

APPLICATION FOR BANK GUARANTEE OR AMENDMENT OF A BANK GUARANTEE

To: ahlibank SAOG

Trade Finance Department

This is an application for the trade service(s) specified below. Please complete the required fields with your company instructions:

Date _____

☐ Application for Issuance of a Bank Guarantee ☐ Amendment of Bank Guarantee No. _____

Applicable rules: ☐ URDG 758 ☐ Other (please specify) _____

Applicant's name:		Beneficiary's name:	
Applicant's address:		Beneficiary's address:	
Applicant Account No:		Beneficiary Contact details (Email Address/ Tel.no.):	
Applicant Contact person name:		Beneficiary's Bank name and address:	
Applicant's telephone number:		Beneficiary's bank SWIFT:	
Applicants email id:		Bank Guarantee Currency and Amount (in figures):	
Issuance manner:	☐ Direct Letter ☐ SWIFT	Amount in words:	
Form of Guarantee:	☐ ahlibank Standard ☐ Attachment provided	Validity Type:	☐ Fixed Ended ☐ Open Ended
Effective/Issue Date:		Debit account no. for cash collateral:	
Expiry Date:			
Cash Collateral:	☐ Yes ☐ No	Debit account no. for charges:	
Type of Guarantee and contract information:	☐ Advance Payment ☐ Payment Guarantee ☐ Performance Bond ☐ Tender Bond ☐ Other	Contract Number and Date:	
		Purpose of Guarantee:	
Method of Delivery:	☐ To be collected from Branch: _____ _____	Other remarks:	
Specific requests:			

Terms and Conditions for the Issuance of Letters of Guarantee

Introduction

These terms and conditions shall form an integral part of any application form (the “**Application**”) for issuance of letter(s) of Guarantee (“**Guarantee**”) by Ahli Bank SAOG (“**Bank**” and/or “**You/Your**”). Such Application(s) will be submitted by the Customer whose name and other particulars are specified therein (referred to as “**I/We**” or the “**Customer**” and such expression shall include the words me/us/my/our) whether such Applications are executed and delivered physically or electronically in accordance with Customer instructions provided.

1. Terms for Issuance / Amendment to Letter of Guarantee

In connection with the issue of the aforesaid letter of Guarantee, I/We hereby undertake and declare as under:

