

To: Bank of Shanghai (Hong Kong) Limited (the "Bank")



LETTER OF INDEMNITY
(for countersigning Letter of Guarantee)

Bills Department

Date: _____

In consideration of the Bank's countersigning, at the request of the undersigned, a letter of guarantee dated _____ in favour of _____ covering the undermentioned discrepancies between the documents relating to the bill(s) No(s). _____ for _____ and the terms of documentary credit No. _____ ("D/C") for _____ issued by _____ or any discrepancies subsequently identified by the issuing bank of the D/C (collectively, "Discrepancies"), the undersigned undertakes and agrees with the Bank as follows:

Discrepancies:

1. The undersigned shall promptly and fully on demand indemnify the Bank and its correspondents and agents and keep the Bank and its correspondents and agents fully indemnified against all actions, claims, demands and proceedings and against all costs, payments, bankers' charges, damages, taxes, expenses (including legal fees and out-of-pocket expenses on a full indemnity basis), liabilities and losses of whatever nature, that may be taken, made or threatened against or sustained, suffered, incurred or paid by them or any of them in connection with or arising out of the Bank's counter-signature on the above described letter of guarantee ("**Letter of Guarantee**") or providing such other services or performing such other acts in connection with the Letter of Guarantee.
2. The undersigned shall refund to the Bank on demand the value of the said bill(s) or any monies received by the undersigned, together with all charges, expenses and interest (both before and after judgment), in the event of the non-acceptance or non-payment in the event of the issuing bank's non-acceptance or non-payment of the bill(s) due to any reason including, without limitation, any disagreement between the Bank and the issuing bank in respect of the conformity of the bill(s).
3. The Bank is not required prior to exercising its rights under this Letter of Indemnity to verify the existence of the Discrepancies.
4. The undersigned shall provide the Bank with cash or other collateral in such form and value as the Bank may require from time to time to secure the discharge of the undersigned's obligations to the Bank under this Letter of Indemnity. The undersigned agrees that the Bank may, without demand or notice, debit to any account maintained by the undersigned with the Bank all sums which may be paid by the Bank or its correspondents or agents in connection with the Bank's counter-signature on the Letter of Guarantee or providing such other services or performing such other acts in connection with the Letter of Guarantee or which may be due and payable by the undersigned to the Bank under this Letter of Indemnity.
5. The undersigned shall pay the Bank such commissions or charges at such rate and time as the Bank may from time to time specify in connection with the counter-signature on the Letter of Guarantee or providing such other services or performing such other acts in connection with the Letter of Guarantee.
6. The undersigned undertakes that its obligations under this Letter of Indemnity shall remain in full force and effect until the Bank has been fully, absolutely and unconditionally released and discharged from its obligations in connection with the Letter of Guarantee.
7. The undersigned confirms that this Letter of Indemnity is subject to the terms and conditions applicable to trade financing, and banking accounts and services generally as the Bank may specify from time to time, and the undersigned agrees to be bound by them.

S.V.

Authorized Signature(s) and Company Chop