

To: The Manager  
**The Hongkong and Shanghai Banking Corporation Limited**  
 Singapore Office  
 (the “Bank”)

GuaranteeDirect
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Date (dd/mmm/yyyy) \_\_\_\_\_

**APPLICATION FOR LETTER OF GUARANTEE/BOND – WITH MARGIN PAYMENT**

Company Name \_\_\_\_\_ (the “Applicant”)

Address \_\_\_\_\_

Contact Person \_\_\_\_\_ Telephone Number \_\_\_\_\_

The Applicant hereby requests the Bank to \*issue / instruct the Bank’s correspondent bank (“**HSBC Overseas Correspondent Bank**”) to issue on the Applicant’s behalf a Letter of Guarantee/Bond in the form to be agreed by the Bank and with details as set out in Section 1 below (hereafter referred to as the “**Guarantee**”, which expression shall include any extension or modification thereto, whether or not any such extension or modification is made at the request or with the consent of the Applicant) and agree to abide by the terms and conditions stipulated herein.

The Applicant acknowledge(s) that:-

- (a) no Guarantee shall be issued by the Bank before receipt of the Margin Payment by the Bank;
- (b) notwithstanding compliance with all the terms and conditions stipulated herein, the Bank shall have final discretion to refuse issuance of a Guarantee; and
- (c) where the terms of the Guarantee require \*the Bank / the HSBC Overseas Correspondent Bank to, upon request by the Beneficiary, extend the Guarantee or make payment in lieu of such extension, the Bank shall have sole discretion to determine whether to extend the Guarantee/Bond or to make payment in lieu of extension.

SECTION 1: Guarantee Information			
Beneficiary Name			
Beneficiary Address			
Currency		Amount	
Validity Period	With validity period from _____(dd/mmm/yyyy) to _____(dd/mmm/yyyy) <input type="checkbox"/> with automatic renewal clause for _____ *days / months / year(s) per renewal # # The Applicant acknowledges that the Bank may at its sole discretion decline renewal of the Guarantee in accordance with the automatic renewal clause by giving the Beneficiary the requisite notice referred to in the Guarantee.		
Claim Period	*Same as expiry date / _____ *days / weeks / months after expiry date		
BG Format	As attached# / Refer to HSBC BG No. _____ # <i>Authorised signatory to initial on the attached format</i>		
Applicable Rules	The ICC Uniform Rules for Demand Guarantees 2010 Revision, ICC Publication No. 758 (“ <b>URDG</b> ”) shall apply to this Guarantee/Bond unless specified otherwise below. <input type="checkbox"/> URDG shall not apply to this Guarantee/Bond.		
Purpose			
Authorised person to collect BG			

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Special Instructions:

*\* Delete whichever is not applicable*

**SECTION 2: Debiting Account Information**

2.1 Please debit margin payment for the currency and value of the Guarantee (as indicated in Section 1) to :-

HSBC account no. \_\_\_\_\_

2.2 Please debit all charges (commission, SWIFT charges etc.) to :-

HSBC account no. \_\_\_\_\_

**SECTION 3: Issuing Office**

**HSBC Singapore Branch; or**

**HSBC Overseas Correspondent Bank in \_\_\_\_\_ (Specify country)**

**SECTION 4: Margin Payment, Authorisation & Set Off**

4.1 The Applicant irrevocably and unconditionally authorises the Bank to debit the Applicant's account number as stated in Section 2.1 above ("the Account") as cash cover / cash margin ("the Margin Payment") upon receipt of this application.

4.2 The Margin Payment shall be transferred to and held by the Bank for the Applicant's obligations to the Bank in relation to the Guarantee, and for all monies and liabilities (whether actual or contingent) owing by the Applicant to the Bank from time to time.

4.3 The Margin Payment shall be in the same currency and amount as the Guarantee as specified in Section 1. Notwithstanding the foregoing, if the Guarantee is to be issued through a HSBC Overseas Correspondent Bank, the Applicant agrees to provide the Margin Payment in the currency of the indemnity which the Bank has issued or will issue to such HSBC Overseas Correspondent Bank, as required by the Bank.

4.4 In the event the monies in the Account are denominated in a currency that is different from the currency of denomination of the Guarantee, the Applicant authorises the Bank to convert such amount in the Account at the exchange on the date of transfer of the Margin Payment.

4.5 The Applicant: -

(a) shall not be entitled to withdraw the Margin Payment (and the Bank has no obligation to release or repay the same) and shall not do or omit to do any act or thing which may in any way delay or prejudice the Bank's right to retain the Margin Payment or apply all or any part of the same in or towards such payment, discharge or satisfaction of its obligations or liabilities to the Bank; and

(b) shall not mortgage, charge, pledge or otherwise encumber or assign, transfer or otherwise deal with or grant or suffer to arise any third party rights over or against the whole or any part of the Margin Payment or purport to do so, except in the Bank's favour. The Bank is authorised to notify the Applicant's creditors of the terms and the Applicant's undertakings herein at any time.

