

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



LETTER OF INDEMNITY
(to negotiate bill with discrepancies)

Bills Department

Date: _____

In consideration of the Bank agreeing, at the request of the undersigned to negotiate the bill no. _____ for _____ drawn under Documentary Credit No. _____ ("D/C") dated _____ issued by _____, notwithstanding any non-compliance of the presented documents with the terms of the D/C including, without limitation, the discrepancies indicated below or subsequently identified by the issuing bank of the D/C (collectively, "Discrepancies"), the undersigned undertakes and agrees with the Bank as follows:

Discrepancies:

1. The undersigned authorizes the Bank and its correspondents and agents to give such indemnity against any losses and consequences arising from the non-compliance with the terms of the D/C (including, without limitation, the Discrepancies) as may be necessary in order to obtain acceptance or payment of the bill or documents.
2. 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 them or sustained, suffered, incurred or paid by them or any of them in connection with or arising out of the Bank's negotiation of the bill or providing such other services or performing such other acts in connection with the bill or documents.
3. The undersigned shall refund to the Bank on demand the value of the bill or documents or any monies received by the undersigned, together with all charges, expenses and interest (both before and after judgment), in the event of the issuing bank's non-acceptance or non-payment of the bill or documents due to any reason including, without limitation, any disagreement between the Bank and the issuing bank in respect of the conformity of the bill or documents.
4. 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 negotiation of the bill notwithstanding any non-compliance with the terms of the D/C or providing such other services or performing such other acts in connection with the bill or documents or which may be due and payable by the undersigned to the Bank under this Letter of Indemnity.
5. 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 negotiation of the bill (notwithstanding any non-compliance with the terms of the D/C) or providing such other services or performing such other acts in connection with the bill or documents.
6. 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 bill and documents.
7. 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.

S.V.

Authorized Signature(s) and Company Chop