) pertaining to the LC.]

- c. *The services are provided subject to the availability of the Bank’s limit on an uncommitted basis. As such, the following applies:*

- (i) *The Bank has the absolute right to refuse on a case by case basis or terminate permanently without prior notice and without providing any reasons, the provision of the services and / or to cancel the Bank’s limit. The Bank shall not be liable to us in any manner for any loss or delay caused by such refusal.*

- (ii) *The prescribed rate to be applied is the Foreign Currency ECOF (“FC ECOF”) or Malaysian Ringgit ECOF (“MYR ECOF”) or such other base rate as the case may be, plus the Bank’s risk-based spread per annum (p.a.) at that time or such other rate / minimum amount as may be decided by the Bank at the time the services are provided.*

A *Note: The **ECOF** is defined as the cost of funding to the Bank from whatever sources it may select at its absolute discretion plus the cost of maintaining its statutory reserves, liquidity requirements, administrative costs and other related costs of the Bank as stipulated by the Bank from time to time.*

B *The minimum prescribed rate shall not be less than 1.00% p.a. for Foreign Currency denominated services and not less than 1.70% p.a. for Malaysian Ringgit denominated services or such other minimum rate as may be prescribed by the Bank from time to time.*

- (iii) *In addition to the prescribed rate, fees, commission, interest and charges may be charged from time to time by debiting any of our overdraft, current or other account(s) maintained with the Bank and duly notified to us. If as a result of such debit, any of the account(s) is overdrawn, we agree to pay the amount(s) duly notified to us failing which the Bank may impose interest / charges to be determined solely by the Bank as notified to us. The Bank shall not be liable for the dishonour of any cheque drawn by us on any current account if as a result of debiting our current account(s) there are insufficient funds for payment of the same.*
- (iv) *All repayments and servicing by us to the Bank of the prescribed rate under and in connection with the foreign currency advance shall be made in the relevant stipulated foreign currency and (where applicable) in the manner stipulated by the Bank unless otherwise agreed by the Bank in writing. We acknowledge and agree that there are risks involved in foreign currency transactions including but not limited to risks due to fluctuation of exchange rate(s), valuation and devaluation of currencies, taxes, involuntary transfers or changes in governmental policies or any other reasons beyond the control of the Bank. We also declare to the Bank that we understand and accept all risks involved in foreign currency transactions.*
- (v) *We agree that the services may be provided by the Bank either directly and / or through one or more correspondent(s), agent(s), sub-agent(s), third party service provider(s) or representative(s). We also agree that any arrangement the Bank makes to facilitate the provision of the services to us will be acceptable and that we will abide by any operational procedure(s) set from time to time. The Bank may appoint / select one or more correspondent(s), agent(s), sub-agent(s), third party service provider(s) or representative(s) at the Bank's sole discretion and without our prior approval and knowledge.*
- (vi) *Unless exceptionally allowed by the Bank, we shall (if not already done so), open an account in the currency in which the LC is denominated in order for the Bank to make available that currency to us when the LC is negotiated.*
- (vii) *In the event of a default / past due (payment is not effected at the due date stipulated in the LC / draft for any reason including delays, disputes, court orders / injunction and sanctions) or in the event of a demand / recall of the advance, we shall pay additional default interest of 1% p.a. plus prescribed rate or such other rate(s) as may be notified by the Bank from time to time in the currency in which such amounts are then denominated on any outstanding amount and/or any other sums due and payable to the Bank (including late payment charges), from the time of default / past due / demand / recall up to the time of actual payment. If the Bank has a need to convert any amount in foreign currency to*

Ringgit Malaysia or vice versa, the Bank is authorized to do so by applying the Bank's spot rate of exchange.

ii. **Representations, Warranties, and Covenants:**

- a. *We represent, warrant and undertake that in respect of every request for services submitted to the Bank as follows:*
 - (i) *We have beneficial title to the proceeds and Document(s) and the Bank is entitled to regard each endorsed draft and title document presented as proper and duly authorized by us. This means that the proceeds and Document(s) are free from any security interest, encumbrance or claim of any kind and we shall not at any time grant, assign, transfer or create any security interest or encumbrance over it. Each draft in particular represents the actual payment lawfully due and owing to us without any conditions, set-off, counterclaim, assignment or encumbrance, and free of any deduction or withholdings related to any Tax or other claim, for goods delivered or work / services performed by us for the benefit of the account party named in the LC.*
 - (ii) *We hereby assign and pledge to the Bank, as continuing security / collateral, all our rights, title and interest in, and claims for payment under, each LC and all related documents, goods, insurance and contracts and shall execute and deliver to the Bank any additional documentation as may be required in respect of such assignment / pledge.*
 - (iii) *We will obtain or procure any bills of lading required under the LC to be blank endorsed or endorsed to the Bank's order as the Bank may direct or request. We will also endorse and will obtain or procure any bill of exchange under the LC to be endorsed in the Bank's favour or to the Bank's order as the Bank may direct or request.*
 - (iv) *We will immediately make payment to the Bank for all sums payable to the Bank in accordance with the terms of this document and pending such payment, in the event we receive any money under the LC or the underlying contract from a party other than the Bank, we will hold such money on trust for the Bank in a separate account.*
 - (v) *The LC has not been altered and/or is not pending amendment in a manner different from that presented to the Bank.*
 - (vi) *There is no pending, threatened or potential dispute nor legal proceeding arising or which may arise under or in connection with the LC or the underlying contract that may compromise, reduce, or extinguish our rights thereunder (including, the amount of receivables payable to us).*
 - (vii) *The goods referred to in the shipping documents (including transport document) are of proper character, quality, quantity, legality and*

condition. We also undertake to properly store and adequately insure the goods to which the LC relates to at our sole risk and cost.