4.6 The Applicant acknowledges that no interest shall accrue on the Margin Payment.

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4.7 The Bank shall be at liberty to apply any part or all of the Margin Payment to satisfy the Applicant's liabilities to the Bank at any time without notice. Any unutilised amount of the Margin Payment remaining one calendar month after the Guarantee is returned to the Bank for cancellation, or in the event the Guarantee has been destroyed or lost or if otherwise not available for return to the Bank, expiry of one calendar month after receipt of written notice from the beneficiary of the Guarantee that the Bank is released from all liability thereunder, shall be credited to the Account.

**SECTION 5: -Terms & Conditions**

5.1 In consideration of the Bank:

- (a) issuing the Guarantee to the Beneficiary (whose particulars are stated in the application form overleaf); or
- (b) arranging or agreeing to arrange for the issuance of the Guarantee to the Beneficiary by the HSBC Overseas Correspondent Bank specified in the application form (for which the Bank has indemnified or agreed to indemnify),

for the amount and in the form attached or in such form as the Bank considers appropriate), the Applicant **HEREBY UNCONDITIONALLY AND IRREVOCABLY AGREES TO INDEMNIFY** the Bank (which expression shall include the Bank's successors and assigns) against all actions, claims, demands, liabilities, losses, damages, costs, charges and expenses of whatever nature which may result or which the Bank may sustain, suffer or incur in connection with or arising in any way whatsoever out of the Guarantee, and **TO PAY** to the Bank forthwith all moneys and liabilities whatsoever which may from time to time be claimed or demanded from the Bank, or which the Bank shall pay or become liable to pay or sustain, suffer or incur under or by reason of or in connection with the Guarantee.

5.2 The Bank shall be paid commission in full in advance on the date of issue of the Guarantee and where the Guarantee is automatically renewed or extended, on each automatic renewal date or extension date (where applicable). Commission charged is based on the Bank's current or agreed tariff charges, which is subject to changes from time to time without notice, and is calculated on the face value of the Guarantee and the number of months or part thereof from the date of issuance or effective date, whichever is earlier, to the expiry date of the Guarantee or claim period, whichever is later.

5.3 The Bank is hereby irrevocably authorised and empowered by the Applicant, without making prior demand, to debit the accounts of the Applicant with any moneys from time to time payable hereunder and, in the event of a debit balance or a debit balance in excess of any agreed overdraft limit resulting therefrom, to charge interest on such moneys to the date of repayment (notwithstanding any demand or any judgement obtained by the Bank or any other matter whatsoever) at the Bank's then prevailing unauthorised overdraft rates, or at such higher rate as may from time to time be payable on such account upon such days and upon such terms as the Bank may from time to time determine, and such interest shall be compounded in the event of it not being punctually paid in accordance with the Bank's usual practice, but without prejudice to the Bank's right to require payment of such interest.

5.4 The Bank is hereby further irrevocably authorised and empowered by the Applicant to pay immediately any amounts demanded from the Bank or which the Bank from time to time become liable to pay under or by reason of the Guarantee without any reference to or further authority from the Applicant and without being under any duty to enquire whether any claims or demands on the Bank has been properly made, notwithstanding that the validity of any such claim or demand or the amount thereof shall be in dispute.

5.5 The Applicant hereby agrees to accept any claim or demand on the Bank as conclusive evidence that the Bank was liable to pay and any payment made pursuant to such demand which purports to be in accordance with the Guarantee as binding upon the Applicant.

5.6 Any step taken by the Bank in good faith under or in connection with the Guarantee shall be binding on the Applicant and shall not place the Bank under any liability to the Applicant.

5.7 The Bank may at any time without prior reference to the Applicant determine the Guarantee or reduce the Bank's liability thereunder.