- 1.1 I/We hereby agree and undertake to indemnify you and keep you indemnified against any or all consequences whatsoever, direct or indirect resulting from of the issuance of the above-mentioned letter of Guarantee. I/We also indemnify you against all legal costs or other expenses that you may incur as a result of the issuance of this letter of Guarantee or any extension thereof without the need for official notice or legal procedure. I/We undertake to reimburse you on demand any amount that you may have to pay, pursuant to your obligation and undertaking, regardless of whether or not the party in whose favor such obligation was incurred or to whom such undertaking was given by you is legally justified in making claim against you thereunder or not. I/We hereby authorize you to issue on my/our behalf and at my/our responsibility a letter of Guarantee in favor of the beneficiary as stated above.
- 1.2 It is expressly agreed that you will fulfill your obligation resulting from the issuance of the said letter of Guarantee, especially as regards your paying, on first written demand, any amounts claimed thereunder at any time and without any further advise and without any / prior reference to me/us, notwithstanding any objection whatsoever from me/us or from any other person.
- 1.3 Without limitation to the aforesaid and without the need to obtain my/our consent and despite any objection from my/our part, we agree that you may extend the validity period of the Guarantee for one or more times or, upon demand, may pay the amount stipulated within the letter of Guarantee or any part thereof as an alternative to extending the validity period of the letter of Guarantee.
- 1.4 I/We agree that any such payment or compliance by the Bank shall as between the Bank and I/We be conclusive evidence that the Bank was liable to make such payment or comply with such demand.
- 1.5 As security for the liquidation of liabilities under the said letter of Guarantee, I/We pledge in your favor, all our credit balance, stocks and any other assets or rights whatsoever that are held with the Bank in accordance with your confirmation of credit facility letter including subsequent restatements, amendments and variations thereto (“**FOL**”).
- 1.6 I/We further undertake on the Bank’s demand to do, perform and execute deed, documents, matter or thing which the Bank may require for its further security and for indemnifying the Bank against all liabilities arising out of the Guarantee.
- 1.7 I/We further agree that any amount held by you in my/our name may be applied by you without any reference to me/us at any time and without any further advise in payment of any sum which you may be called upon to pay under this letter of Guarantee.
- 1.8 I/We also agree that we continue to be liable in respect of any/all obligation/s under this Letter of Guarantee until and unless the relative original Letter of Guarantee is returned to you for cancellation or you are advised by the beneficiary that you are released from all liabilities thereunder.
- 1.9 I/We hereby authorize you to make a lien to the extent of the amount in the currency stated in the Application or the FOL by You or as agreed between us (as the case may be) from the account agreed between us for the above Letter of Guarantee and to utilize the same against this Letter of Guarantee without any reference to me/us. I/We also agree to furnish any additional security or increase the lien amount, on demand from you, however you consider it necessary.
- 1.10 In the event that the cash margin/lien on A/C is insufficient to honor a claim under this Letter of Guarantee, the Bank can, at its sole discretion, exercise its right of set off against any credit balance in any other account maintained either singly or jointly by me/us to cover the shortfall.
- 1.11 I/We unconditionally agree to abide by the terms and conditions set out in the FOL. Further, I/We understand and agree that the said Letter of Guarantee will be issued by the Bank without any commitment or obligation on their part to extend any other facilities to you as these may be considered at the Bank’s discretion, on merits of the request and securities offered by me/us in this regard.
- 1.12 In the event of the Bank deciding in its absolute discretion to terminate the facilities and/or cancel this Letter of Guarantee for any reason whatsoever, we agree and undertake to return the original Letter of Guarantee for cancellation or, at the Bank’s request, provide a cash margin covering the value of the Guarantee and a margin as stipulated by the Bank in addition to any other document required by the Bank immediately holding the Bank harmless against any/all claims, costs and expenses.
- 1.13 Where a cash margin is to be obtained, I/We irrevocably and unconditionally agree as follows:
 - 1.13.1 To deposit and maintain with the Bank the full amount of the cash margin to secure the payment of all my/our liabilities and obligations hereunder;
 - 1.13.2 That no interest is payable on the cash margin;
 - 1.13.3 The cash margin will be deposited and held in an account maintained by the Bank, in the name of the Bank and in the sole control and possession of the Bank;
 - 1.13.4 that the Bank can apply the cash margin or any part thereof for my/our obligations and liabilities under this Guarantee, without any demand or notice of any kind;
 - 1.13.5 that the Cash Margin (except any funds forming part of the cash margin that may have been applied by the Bank pursuant to clause 1.13.4 above) will only be returned once:

1.13.5.1 the period of liability for the Bank under the Guarantee has lapsed and there is no liability remaining or being threatened against the Bank as determined by the Bank in good faith; or

1.13.5.2 Bank has been released from its obligations under the Guarantee by the beneficiary; and

1.13.6 that prior to the return of the cash margin as above, I/we will:

1.13.6.1 not demand early repayment/return of all or any part of the cash margin, and the Bank has no obligation to make early repayment/refund of the same;

1.13.6.2 not omit or act in any way which may delay or prejudice the Bank's rights to retain or apply the cash margin; and

1.13.6.3 have no rights to assign, transfer, charge or grant any third-party rights over or against the whole or any part of the cash margin, except in the Bank's favor. The Bank is authorized to notify my/our other creditors of these conditions/ undertakings herein at any time.

2. Payments & Charges

2.1 I/We undertake to pay the Bank on demand any amount paid by the Bank along with all fees, commissions, interest (including penalty interest and any interest applicable to authorized and/or unauthorized overdrafts created as a result of the obligation to pay under the letter of Guarantee) and all other charges and expenses due or becoming due to the Bank in respect of issuing the Guarantee or any extension thereof.