- (viii) *The information provided by us is accurate, complete and up-to-date which can be relied upon and we will not hold you responsible against all losses should the processed transaction be done using the information provided by us. If information provided by us changes, we will immediately provide details of such changes to you.*
- (ix) *We confirm that the proceeds derived from the export of goods will be received within 6 months from the date of export and acknowledge the requirement to report to BNM in the event export proceeds are not received within 6 months from the date of export as required by the Foreign Exchange Notices (“FE Notices”). We irrevocably undertake to immediately inform the Bank should we at any time discover any non-compliance, whether due to a change in such FE Notices, directives and/or circulars, or change in facts and/or circumstances, and irrevocably undertake to indemnify the Bank and hold the Bank harmless from any and all costs, fees, fines, consequences, actions, suits, proceedings, claims, damages, losses (including foreign exchange losses), liabilities and expenses incurred (including without limitation, attorney fees and expenses on a full indemnity and own client basis) howsoever resulting from or connected to our breach of or non-compliance with such FE Notices, directives and/or circulars.*
- (x) *That all transactions pertaining to the services complies with and does not contravene any law, regulation, directive, sanction or request of a court, tribunal or regulatory authority of any jurisdiction.*
- (xi) *We are aware and undertake to keep ourselves up to date of sanctions imposed by countries/regulatory organizations where we wish to send funds to or receive funds from. If any funds/Document(s)/transactions are delayed/blocked/held in relation to the said sanction(s), the Bank will not be held liable for such delay/block/holding.*
- (xii) *We have obtained all necessary corporate and/or government approvals and have met all obligations required to ensure the validity and enforceability of these terms. In other words, all consents, approvals and/or authorizations which are required or advisable for or in connection with the execution, delivery, performance, legality and enforceability of these terms and other related documents (if applicable) have been obtained and are in full force and effect.*

iii. **Miscellaneous:**

Notwithstanding the above, we irrevocably authorize and permit the Bank at its absolute discretion:

- (a) *To pursue claims against the issuer or importer under any LC, in our name (and apply proceeds recovered to satisfy all sums and indebtedness due to the Bank hereunder and in connection with the LC);*
- (b) *To store and insure the goods at our risk and cost, which includes*
 - (i) *To land and store the goods at any wharf or warehouse selected by the Bank and / or re-ship the same to any other port; and*
 - (ii) *To insure the goods against all risks and to add the premiums and expenses of such insurance to the amount chargeable to us;*
- (c) *To exercise its right of recourse against the goods or any part thereof in priority to any other claims thereon and to sell such goods or part thereof as may be necessary for payment of freight, insurance, warehouse, dock and other charges, without prejudice to our duty to repay any outstanding amount due to the Bank from such proceeds of sale;*
- (d) *To accept full or partial payment before maturity from the drawees and / or acceptors of any bills, or the consignees of the goods, against delivery of the goods (or part thereof) and/or the Document(s);*
- (e) *To set-off from any account(s) standing in our name any amounts owing by us to the Bank under any related form(s), document(s) and/or security document(s), notwithstanding such set-off amounts may result in a debit balance / overdraft or otherwise. If our obligations are in different currencies, the Bank may apply the Bank's spot rate of exchange to such sums for the purposes of the set-off;*
- (f) *To not act on any instructions which are deemed by the Bank to be incomplete and / or inconsistent; and*

3.1.2.1. Negotiation under Letter of Credit [F/DBEP (AP)] - With Recourse

3.1.2.1.1 Indemnity and Undertaking:

We hereby:

- i. *agree that the Bank has full recourse against us which includes the authority to debit any of our overdraft or current account(s) maintained with the Bank with immediate effect, without prior notice to us (unless notice is required by law or regulation); and*
- ii. *irrevocably undertake to fully indemnify and reimburse the Bank and hold the Bank harmless against the full actual or expected value including all interests, commission, charges, costs, fees, fines, consequences, actions, suits, proceedings, claims, damages, losses (including foreign exchange losses), liabilities and expenses incurred (including, without limitation, attorney fees and expenses on a full indemnity and own client basis) and any tax payable save to the extent that such interests, commission, charges, costs, fees, fines, consequences, actions, suits, proceedings, claims, damages, losses, liabilities, expenses and tax arise from or in connection with the Bank's gross negligence, wilful default or fraud, notwithstanding the terms of the LC, in the event of demand or recall of the advance due to (without limitation):*

- (a) *Any delays or non-acceptance of the LC;*
- (b) *Any delays, shortfall or non-payment pertaining to the LC;*
- (c) *Any refund to the issuing / reimbursement bank pertaining to the LC;*
- (d) *Any deterioration of the LC issuing bank or reimbursement bank and / or country risk, which includes but not limited to, any transferability and convertibility risks due to war, sovereign risks, change of government, sanctions and as defined by the Bank in its sole authority upon review from time to time;*
- (e) *Any untrue, misleading, fraudulent, irregular and/or super-imposed information / documents (which term includes but is not limited to Document(s)) where the Bank had initially accepted them in good faith;*
- (f) *Our having created or permitted a lien, assignment of proceeds or other encumbrance against the draft, or otherwise taken any action which prejudices or limits the rights of the Bank in respect of the draft;*
- (g) *Any actual or suspected fraud and / or misappropriation of funds including claims made by the LC issuing bank of alleged fraud;*
- (h) *Any court / judicial or other official order prohibiting payment under the LC;*
- (i) *Any disputes / legal proceedings in connection with the LC or the underlying contract;*
- (j) *Any error which needs to be corrected by the Bank; or*
- (k) *Any breach of the terms and conditions, representations, warranties and covenants under this document.*

