**LETTER OF INDEMNITY FOR ENDORSEMENT OF** **BILL OF LADING/AIRWAY BILL**

**(EXPRESS LC)**

**To: AFFIN BANK BERHAD** [197501003274 (25046-T)] Date:

Dear Sirs,

Bill of Lading/Airway Bill No.       dated

Issued by:

Name of Shipper / Consignor:

Covering :       Invoice No:

Amount:       under Letter of Credit No.       dated

I/We hereby request for your endorsement on my/our advanced original copy of the above Bill of Lading/Airway Bill (“**Document**”). Your endorsement is required prior to the examination of the transport documents called for by the above-mentioned Letter of Credit (“**said LC**”) to enable me/us to take possession of the goods described above (“**Goods**”).

2. In consideration of your agreeing at my/our request to endorse to my/our order on my/our advanced original copy of the Document prior to your receipt of the transport documents called for by the said LC, I/We irrevocably and unconditionally:

1. to the fullest extent permitted by law and unless it is due to your gross negligence or wilful misconduct, undertake and agree to hold you harmless and to indemnify and keep you fully indemnified from and against any and all consequences, liabilities, losses, damages, claims, demands, actions, proceedings, costs and expenses of any nature or description (including but not limited to legal costs on a full indemnity basis) which may arise or result from or which you may sustain, suffer, incur in connection with or as a result of: -
2. your endorsement on the advance original copy of the Document to my/our order;
3. any missing or incomplete documents or any discrepancies or irregularities that may be discovered between the transport documents called for by the said LC, the transport documents presented to or received by you (“**Received Transport Documents**”) and the Document; and/or
4. any breach of my/our obligations and/or undertakings under this Letter of Indemnity (“**Indemnity**”); and/or
5. in enforcing or attempting to enforce your rights under this Indemnity.

I/We shall immediately on demand pay/reimburse the said sum to you;

1. agree that you shall: -
2. have no obligation to examine any transport documents related to the Goods in order to determine whether any discrepancies may exist between the Received Transport Documents and those called for by the said LC. I/We undertake to disregard all irregularities and discrepancies (if any) between Received Transport Documents and those called for by the said LC and accept all such transport documents as if they were all documents and the only documents called for by the said LC;
3. not be responsible for the sufficiency, accuracy or genuineness of the Received Transport Documents, any irregularities or discrepancies between the Received Transport Documents and the Document or if the Received Transport Documents do not comply with the terms of the said LC. I/We agree not to dispute or challenge your acceptance of the Received Transport Documents;
4. agree and confirm that I/We shall not be released or discharged from my/our payment obligations under the terms and conditions of the Application for Express LC by me/us for the issuance of the said LC (as may be varied and supplemented from time to time) (“**Express LC Application**”) or this Indemnity by reason of any insufficient, incomplete or missing documents received by you under the said LC or any irregularities or discrepancies which may exist in the Received Transport Documents;
5. agree to pay and hereby authorise you to: -
6. debit any of my/our account(s) maintained with you (including the Designated Account in the Express LC Application) for all monies due and/or payable to you under this Indemnity including, without limitation: -
7. any shortfall between the actual amount to be paid by you to the beneficiary under the said LC on the due date for such payment and the amount paid to you or the Deposits charged to you pursuant to Clause 5 and 9 of the Express LC Terms and Conditions in the Express LC Application, respectively; and
8. any fees, commission, charges, expenses and stamp duty payable and any applicable taxes and levies in respect of or in relation to this Indemnity or your endorsement of the advance copy of the Document;
9. with prior notice, set-off against the credit balances in any of my/our account held with you for all monies due from or payable by me/us to you under this Indemnity. Upon issuance of such notice, I/We agree that you have the right to earmark or to place a hold on the monies in such accounts prior to setting-off and I/We am/are not entitled to withdraw any of the monies in such accounts without your prior written consent. If there is any shortfall between the amount due and the amount so realised, we will immediately upon demand pay to you the amount of such difference and until your receipt of full payment, I/We will pay interest on such balance at such rate as determined by you from the date following the due date or the date demand is made until such time the said monies have been received from me/us in full, irrespective whether the banker-customer relationship between you and me/us have ceased or been terminated; and
10. honour or pay for any drawings under the said LC in accordance with the terms and conditions of the Express LC Application without examining any of the Received Transport Documents and notwithstanding any irregularities or discrepancies between the Received Transport Documents and the Document (including but not limited to any delay in the tender or presentation of any transport documents called for by the said LC or error in the amount of any draft or the terms of any transport documents). I/We irrevocably agree and undertake to reimburse you on demand in respect of such drawings and payment irrespective of any such irregularities or discrepancies that may appear on the Received Transport Documents (all of which, if any, are hereby waived by me/us) and even if the Goods or drawings are unacceptable to me/us for any reason;
11. confirm and declare that: -
12. my/our liability in this Indemnity shall not be limited or in any way affected by the value of the Goods;
13. no other financiers or third parties are involved in this transaction and I/We am/are entitled to receive the Document and the Goods;
14. neither the Goods nor the Documents have been mortgaged, charged or pledged to any other party and I/We undertake and agree that neither the Goods nor the Document will be so mortgaged, charged or pledged without your prior written consent.

3. I/We further agree and declare that I/We am/are fully aware of the risks involved as a result of our request in this Indemnity and will not at any time hold you liable in respect of such risks.

4. Any statement of account in writing issued by the Bank stating the amount owing/payable by me/us to you shall, in the absence of obvious errors, be binding and conclusive on me/us, save for manifest error.

5. This Indemnity shall be governed by and construed in accordance with the laws of Malaysia and I/We irrevocably submit to the exclusive jurisdiction of the courts of Malaysia.

6. This Indemnity shall be binding on me/us and my/our estate, heirs, personal representatives, and successors in title, and permitted assigns and ensure to your benefit and the benefit of your successors in title and assigns.

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| SIGNED FOR AND ON BEHALF OF [insert name of Applicant]:……………………………………….Authorised Signatory(ies) of ApplicantName:      NRIC No.:      Address:       |  |
| SIGNED BY: ……………………………………….ApplicantName:      NRIC No.:      Address:       | CONSENT AND ACKNOWLEDGEMENT BY SECURITY PARTY (IF APPLICABLE)……………………………………….Security PartyName:      NRIC No.:      Address:       |