

To: Saudi Awwal Bank (the "Bank")

In consideration of the Bank issuing Letters of Guarantee (from time to time, the "Customer", hereby irrevocably and unconditionally agrees as follows:

1. This Indemnity shall be construed and read in conjunction with the E-Channels Master Customer Agreement and is applicable to all HSBCnet –Guarantees "GTU" opted for by The Customer pursuant to the said agreement and/or through The E-Channels Accounts and Services Amendment Form signed and executed between The Customer and The Bank.
 2. Unless Saudi Awwal Bank (hereinafter referred to as the "Bank") expressly agrees otherwise with the Customer in writing, the Letters of Guarantee is/are unconditional, irrevocable and independent from any contract. The Customer acknowledges and agrees that the Bank must pay the Beneficiary on the Beneficiary's first request satisfying the terms for a demand under any Letter of Guarantee and regardless of:
 1. any change in the conditions of the underlying contract;
 2. any extension of the underlying contract;
 3. any change in the scope of work or the nature of the work to be performed under the underlying contract;
 4. any omission, act or proceedings by me/us or the Beneficiary or any third party; or
 5. any other objection whatsoever by me/us or any third party.
 3. The Customer hereby undertakes to promptly pay to the Bank, and in all cases to keep harmless and indemnify the Bank against, all amounts paid to the Beneficiary and all claims, demands, fees/commissions, service charges, cost (including without limitation legal fees), expenses and other liabilities whatsoever arising at any time in connection with the Letters of Guarantee or the enforcement of the Bank's rights. The Customer hereby grants the Bank a right of set-off over or any of the Customer's accounts held with the Bank. The Bank is therefore authorized to debit the Customer Accounts (without the Customer's prior approval or prior notice to the Customer) for any amount payable to the Beneficiary pursuant to the Letter(s) of Guarantee and for any fees/commissions, service charges, costs (including without limitation legal fees), expenses and other liabilities which may be incurred in connection with the Letter of Guarantee or the enforcement of the Bank's rights.
 4. The Customer agrees that upon the Bank's first demand the Customer shall immediately deposit with the Bank, as security for any and all of their liabilities hereunder, funds sufficient to cover the value of the Letter(s) of Guarantee plus all fees, commissions, charges or other amounts, payable by the Customer in connection with the Letter(s) of Guarantee and/or the enforcement of the Bank's rights. The Customer further agrees that if sufficient funds are available, the Bank may (at its option and without the Customer's prior approval or prior notice) block funds in any of my/our accounts in its books and hold such funds as security for the Customer's liabilities hereunder.
 5. Unless the text of the Letter of Guarantee provides otherwise or unless the Bank expressly agrees otherwise with the Customer in writing, the Customer agrees that if the Bank receives a written notice from the Beneficiary requesting the Bank to extend the validity date of the Letter of Guarantee prior to its stated date or expiry date of any extension thereof, the Bank may (at its sole discretion and without obtaining the Customer approval or giving prior notice and irrespective of any objection by the Customer either:
 1. Extend the Letter of Guarantee from its original expiration date or from the expiration date of any extension for the period specified by the Beneficiary in the extension request
- OR
2. Pay the Beneficiary the value of the Letter of Guarantee.
 6. The Customer also agrees that their liability hereunder shall not expire and will remain in force until the Customer receives a written notice from the Bank advising that the Letter of Guarantee has been returned and received by the Bank.
 7. The Customer shall pay the Bank a fee/commission on the amount of the Letters of Guarantee at the rate specified by the Bank, such fee/ commission to be paid in advance on the date of issue of the Letter of Guarantee and the date(s) of any extension(s).
 8. It is agreed that the mere issue by the Bank of the Letter of Guarantee shall not obligate the Bank to issue further Letter(s) of Guarantee required under the underlying contract.

9. Any dispute with the respect to the Letters of Guarantee shall be resolved exclusively by the competent authorities in the Kingdom of Saudi Arabia and according to the Saudi Law, regulations, decisions, rules and instructions but not inconsistent with the regulations of Shariah.
10. This is a continuing indemnity and shall apply to all Letters of Guarantee issued by the Bank pursuant to the Customer's instructions through the E-Channels Master Customer Agreement and/or through The E-Channels Accounts and Services Amendment Form.
11. The Customer agrees and accepts that the Bank has the ultimate right to amend and/or vary any of the terms and conditions contained herein above at any time and at its sole discretion through a 30 calendar days prior notice. Notices can be communicated by the Bank advising the Customer to refer to the amended version of this Indemnity made available from time to time.

Agreed and acknowledged for and on behalf of

..... (the "Customer")

Signature & Date:

Name:

Capacity of signatory: