

**Application and Agreement for the Issuance of Guarantee/Bond**

To: HSBC Bank (China) Company Limited \_\_\_\_\_ Branch (“Bank”)

Date (\_\_\_\_\_):

WE HEREBY IRREVOCABLY REQUEST, SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE HEREOF, THE ISSUANCE OF THE FOLLOWING GUARANTEE/BOND BY YOU:

Applicant : \_\_\_\_\_

Beneficiary: \_\_\_\_\_

Amount: \_\_\_\_\_

Validity Period: \_\_\_\_\_

Guarantee Type: \_\_\_\_\_

The manner of issuance: 1. By letter

2. By swift (SWIFT of the advising bank : \_\_\_\_\_)/( SWIFT of the re-issuance bank: \_\_\_\_\_)

Security: 1. Deposits deducted from A/C No. \_\_\_\_\_ as the Marginal deposit or Security Over Deposits held on A/C No. \_\_\_\_\_  
2. Guarantee Line / Bonding Line as per Facility Letter dated \_\_\_\_\_  
3. Others: \_\_\_\_\_

Commission: 1. To be deducted from A/C No. \_\_\_\_\_  
2. To be remitted to your A/C No.000-04281-1 with HSBC Bank USA, New York (for USD transaction)  
3. To be remitted to your A/C via 中国现代化支付系统 as follows (for RMB transaction)  
收款人全称: 汇丰银行(中国)有限公司上海分行信贷营运部  
收款人帐号: 088-902093-001  
收款人开户银行: 汇丰银行(中国)有限公司上海分行  
附言: 保函开立手续费 (Please insert Guarantee No.)

Guarantee Collected By: \_\_\_\_\_

Other Information: Bid No. & Date: \_\_\_\_\_  
Contract No. & Date: \_\_\_\_\_  
Project Name: \_\_\_\_\_  
Others: \_\_\_\_\_

Remarks: \_\_\_\_\_

Authorized Signature(s) and Company Chop:

\_\_\_\_\_

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## TERMS AND CONDITIONS

1. The Applicant shall unconditionally and forthwith provide cash cover security for each Guarantee/Bond to be issued hereunder upon the demand of the Bank at any time for prospective and contingent liabilities of the Bank arising in relation thereto.
2. For each Guarantee/Bond, the Applicant shall submit to the Bank a counter-indemnity or a blanket counter-indemnity, in the form and substance as acceptable to the Bank before issuance of such Guarantee/Bond.
3. The Bank may at any time and at its sole and absolute discretion, refuse to issue the applied Guarantee/Bond without any reason.
4. The Guarantee/Bond shall be used for the purposes as compliant with the requirements of the relevant laws and regulations.
5. Arrangement fee (if any as specified on the face of this application) is payable upon the acceptance of the Bank in respect of this application and to the debit of the account of the Applicant.
6. Default Interest at the rate provided herein will be payable on any sums which are overdue and payable by the Applicant to the Bank and for avoidance of doubt, the impost of default interest as mentioned above shall not be deemed as the Bank's acknowledgement or acceptance of any such default.
7. Bond opening commission is to be charged at the rate as provided on the face of this application and is payable in advance upon issuance.
8. The security (if any) shall have been duly and successfully placed before the issuance and the Applicant shall take all necessary measures to ensure that all the indebtedness owed to the Bank be fully settled in the same currency as that of such indebtedness. And if any foreign security is involved, the Applicant shall undertake to conduct foreign debt registration with the local State Administration of Foreign Exchange within 15 days after realization of such foreign security and to maintain sufficient borrowing gap at the time of the aforesaid registration.
9. The Applicant shall submit to the Bank any certificate approval authorization license contract and any other document as the Bank may request and deem necessary for the issuance of the Guarantee/Bond.
10. All out-of-pocket expenses including but not limited to the PRC stamp duty and the legal fees in relation to the preparation, negotiation, execution and enforcement of this application shall be borne by the Applicant.
11. All payments made by the Applicant shall be free and clear of taxes, levies, imposts, duties, charges or withholding of whatsoever nature.
12. The Section 83 of the *HK Banking Ordinance* and the *CBRC Administration Rules on the Connected Transactions of Commercial Banks with Insiders and Shareholders* have imposed on the Bank certain limitations on advances to persons related to its directors or employees or advances that are of the "connected transaction" nature. In submission of this application the Applicant should advise the Bank whether the Applicant are in any way related to any of the directors or employees of the Bank within the meaning of Section 83 or otherwise are a "connected party" defined in the CBRC Rules on Connected Transactions and in the absence of such advice the Bank will assume that the Applicant are not so related. The Bank would also ask, should the Applicant become so related subsequent to acknowledging this application, that the Applicant immediately advise the Bank in writing.
13. The issuance of any Guarantee/Bond by the Bank according to this application shall be deemed as acceptance of the Bank in respect of this application, and this application in combination with the terms and conditions contained herein shall constitute a written agreement with binding force between the Applicant and the Bank in respect of those issued Guarantees/Bonds.
14. The Applicant acknowledges that the Guarantee/Bond shall be subject to *Uniform Rules for Demand Guarantees No. 758 Publication of International Chamber of Commerce*, and the rights and obligations of the Bank under the Guarantee/Bond are not subject to any claims or defenses by the Applicant resulting from its relationship with the Beneficiary.
15. If the Guarantee/Bond is to be issued in transferable form, the Bank shall have not duty to verify the identity of any second beneficiary appearing in the transfer request/advise as transferees, nor shall the Bank be responsible for the validity or correctness of any transfer.
16. This letter shall be governed by and construed in accordance with the laws of the People's Republic of China.
17. The Applicant submits to the non-exclusive jurisdiction of the PRC court at the principal office of Bank. Nothing in this Clause limits the right of the Bank to bring proceedings against the Applicant in connection with this application in any other court of any competent jurisdiction.