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- 5.8 (A) All sums payable hereunder shall be paid to the Bank in Singapore, or otherwise as the Bank may from time to time direct, without any deduction or withholding for or on account of any present or future taxes, levies, imposts, duties or other charges, fees, withholdings, restrictions or conditions, and without set-off or counterclaim or any deduction whatsoever.
- (B) If the Applicant is compelled by law to make any such deduction or withholding, the Applicant will ensure that the amount deducted or withheld does not exceed the minimum legal liability therefor, and will promptly pay to the Bank such additional amount as will result in the net amount received by the Bank being equal to the full amount which would have been receivable had there been no deduction or withholding.
- (C) If the effect of any, or a change in any, law or regulation is to increase the cost to the Bank of advancing, maintaining or funding this facility or to reduce the effective return to the Bank, the Applicant hereby agrees to make payment on demand of such amounts as the Bank consider necessary as compensation therefor.
- 5.9 All payments hereunder shall be made, at the Bank's option, either in the currency in which payments made or liabilities incurred by the Bank under the Guarantee are denominated, or in the currency commonly in use in any of the principal places of business of the Applicant, or in Singapore Dollars.
- 5.10 The Bank shall have a lien on and be entitled to retain as security for the liabilities of the Applicant hereunder any cheques, drafts, bills, notes or negotiable or non-negotiable instruments and any stocks, shares or marketable or other securities and property of all kinds of the Applicant from time to time held by the Bank, whether for safe custody or otherwise. In addition, the Applicant hereby agrees to provide cash cover and/or other form of acceptable security sufficient to fully secure the Bank's contingent liability under the Guarantee if at any time this is demanded by the Bank.
- 5.11 The Bank shall be entitled, at any time and without notice to the Applicant: -
- (a) Settle any of the Applicant's indebtedness to the Bank herein whether such liabilities be actual or contingent, primary or collateral and several or joint by transferring moneys from any credit balance to which the Applicant is entitled on any account with the Bank whether in Singapore or anywhere in the world, notwithstanding that the balances of such other account and the liabilities may not be expressed in the same currency. The Bank's right will not be affected by the Applicant's bankruptcy, death or winding-up.
  - (b) Combine or consolidate all or any of the then existing accounts of the Applicant (of whatsoever nature and whether or not subject to notice) and set off or transfer any sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of the liabilities of the Applicant to the Bank on any other account or in any other respect, whether as principal, or surety or otherwise including liabilities under facilities or accommodation for an unexpired fixed term or in respect of foreign exchange dealings or under guarantees or indemnities or other instruments whatsoever given or assumed by the Bank at the request of the Applicant, whether such liabilities be present or future, actual or contingent, primary or collateral and several or joint. Where any such combination. Consolidation, set off or transfer requires the conversion of one currency into another, such conversion shall be calculated at the spot rate of exchange (as conclusively determined by the Bank) for telegraphic transfers between the currencies at the time of the combination, consolidation, set off or transfer.
  - (c) Sell any of the Applicant's securities or properties held by the Bank on deposit or otherwise by way of a public or private sale without any judicial proceedings whatsoever and retain from proceeds derived therefrom the total amount remaining unpaid, including all costs, charges and expenses incidental to such sale. The Applicant will be responsible to the Bank for any deficiency whatsoever and howsoever arising and will immediately on demand pay the Bank the amount of any such deficiency.
- 5.12 The indemnity herein :-
- (a) shall not be in any way discharged or diminished, nor shall the liability of the Applicant be affected by reason of the Bank from time to time, without knowledge or consent of the Applicant, varying, 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

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enforce payment, or determining varying, reducing or extending the terms of the Guarantee, or by anything done or omitted which, but for this provision, might operate to exonerate the Applicant; and

(b) shall continue to apply to any extension to the Guarantee which the Bank may, in its sole discretion, agree to.

5.13 The Applicant hereby waives all rights of subrogation and agrees not to claim any set off or counterclaim against any other person liable, or to claim or prove in competition with the Bank in the event of the bankruptcy, liquidation, winding up or insolvency of any such person, or to have the benefit of or share in any guarantee, indemnity, or security now or hereafter held by the Bank, until the Bank has been fully indemnified against all matters referred to in paragraphs 5.1 and 5.2 hereof.

5.14 The indemnity herein is in addition to any other guarantee, indemnity, assurance, pledge, lien, bill, note, mortgage, charge, debenture, or other security, right, power or remedy now or hereafter held by or available to the Bank.

5.15 A demand shall, without prejudice to any other effective mode of making the same, be deemed to have been sufficiently made hereunder on the Applicant if served on the Applicant or the Applicant's personal representatives personally (or, in the case of a limited company, on any one of the Directors or on the Secretary thereof personally), or left or sent by post to the Applicant, or the Applicant's personal representative at his or their usual or last known place of abode or business (or, in the case of a limited company, at its registered office), and shall be assumed to have reached the addressee within 24 hours of posting, and in proving such service it shall be sufficient to prove that the demand was properly addressed and posted. Where the Applicant is a natural person, in the case of the death of the Applicant, and until receipt by the Bank of notice in writing of the grant of Probate of the Will or Letters of Administration of the Estate of the deceased, any demand sent by post, as aforesaid, addressed to the deceased, or to his personal representatives, at the usual or last known place of abode or business of the deceased shall for all purposes be deemed a sufficient demand by the Bank to the deceased, and his personal representatives, and shall be as effectual as if the deceased were still living.