3.1.2.1.2 Terms and Conditions:

- i. *The LC must be made available with any bank and by negotiation (in other words, the LC must not be restricted to other banks);*
- ii. *Without prejudice to any of our other obligations and/or liabilities under this document, our obligations and liabilities to the Bank shall not in any circumstances be reduced, terminated or adversely affected in any way by reason of:*
 - (a) *Discrepancies, irregularities, defects, omissions, invalidity or insufficiency of the Document(s) required under the LC;*
 - (b) *Discrepancies that are not identified by the Bank or in the event that any Document(s) is/are found by a court of law or tribunal to contain discrepancies;*

- (c) *The invalidity of unenforceability for any reason of any security or guarantee executed in favour of the Bank at any time as security or guarantee for our obligations hereunder;*
- (d) *Any financing / advance we have received in respect of the LC or the underlying transaction from any other party including any bank;*
- (e) *The creation of security or any agreement to create security or any disposal by us of the proceeds of any LC in favour of another party;*
- (f) *Any act, omission, default, suspension, insolvency, or bankruptcy of any of the Bank's selected correspondent(s), agent(s), sub-agent(s), third party;*
- (g) *Any delays, errors, losses or non-delivery of documents to, from or between the Bank's selected correspondent(s), agents(s), sub-agent(s), third party service provider(s) or representative(s).*

3.1.2.2 Negotiation under Letter of Credit [F/DBEP (AP)] - Without Recourse

3.1.2.2.1 Indemnity and Undertaking:

We hereby agree that:

- i. ***"Without recourse coverage"*** is limited to only the insolvency risk of the LC issuing bank and sovereign risk of the issuing bank country (as defined by the Bank in its sole authority).
- ii. *Outside the without recourse coverage (that is, in any situation where without recourse coverage does not apply), we agree that the Bank has full recourse against us which includes the authority to debit any of our overdraft or current account(s) maintained with the Bank with immediate effect, without prior notice to us (unless required by law or regulation). We irrevocably undertake to fully indemnify and reimburse the Bank and hold the Bank harmless against the full actual or expected value including all interests, commission, charges, costs, fees, fines, consequences, actions, suits, proceedings, claims, damages, losses (including foreign exchange losses), liabilities and expenses incurred (including, without limitation, attorney fees and expenses on a full indemnity and own client basis) and any tax payable (all of the aforesaid being "**Indemnifiable Items**") save to the extent that such Indemnifiable Items arise from or in connection with the Bank's gross negligence, wilful default or fraud, notwithstanding the terms of the LC, in the event of demand or recall of the advance due to (without limitation):*
 - (a) *Delay(s), dispute(s), court order(s) / injunction(s), sanctions and/or request(s) of a court, tribunal or regulatory authority of any jurisdiction;*
 - (b) *The Document(s) being found by a court of law or tribunal to contain discrepancies;*
 - (c) *The invalidity of unenforceability for any reason of any security or guarantee executed in favour of the Bank at any time as security or guarantee for our obligations hereunder;*

- (d) *Any financing / advance we have received in respect of the LC or the underlying transaction from any other party including any bank;*
- (e) *The creation of security or any agreement to create security or any disposal by us of the proceeds of any LC in favour of another party; or*
- (f) *Any delays or non-acceptance of the LC;*
- (g) *Any refund to the issuing / reimbursement bank pertaining to the LC;*
- (h) *Any untrue, misleading, fraudulent, irregular and/or super-imposed information / documents (which term includes but is not limited to Document(s) as defined above) where the Bank had initially accepted them in good faith.*
- (i) *Our having created or permitted a lien, assignment of proceeds or other encumbrance against the draft, or otherwise taken any action which prejudices or limits the rights of the Bank in respect of the draft;*
- (j) *Any actual or suspected fraud and / or misappropriation of funds including claims made by the LC issuing bank of alleged fraud;*
- (k) *Any error which needs to be corrected by the Bank; or*
- (l) *Any breach of the terms and conditions, representations, warranties and covenants under this document.*

3.1.2.2.2. Terms and Conditions:

- i. *The LC must be made confirmed by the Bank [Where the LC has not been confirmed by the Bank, the LC must be made available with any bank and by negotiation (in other words, the LC must not be restricted to other banks)];*
- ii. *Without prejudice to any of our other obligations and/or liabilities under this document, our obligations and liabilities to the Bank shall not in any circumstances be reduced, terminated or adversely affected in any way by reason of:*
 - a) *Delay(s), dispute(s), court order(s) / injunction(s), sanctions and/or request(s) of a court, tribunal or regulatory authority of any jurisdiction;*
 - b) *Any Document(s) being found by a court of law or tribunal to contain discrepancies;*
 - c) *The invalidity of unenforceability for any reason of any security or guarantee executed in favour of the Bank at any time as security or guarantee for our obligations hereunder;*
 - d) *Any financing / advance we have received in respect of the LC or the underlying transaction from any other party including any bank;*

- e) *The creation of security or any agreement to create security or any disposal by us of the proceeds of any LC in favour of another party;*
- f) *Any act, omission, default, suspension, insolvency, or bankruptcy of any of the Bank's selected correspondent(s), agent(s), sub-agent(s), third party service provider(s) or representative(s); or*
- g) *Any delays, errors, losses or non-delivery of documents to, from or between the Bank's selected correspondent(s), agents(s), sub-agent(s), third party service provider(s) or representative(s).*

3.1.3. Documentary Collection (OBC) and/or Negotiation - Foreign or Domestic Bills of Exchange Purchased (F/DBEP)

3.1.3.1 General Condition

We undertake to reimburse you for any advances made in anticipation of collection as well as all disbursements made in effort to effect the same, including any fees, commission, charges and other customary charges, as prescribed in the Facilities Terms, Trade Fees and Charges or herein these terms.