2.2 I/We unconditionally and irrevocably authorize the Bank to debit any one or more of my/our accounts with the whole or in part of the amount held with you or with any of your branches toward recovery of such amount without the requirement for any further consents from me/us including but not limited to cash margin (if applicable), commission, interests, charges and expenses as agreed to in the Application, FOL, Schedule of Charges and/or any other documents and/or communication between the Bank and the Customer.

2.3 I/We also undertake to reimburse the Bank on demand any amount that the Bank may demand pursuant to the Bank's above-mentioned Guarantee including interest and other charges and expenses, regardless of whether or not the party in whose favor such obligation was incurred or to whom such undertaking was given by the Bank is justified in making claim against the Bank.

The Bank may exchange or convert to the currency in which the Bank's Commitment is expressed any currency held or received.

3. Return of Guarantee

I/We further undertake to return to the Bank the original letter of Guarantee after the expiry of its validity and until such time, the Bank will be entitled to recover from me/us, at the Bank's usual charges at Bank's standard tariff on the amount of the letter of Guarantee. Such tariff is detailed in the Bank's Schedule of Charges that is posted on the Bank's website, as amended from time to time.

4. Tax

I/We will make all payments to the Bank without any deduction of any tax unless such deduction is required by law.

5. Authorization to comply with applicable laws and regulations

5.1 The Uniform Rules for Demand Guarantees ("URDG") as from time amended, extended or replaced by any further revision thereof adopted by the International Chamber of Commerce shall apply in all aspects to any letter(s) of demand Guarantee or counter-Guarantee that expressly indicates it is subject to them.

5.2 In order to comply with the applicable laws and regulations, including Oman's Personal Data Protection Law RD 6/2022 and the executive regulations thereto, and for the purposes of (i) getting my/our personal or business information, (ii) managing my/ our account(s) and the transactions entered into by me/us and (iii) executing any product or service subscribed by me/us, I/we hereby irrevocably and unconditionally agree, consent and authorize the Bank, its subsidiaries, agents and its third-party service providers, and any others as the Bank may deem appropriate and at its sole and absolute discretion, to:

- Collect, seek, obtain, confirm and keep updated all information relating to me/us;
- Disclose and exchange the Information with any government authority and/or quasi government authority, regulator, credit bureau/agency that the Bank works with and/or private entities, or any other third party at the discretion of the Bank.

6. Notices

Any notice or demand by the Bank may be sent by personal delivery, registered post, , to your registered mobile number and/or electronically delivered to us at your address last known and updated with the Bank.

7. Governing law

Without prejudice to the Bank's absolute right to submit to any other law or jurisdiction, this document shall be governed, construed and interpreted in accordance with the prevailing laws of the Sultanate of Oman and the courts in Sultanate of Oman shall have full jurisdiction over any difference or dispute arising or which may arise out of the contents of this document or any part thereof.

8. Interpretation

The expressions "I", "We", "me", "us", "my", "our", "Bank", "you" and "your" where the context admits include their respective successors in title and assigns. It is understood that all instructions and correspondence relating to the Bank's Commitment are to be sent at our sole risk and expense and that I/We will indemnify the Bank against any loss arising out of any error, omission or delay in the dispatch, transmission, transcription or receipt thereof, howsoever and by whomsoever such error, omission or delay shall have been caused. For Guarantees required to be issued by foreign bank, I/We may provide a claim period (Mailing Period) beyond the expiry date stipulated in accordance with internal processes and policies. The Bank is authorized, but not obliged, to act upon any instructions relating to the Bank's commitment received by the Bank by either SWIFT, paper, facsimile or by electronic means.

☐ I/We hereby confirm read and agree with the Terms and Conditions Printed Overleaf.

Signed by or on behalf of Customer / Company Stamp _____

Authorised Signatory(ies): _____