5.16 The Applicant agrees that no time for limitation of liability in respect of this indemnity shall begin to run in favour of the Applicant unless and until the Bank shall have made demand on the Applicant, and if more than one demand is made, then only from the date and to the extent of each demand respectively.

5.17 Where this application is signed by more than one person the expression "the Applicant" shall be construed as referring to each such person individually and to any one or more of such persons collectively, and the agreements, undertakings, obligations and liabilities of the Applicant herein contained are joint and several and shall be construed accordingly, and none of the Applicant shall be entitled to any rights or remedies, legal or equitable, of a surety as regards the indebtedness, obligations or liabilities of any others of the Applicant.

5.18 Where this application is signed by more than one person, each of the Applicant agrees and consents to be bound by this application, notwithstanding that any others who were intended to sign or to be bound by these presents may not do so or be effectually bound hereby, and notwithstanding that this application may be invalid or unenforceable against any one or more of the Applicant, whether or not the deficiency is known to the Bank.

5.19 Where this application is signed by more than one person, the Bank shall be at liberty to release any one or more of the Applicant from this indemnity, to compound with or otherwise vary or agree to vary the liability of, or to grant time or other indulgence to, or make other arrangements with, any one or more of the Applicant, without prejudicing or affecting the Bank's rights, powers and remedies against any others of the Applicant.

5.20 The Applicant agrees that the Applicant's liability to the Bank shall remain outstanding until the expiry of one calendar month after the return of the Guarantee to the Bank for cancellation by the beneficiary of the Guarantee, or in the event that the Guarantee has been destroyed or lost or if otherwise not available for return to the Bank, until the expiry of one calendar month after the receipt by the Bank of written notice from the beneficiary of the Guarantee that the Bank is released from all liability thereunder. This clause shall not prejudice any liability of the Applicant arising hereunder prior to the date of cancellation of the Guarantee or the date of receipt of the said written notice (as the case may be).

5.21 Where this application is signed on behalf of a firm, all agreements, undertakings, obligations and liabilities shall be binding both on the present partners and on the persons from time to time carrying on business in the name of such firm or under the name in which the business of such firm may from time to time be continued.

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- 5.22 The Applicant consents to the bank's disclosure of such information as the Bank may possess in relation to the Applicant, its account and banking relationship with the Bank and / or the HSBC Group, to any member of the HSBC Group, exchanges, regulators, government agencies, statutory bodies or such third parties as the Bank deems fit. The Applicant further acknowledges that the authorization is given in addition to and as a specific exception to the banking secrecy legislation applicable in Singapore.
- 5.23 All costs and expenses incurred by the Bank in relation to this application shall be for the Applicant's account. In addition, should for any reason after submission of this application the documentation is not completed to the Bank's satisfaction or the application is not put in place or aborted or cancelled for whatever reason, the Applicant shall nevertheless be responsible for all costs and expenses (legal or otherwise) incurred by the Bank. Further, the Applicant shall indemnify the Bank for all costs and expenses (legal or otherwise) incurred for the enforcement of the Bank's rights hereunder. The Bank shall debit such costs and expenses referred to in this provision to the Applicant's accounts maintained with the Bank.
- 5.24 If any one or more provisions herein, or any part hereof, shall be declared or adjudged to be illegal, invalid or unenforceable under any applicable law, such illegality, invalidity or unenforceability shall not vitiate any other provisions herein, which shall remain in full force, validity and effect.
- 5.25 This application shall be governed by and construed in all respects in accordance with the laws of the Republic of Singapore.
- 5.26 The Applicant hereby irrevocably submits to the non-exclusive jurisdiction of the Singapore Courts, but it shall be open to the Bank to enforce the terms herein in the courts of any other competent jurisdiction.

**For and on behalf of the Applicant:**

S.V.

Name:  
Designation:

\_\_\_\_\_  
Please affix company stamp here

S.V.

\_\_\_\_\_  
Name:  
Designation:

in the presence of:

\_\_\_\_\_  
Witness' name :  
Witness' IC/Passport No. :  
Witness' address :  
Witness' occupation :

*Notes:*

- (i) *The Application should be signed by 2 directors, save where the Applicant only has 1 director, in which case, it should be signed by the sole director and the company secretary.*
- (ii) *The Application to be signed in the presence of Bank staff where possible*

<b>For Bank Use Only:</b>		
Original application received by bank? (Y/N)	Commission <input type="checkbox"/> as per tariff	Time and Date of Receipt
Arrangement Fee S\$ _____	<input type="checkbox"/> _____% per annum	Remarks
RM Name		