We understand that all collections will be undertaken subject to the Uniform Rules for Collections 1995, ICC Publication No. 522 (URC 522) and, if required, the Uniform Rules for Collections (URC 522) Supplement for Electronic Presentation (eURC), as may be revised from time to time.

3.1.4 Indemnity for negotiating non-compliant documents under F/DBEP (AP)

In consideration of your negotiating the Bill/s at our request notwithstanding discrepancies between the documents presented and the terms of the LC in the particulars as per the examination of the documents as conducted by you, we hereby authorize you, your branches and correspondents to give the drawees such indemnity against any loss and consequences from such discrepancies as they may require in order to obtain acceptance and/or payment of the said Bill/s and we agree to indemnify you, your branches and correspondents against any liability, loss, costs, and expenses whatsoever that may be incurred, sustained or paid by you, your branches or correspondents, arising from such indemnity or by reason of your having negotiated the said Bill/s notwithstanding such discrepancies and we further agree to refund to you on demand the value of the said Bill/s with interest and charges in the event of the non-acceptance or non-payment thereof.

3.2 Shipping Guarantee

3.2.1. Undertaking

- a. *We declare that we are the rightful owners of the shipment(s) described in our application and that the bill(s) of lading for same has/have not yet arrived. We further declare that the said bill(s) of lading has/have not been hypothecated or in any way pledged with a third party whatsoever and undertake not to pledge, mortgage, charge, hypothecate or otherwise encumber the said shipment(s) and the bill(s) of lading for the same in favour of any such third party.*

- b. *In consideration of you acceding to our request to countersign an indemnity calling upon the Shipping Company mentioned therein to release and deliver to us our order with the goods referred to therein without production of the relevant bill(s) of lading, we (or our successors) shall at all times keep you and your successors indemnified against all actions proceedings liability claims damages costs and expenses or any other consequences which you may sustain or incur either directly or indirectly in relation to your accession to our request.*
- c. *You may compromise, settle, pay or resist any claims arising from or in connection with the issuance of the letter of indemnity or shipping guarantee without releasing our obligation and liability to reimburse you hereunder. We undertake to reimburse you on demand in respect of such drawings or payments together with all charges, expenses and interest.*
- d. *We also agree to keep the cargo goods fully insured and will furnish proof of this at any time, if requested to do so by you.*
- e. *We further agree that on receipt of the relevant bill(s) of lading we shall procure the return of the said indemnity within a reasonable time and deliver same to you for cancellation.*
- f. *We further authorise you to endorse all bill(s) of lading in relation to the shipment stated so that such bill(s) of lading may be delivered directly to you by the shipping companies and/or shipping companies' agents and/or forwarding agents aforesaid. For the avoidance of doubt, in the case of the shipments under documentary credit, we agree that you shall have no obligation to examine any shipping documents related to the goods described above in order to determine whether any discrepancies may exist between shipping documents received and those called for by the documentary credit. We hereby confirm and instruct you to honour or pay the documentary credit relating to the shipment irrespective of any discrepancies appearing on the presented documents.*
- g. *We acknowledge that we shall remain indebted to you until production and delivery of the said bill(s) of lading, termination or cancellation of the said Indemnity, or until your liability thereunder is ascertained and the amount thereof is debited against us. Notwithstanding the above, to secure the discharge of our obligations to you under the indemnity, you shall be entitled to debit our current account or any of our accounts with you against any amount which we may have for the amount stated.*
- h. *We further acknowledge that until our liability under the said indemnity is ascertained, any sum(s) stated shall in no way limit the amount of our liability you, or shall affect your right of set-off.*

3.2.2. Indemnity for Non-Surrender of Bill of Lading

In consideration of your releasing for delivery to us or to our order the goods mentioned in our application of which we claim to be the owners, without production of the relevant bill(s) of lading (not as yet in our possession), we undertake and agree:

- a. *To indemnify you fully against all consequences and/or liabilities of any kind whatsoever directly or indirectly arising from or relating to the delivery, and immediately on demand against all payments made by you in respect of such consequences and/or liabilities including costs as between solicitor and client and all or any sums demanded by you for the defense of any proceedings brought against you by reason of the delivery aforesaid.*

- b. *To pay upon demand any freight and/or General Average and/or charges due on the goods aforesaid (it being expressly agreed and understood that all liens shall subsist and be unaffected by the terms hereof.)*
- c. *To deliver immediately to you the bill(s) of lading received and duly endorsed by us.*
- d. *Upon your confirmation of receipt of the bill of lading relating to a shipping guarantee, we are released from all actual, contingent, present & future liability under this guarantee.*
- e. *We shall accept and pay, or accept upon presentation and pay at maturity, all documents made or drawn in connection with such goods, notwithstanding any discrepancy therein or dispute between us and the seller of the goods or otherwise.*
- f. *Where you countersign or issue a letter of indemnity or shipping guarantee enabling us or our nominated person to take delivery of goods (to which we claim to be entitled) without production of the relevant bill(s) of lading or other document(s) of title, we agree that:*
 - i. *we shall accept and pay, or accept upon presentation and pay at maturity, all documents made or drawn in connection with such goods notwithstanding any discrepancy therein or dispute between us and the seller of the goods;*
 - ii. *until the cancellation of the relevant shipping guarantee/letter of indemnity and until our due payment of all amounts under the documents made or drawn in connection with such goods, the relevant bill(s) of lading/other document(s) of title if made out to us or to our order shall be held by us on trust for your benefit and we will forthwith endorse and deliver the same to you to enable you to produce the same to the relevant party to procure your release of liability from the letter of indemnity/shipping guarantee;*
 - iii. *we shall indemnify you against and pay to you on demand, any losses, liabilities, costs and expenses (including legal expenses on a full indemnity basis) incurred or to be incurred by you in connection with or arising out of the missing bill(s) of lading/document(s) of title and the shipping guarantee/indemnity countersigned or issued by you.*

