

To: Bank of Shanghai (Hong Kong) Limited (the "Bank")



LETTER OF INDEMNITY

(for Shipping Side Bond)

Date: _____

In consideration of the Bank's issuance or countersigning of a letter of indemnity or guarantee or endorsement on the relative Parcel Post Receipt/Air Waybill (each a "**Relevant Document**") for the purpose of enabling the undersigned to take delivery of the goods, particulars of which are set out in the Schedule hereto (the "**Goods**"), without production of the relative bills of lading or other documents of title, the undersigned undertakes and agrees with the Bank as follows:

- 1. The undersigned shall promptly and fully on demand indemnify the Bank and its correspondents and agents and keep the Bank and its correspondents and agents fully indemnified against all actions, claims, demands and proceedings and against all costs, payments, bankers' charges, damages, taxes, expenses (including legal fees and out-of-pocket expenses on a full indemnity basis), liabilities and losses of whatever nature, that may be taken, made or threatened against or sustained, suffered, incurred or paid by them or any of them in connection with or arising out of the Bank's issuance, countersigning or endorsement of the Relevant Document or providing such other services or performing such other acts in connection with the Relevant Document.
- 2. The undersigned confirms that the Goods are not mortgaged or pledged to any person or subject to any encumbrance and undertakes that no mortgage, pledge or encumbrance will arise or be created in favour of any person other than the Bank. The undersigned further confirms that it will hold the Goods on trust for the Bank at all times and shall execute a trust receipt in favour of the Bank.
- 3. The undersigned shall send the bills of lading or other documents of title to the Goods to the Bank forthwith upon receipt by the undersigned if sent to the undersigned direct by the shipper or shall procure that they be sent to the Bank as soon as practicable in due course.
- 4. The undersigned shall keep the Goods and cargo fully insured against all insurable risks at its own expense and will furnish proof of insurance to the Bank if requested to do so by the Bank at any time.
- 5. The undersigned authorizes the Bank to honour any draft drawn under any documentary credit relating to the Goods ("**D/C**"), notwithstanding any non-compliance of presented documents with the terms of the D/C including, without limitation, the absence of or any defects in any requisite documents. The undersigned shall, on the due date, honour by acceptance or by payment and discharge in full all drafts relating to the Goods, whether presented to the undersigned by the Bank or by any other party, and notwithstanding any non-compliance or discrepancies aforesaid, and even if any of the Goods are unacceptable to the undersigned for any reason whatsoever.
- 6. The undersigned shall provide the Bank with cash or other collateral in such form and value as the Bank may require from time to time to secure the discharge of the undersigned's obligations to the Bank under this Letter of Indemnity. The undersigned agrees that the Bank may, without demand or notice, debit to any account maintained by the undersigned with the Bank all sums which may be paid by the Bank or its correspondents or agents in connection with the Bank's issuance, countersigning or endorsement of the Relevant Document or providing such other services or performing such other acts in connection with the Relevant Document or which may be due and payable by the undersigned to the Bank under this Letter of Indemnity.
- 7. The undersigned shall pay the Bank such commissions or charges at such rate and time as the Bank may from time to time specify in connection with the issuance, countersigning or endorsement of the Relevant Document or providing such other services or performing such other acts in connection with the Relevant Document.
- 8. The undersigned undertakes that its obligations under this Letter of Indemnity shall remain in full force and effect until the Bank has been fully, absolutely and unconditionally released and discharged from its obligations in connection with the Relevant Document.
- 9. The undersigned confirms that this Letter of Indemnity is subject to the terms and conditions applicable to trade financing, and banking accounts and services generally as the Bank may specify from time to time, and the undersigned agrees to be bound by them.

Schedule

Marks and Nos. :
Description of Goods :
Quantity :
Shipper :
Consignee :
B/L or AWB No. :
Vessel Name & Voyage No./Flight No. :
Value :
Under D/C No. :

S.V.

Authorized Signature(s) and Company Chop

FOR BANK USE ONLY		
AML List Checked	Performed By	Shipside Bond No.