3.3. Trust Receipt

3.3.1. Undertaking:

Where the Bank agrees to release trade documents and or goods to us or to our order under the terms of a Trust Receipt, I/WE UNDERTAKE AND AGREE as follows: -

- a. *to land, store, hold and deliver to purchasers of the said goods and receive their proceeds as trustee(s) for you and as agent(s) on your behalf and not otherwise and in the event of the said goods or any portion thereof being sold and cleared before full and complete payment of the said advances and/or draft/s. I/We pledge myself/ourselves that the proceeds of such sales shall be received and retained by me/us as trustee(s) for you and that they shall be kept separate and apart from my/our other monies, and to pay to you the proceeds of such sales*

as soon as the goods are realised as and when received by me/us, in order that the same may be applied in or towards payment of the advances and/or draft/s. I/We at the same time furnishing to you all necessary particulars to enable you to apply the same to the relative draft/s in each case.

- b. *that you remain the owners or pledgees, as the case may be, of the goods and I/We hereby undertake to act as your agent(s) for the sale of the said goods and to receive and account to you for the proceeds thereof and that they shall be open to inspection at all times by you or your duly accredited representative and you are at liberty at my/our expense if you think fit so to do take possession of them without any reference to or consent obtained from me/us and to remove the same or any part thereof from the place where they have been stored to any other place you may choose and place the same under the care of any one you may select and to dispose of them by sale or otherwise if so required.*
- c. *to keep the goods referred to fully insured against loss or damage by fire and all risks to the full value thereof and to hand over to you the amount of any claims against the underwriters on the policies of insurance being in the meantime held by me/us as trustee(s) for and on behalf of the Bank.*
- d. *not to charge or purport to charge or pledge or otherwise encumber the goods or the proceeds of sale thereof with the payment of any monies to any person or to us or purport or to use the same as security for the performance of any obligation whatsoever.*
- e. *to accept a Sola of Exchange /Draft drawn by you on me/us to mature on the date mentioned in the trust receipt, for the amount stated as per the Sola of Exchange.*
- f. *that you shall be entitled and are hereby authorised by us to debit our account(s) with you for the amount of the Trust Receipt, together with interest thereon and other relevant Bank charges.*
- g. *not to sell the goods or any part thereof on credit unless with your previous consent in writing. We acknowledge you retain the right at any time to take possession and dispose of the goods, documents and/or sale and/or insurance proceeds of the goods.*
- h. *this security shall remain valid and binding for all purposes notwithstanding any change by amalgamation consolidation or otherwise which may be made in the constitution of the Bank and/or my/our firm company.*

3.4. Advance Against Trade (Pre-Shipment)

3.4.1. Undertaking:

- a. *We shall pay you on demand all amounts due to you from us in relation to the AAT-PRE together with interest at the prescribed AAT rate per annum or at such higher or other rate as you may from time to time charge and all costs and charges (collectively called "AAT-PRE Amount").*

- b. *We shall place in your custody upon AAT-PRE lodgement, the original Letter of Credit or original / certified copy of Purchase Order (“PO”) or sales contract signed by our personnel and that we will not accept any amendment, variation or cancellation of the said Letter of Credit / PO / Sales Contract without giving you prior written notification.*
- c. *We shall deliver to you upon AAT (Post-Shipment) usage, all drafts and documents related to the negotiation of the said Letter of Credit, namely the Invoice(s) and transport documents of the said PO or Sales Contract prior to the maturity date of the related AAT-PRE granted.*
- d. *Without prejudice to item 3.4.1.a above, in the event of:*
 - i. *a breach of any term or requirement in this application; or*
 - ii. *the drafts drawn not being paid or honoured by the drawee or the issuing bank of the said Letter of Credit, or the PO / Sales Contract not being paid or honoured by the buyer stated therein, the entire AAT-PRE Amount shall become immediately due and payable to the Bank and hereby unconditionally and irrevocably authorize you to reimburse yourselves out of the proceeds of such presentation(s) and we undertake to pay you the balance forthwith, if any part thereof remains outstanding. The Bank is further authorized to set off any outstandings from any funds standing in credit in our name in priority to any other payments and / or debit any account in our name with the said outstandings.*
- e. *We will at all times fully indemnify you and keep you indemnified from and against all losses, liabilities, costs, damages, expenses, claims demand and all consequences that may arise by reason of your granting us the AAT-PRE facility.*

3.5. Advance Against Trade (Post-Shipment)

3.5.1. Undertaking:

We hereby certify that:

- a. *the financing covers a genuine trade transaction.*
- b. *we have not applied for nor obtained and will not obtain another source of financing for the trade transaction concerned, including financing pursuant to a lease, hire purchase or factoring agreement.*
- c. *unless we have been permitted in writing by your bank to present for financing of our transactions involving our related or associated companies, we hereby declare that the Buyers pertaining to this transaction are not our related or associated companies.*

3.6. Bank Guarantee (BG)

3.6.1 Undertaking:

In consideration of you (the Bank) at our request issuing the BG as per the format attached to or accompanying our Application Form and/or acceding to our request/the beneficiary’s request in any

manner in respect of the wording/text of the BG issued by you, we hereby irrevocably agree covenant and undertake that for so long as you remain liable or may remain liable under the BG:

- a. *we shall continue to be liable to you in respect of the BG and we shall not be considered released or discharged from our liability to you in respect of all whatsoever matters howsoever related to the BG;*
- b. *we shall continue to pay you the commission for the BG for as long as we are advised by you to do so;*
- c. *the security provided by us and/or third party(ies) to secure our liability to you under the BG shall not be released or discharged until you agree to such release or discharge.*

3.6.2 Indemnity

Our application for a BG issuance shall be subject to the following terms and conditions:

- a. *In consideration of your issuing at my/our request a BG in favour of beneficiary/ies, (hereinafter called the “**said Guarantee(s)**”, which definition shall extend to all bank guarantee(s) issued in renewal, extension or substitution of the said Guarantee(s)), we irrevocably: -*
 - i. *undertake to indemnify you and save you harmless from any and all action, claim, demand, damage, liability, loss, costs and expense (including without limitation legal fees on a solicitor and own client basis) that may arise or which you may howsoever suffer or incur at any time(s) in connection with the said Guarantee(s) or any of them (including without limitation any costs and expenses in enforcing or attempting to enforce this indemnity and (in respect of the said Guarantee(s) issued in foreign currency) losses which you may incur as a result of any change(s) in the rate(s) of exchange) and we undertake to pay such sums to you on demand together with interest/profit thereon at rate(s) determined by you from time to time, as well after as before judgment and notwithstanding that the customer and banker relationship may have ceased or terminated) and notwithstanding that the said Guarantee(s) has not been returned by the beneficiary(ies) to you for cancellation, and you have not received any written confirmation from the beneficiary(ies) that you have been discharged of your liabilities under the said Guarantee(s);*
 - ii. *authorize you to determine the compliance of term(s) and condition(s) of any of the said Guarantee(s) and to effect any payment(s) to the beneficiary(ies) to any of the said Guarantee(s) and/or comply with any claim(s) or demand(s) made under the said Guarantee(s) without any reference to us but with notice to us and despite any objection or contestation on our part;*
 - iii. *authorize you to debit any one or more of our account(s) to enable you to discharge your liability, actual or contingent, arising out of the said Guarantee(s) including without limitation all expenses, fees, and cost (legal or otherwise) in connection with the issuance of the said Guarantee(s) and payment/reimbursement from us of the guaranteed*

amounts together with interest/profit thereon at rate(s) as determined by you from time to time with notice to us; and

- iv. *undertake to deposit immediately with you in cash and/or in any other forms of security or securities approved by you from time to time whenever required by you in the event of a shortfall between the amount(s) owing by us to you in respect of the said Guarantee(s), including without limitation all expenses, fees, and cost, (legal or otherwise) in connection with the issuance of the said Guarantee(s) as well as payment/reimbursement from us of the guaranteed amounts together with interest/profit thereon at rate(s) as determined by you from time to time, and the balance(s) in our account(s) and (in the case where the said Guarantee(s) is/are issued in foreign currency) including without limitation any shortfall due to currency fluctuations between the amount(s) payable by us to you and amount(s) received/recovered/debited by you.*

- b. *In the event the said Guarantee(s) is issued in foreign currency, the following additional provisions shall apply:*

 - i. *We irrevocably authorize you to debit any one or more of our account(s) for the Ringgit Malaysia equivalent converted at the Bank's then prevailing applicable foreign currency rate(s) of exchange (or such other rate(s) as may be determined by the Bank) for the relevant foreign currency on the day of payment for the performance of the said Guarantee(s) with notice to us to enable you to discharge your liability, actual or contingent, arising out of the said Guarantee(s) including all expenses, fees and costs (legal or otherwise) in connection with the issuance and payment/reimbursement of the guaranteed amount together with interest/profit thereon at rate(s) as may be determined by the Bank from time to time; and*
 - ii. *We irrevocably agree that if you accept or receive payment in a currency other than Ringgit Malaysia or such other currency specified by you, or if judgment or order is given or made for the payment of any amount due under the said Guarantee(s) and/or is expressed in a currency other than Ringgit Malaysia or such other currency specified by you, we will indemnify you against any loss incurred by you as a result of any variation having occurred in the rate(s) of exchange between the date at which such amount(s) is converted into such currency for the purposes of such payment, judgment or order and the date of actual payment.*
 - iii. *This indemnity shall not be determined or in any way be prejudiced by any absorption reconstruction or reorganization of or by you or of or by our company or any amalgamation thereof or therewith and in the event of any absorption reconstruction or reorganization or amalgamation as aforesaid this indemnity shall be available for and by the absorbing, reconstructed, reorganized or amalgamated company.*
 - iv. *We irrevocably agree to permit you at any time without prior reference, but thereafter with notice, to us to exercise earmarking of our account(s) or any other security(ies) given from time to time (including without limitation security in the form of a cash deposit of a fixed deposit receipt replaced or substituted from time to time) to enable you to meet any claims arising out of the said Guarantee(s) issued by you without your having obtained prior proof of our failure or inability to fulfill such payment obligation to you;*

- v. *Should you accede to our request to backdate any BG(s) at any time(s), we irrevocably undertake and confirm that prior to making such request(s) to you, we shall have checked with the beneficiary of the said Guarantee(s) who shall have confirmed that no claims will be made in respect of the back-dated period(s). However, if a claim were to be made in respect of such period(s), we hereby irrevocably undertake that we shall immediately pay and/or reimburse the Bank the amount(s) of the claim(s)/ demand(s) paid and/or to be paid by the Bank and other fees, costs and charges (if any) (including without limitation, legal fees on a solicitor-client basis).*
- vi. *This indemnity shall be binding upon our heirs, personal representatives, permitted assigns, liquidators and successors-in-title.*
- vii. *This indemnity is in addition to and shall not prejudice or affect any other indemnities and undertakings issued by us to you.*
- viii. *We are aware the Bank is not obliged to check or ensure the accuracy of any information supplied to it for inclusion in any BG and that we are solely responsible for ensuring that the terms or requirements in the BG are correct and meet our requirements and are aware any amendment you seek to make to the wording of any BG requested to be issued are to meet your internal policy and risk exposure management requirements. You (and any correspondent bank) are not responsible and have no duty whatsoever to advise us on issues relating to the suitability of the BG to our underlying contract's requirements and do not at any time act as our legal, business or financial advisors when we request the issuance of any BG.*
- ix. *If any BG you have issued provides for its renewal or extension unless the beneficiary is informed otherwise by you but we do not instruct you at least seven (7) business days prior to the date required for you to provide notice of non-renewal/extension as required by the BG, you may renew or extend it for such further period as required by its terms. You shall however be under no obligation to re-issue, renew or extend any BG and may at any time: (a) cancel or revoke it without prior notice to or authorisation from us if such guarantee or the beneficiary thereof permits cancellation or revocation; or (b) pay on it without prior notice to or authorisation from us if the BG or any relevant law permits or requires payment to be made if such BGs to be cancelled, revoked, not extended or not renewed. Any cancellation, payment, revocation or otherwise by you at any time shall be without prejudice to your rights and obligations against us under the terms herein.*
- x. *If the Bank issues any BG at our request to facilitate the business or other underlying transaction of another party with the beneficiary and even where that other party is named as the applicant or contracting party in that BG we agree that you do so based on our obligations (including for payment, reimbursement and indemnity) to you herein this TTC still applying in full.*

3.7 Letter of Credit (LC)

3.7.1 Issuance of LC

3.7.1.1. Undertaking:

In consideration of your issuing at our application a LC, I/We agree as follows:

- a. *That I/We undertake to pay on presentation or to pay at maturity draft(s) and/or documents honoured or negotiated within the terms of the LC.*
- b. *To pay on presentation the draft(s) and/or documents under the LC issued even should the merchandise be diverted or over-carried or fail to arrive or be refused landing at destination due to whatever cause.*
- c. *To hold YOU AND YOUR AGENTS free from any responsibility for any delay, mistake or omission that may happen in the transmission of the instructions or losses or delay in the forwarding of the documents caused by a third party and/or a corresponding bank and for the correctness or genuineness of the documents submitted if apparently in order.*
- d. *That the said documents and the merchandise shipped shall be held by you as security for all or any monies for which I/We may at any time be liable to you hereunder and in default of payment on presentation of the draft(s) and/or documents thereunder you are authorized and empowered without notice to sell the said merchandise or any part thereof by public auction or private contract and to apply the net proceeds in or toward payment of the said draft(s) and/or documents or any other monies including interest/profit for which I/We shall be liable to you hereunder and if the proceeds should be insufficient to pay you the amount of any deficiency immediately on demand. In case of loss of the merchandise shipped, you are authorized and empowered to obtain payment of the monies payable under any policy of insurance/takaful and to apply the net proceeds in the manner herein-before provided in the case of the net proceeds of sale of the said merchandise.*
- e. *That the LC are to be issued subject to the Uniform Customs and Practice for Letter of Credit published by the International Chamber of Commerce (latest revision).*
- f. *In instances where I/We request the Bank to nominate a reimbursing bank and/or the Bank nominates a reimbursing bank, the LC will also be subject to the Uniform Rules for Bank to Bank Reimbursement under Documentary Credit published by the International Chamber of Commerce (latest revision).*
- g. *It is understood that in the absence of a currency fixing a contract with you to cover the LC, the Bank is authorised to convert foreign currency draft(s) and/or documents under a sight credit at the Bank's selling rate on the date such draft(s) and/or documents are paid; and in the case of a usance credit, the Bank's selling rate on the date the draft(s) and/or documents mature for payment. I/we agree that such conversion equivalent shall be binding on me/us.*
- h. *That in consideration of the Bank opening any LC at our application, I/We undertake to pay the Bank all monies paid for all documents drawn under such LC, including any agent charges together with interest/profit, commission and all customary charges as prescribed in the Facilities Terms, Trade Tariff and Charges or herein these terms. I/We authorize the Bank to charge my/our account with all monies so paid or for which the Bank is liable under such LC, and if:*

- i. *as a result of such debit my/our current account shall be overdrawn, I/We agree that interest / income shall accrue thereon at such rate as may be determined by you and be payable together with other customary bank charges which you may impose;*
- ii. *you shall not be liable for the dishonour of any cheque drawn by me/us on the account if as a result of debiting my/our current account, there are insufficient funds for payment of the same.*

- i. *To admit and regard all promises, agreements and undertakings contained herein notwithstanding any extension, renewal, renovation or modifications of any kind in the terms of the LC which you may have caused to be done at my/our request. And in the event of the Application Forms being signed by two or more, whether as partners or in the name of the firm or in any other capacity each and all such parties signing shall be deemed JOINTLY and SEVERALLY liable thereunder.*

- j. *That you may at your discretion restrict negotiation under the LC to your own offices or to any correspondent or agents of your choice.*

- k. *You are authorized to instruct any bank or branch concerned to dispatch any draft(s) and/or documents by one or more mail or any other method of conveyance at your sole discretion.*

- l. *In respect of examination of documents drawn under any LC by the Bank, any determination of compliance by the Bank shall be final.*

- m. *I/We certify that the import of the relevant goods is not prohibited or restricted under any applicable laws and that I/We hold and undertake to exhibit to you a valid license where such license is required.*

- n. *You are authorized to make any additions to the documents which you may consider necessary including compliance with government regulations but you are not obliged to do so.*

- o. *You may at any time amend or insert additional terms and conditions under the LC issued as you may consider appropriate with prior notice to me/us. We are to examine the customer copy of each LC/LC-i issued by the Bank in order to check its consistency with our application and give immediate notice of any objections to its contents failing which we will be deemed to have had no objections to or concurred with the amendments.*

- p. *In case of any extension or renewal of any of LC, increase or other modification of its items, these terms shall continue to be binding upon me/us in all respects to the LC as so extended, renewed, increased or modified.*

- q. *We hereby further agree:*
 - i. *to reimburse and pay you upon your written demand, all losses, damages, claims, penalties, expenses, costs (legal or otherwise including costs on a solicitor and client basis) and /or any charges which may be suffered by you or claimed against you as a result of your issuance of any irrevocable LC and/ or as a result of your discharging any of our mandate given to you from time to time pertaining to any irrevocable LC issued.*

- ii. *that you or any of your agent, servant, employee, officer or director shall have no liability whatsoever (whether in contract, tort or otherwise) to us save as a result of gross negligence or wilful default provided always that you and the aforesaid persons shall in any event have no liability whatsoever (whether in contract, torts of otherwise) to us for any special, indirect, unforeseeable, consequential or punitive damages (including without limitation any loss of profit, business or anticipated savings) all of which we hereby agree are expressly excluded.*

3.7.2. Amendment of Letter of Credit

3.7.2.1. Undertaking:

Except so far as otherwise expressly stated, LC applied for/sought to be amended by us shall be subject to the latest International Chamber of Commerce Uniform Customs and Practice for Documentary Credits, insofar as these are applicable.

We authorize you to debit our account for all charges incurred by you.

3.8 Trade Financing Application based on Proforma/Commercial/Tax Invoice/Other Commercial Documents (Without upfront production of complete original transport documents)

3.8.1. Indemnity

In consideration of the Bank agreeing to finance our trade application(s) for the amount of stated in the request we submit under the proforma/ commercial / tax Invoice(s) or any other commercial document(s), with number(s) / reference(s) without producing the complete set of original transport documents, we irrevocably undertake and agree as follows:

- a) *To without delay submit to the Bank the copy of the transport documents, but in all cases to do so on or before*
 - i) *the 14th day* from (and including) the date of our application, OR*
 - ii) *the final day of the financing tenor of our application.*

whichever is the earlier.

** Note: default 14 days or approved lead time*

- b) *To without delay submit to the Bank the original transport documents (together with original pro-forma/commercial/tax invoice(s) or such other commercial documents, if not already delivered to the Bank), but in all cases within 30 days from the shipment arrival date;*

- c) *Unless otherwise expressly agreed to by the Bank, no transaction(s) financed under our applications are being undertaken with buyer(s) / seller(s) who are our related company(ies) (i.e. holding company or subsidiary or has the same holding company) and/or is/are in the same corporate group as us and/or does not/do not have any common directors, shareholders, and/or guarantors with us.*

d) *To immediately declare to the Bank upon becoming known to us the countries and parties associated with the business and transactions in relation to this application.*

e) *We do not have any outstanding bills or arrears with any banks within the past 12 months preceding this application for financing.*

f) *That the Bank will refuse to process any transaction(s) which may violate or breach any of the items (a) to (f) stated above including Sanctions to which the Bank and/or the transaction(s) is/are subject and/or which may be relevant to the Bank and/or the transaction(s). We agree that the Bank will not be liable for any claims, losses, damages, costs or expenses suffered by any party in connection with the Bank's action or refusal to process such transaction(s). We agree that the Bank may withdraw or stop any future transactions, should there be any violation or breach of any of the items (a) to (e) stated above including sanctions discovered or made known in relation to the business and transactions. We certify that no shipment or transaction(s) involved in our trade finance application(s) is or will be in violation of any Sanctions;*

g) *To indemnify the Bank (on a full indemnity basis) against all whatsoever liabilities, invoice amount discrepancies, losses, payments, damages, demands, claims, expenses and costs (including legal fees on a solicitor-client basis), proceedings and actions and consequences, which the Bank may suffer or incur howsoever arising from or in connection with this application for the above financing and/or the above financing (including without limitation, howsoever arising from or in connection with a refusal to process a transaction(s) and/or delay and/or failure to present originals of commercial and/or transport documents within the aforesaid stipulated time period and/or any other breach or non-fulfillment of this letter);*

h) *To pay the Bank immediately on demand in the event of any breach or non-fulfillment of any of the above items.*

FOR TERMS AND CONDITIONS APPLICABLE TO ISLAMIC TRADE PRODUCTS (HLISB), PLEASE VISIT THE LINK BELOW:

[HTTPS://WWW.HLISB.COM.MY/EN/BUSINESS-I/TRADE-SERVICES-I/APPLICATION-FORMS/TRADE-APPLICATION-FORMS.HTML](https://www.hlisb.com.my/en/business-i/trade-services-i/application-forms/trade-application-forms.html)

[END]