

Conditions for the Letter of Credit

- (1) The bank is committed to pay to the bank all commissions, expenses, costs and compensations and others that raised from granting or utilization of credit facilities in addition to the fees, commissions and expenses specified in the approved Tariff List by Central Bank of Kuwait and applied within the bank and the applicant acknowledges the review on them and understood its content and notified them with a knowledge that negated all ignorance and he acknowledges getting a copy of it to act according to it. The bank has the permission to amend from time-to-time fees and commissions indicated above and that through advising the applicant by the new fees and commission before 90 days from its effective date and that after getting all the required approvals from the competent authorities.
- (2) We hereby declare that we agree to place at your disposal the goods shipped under this credit as well as all the shipping documents, warehouse receipts, insurance policies or certificates, packing lists and invoices and any other documents relating to the bill or payments under this credit as a security for all obligations and liabilities incurred by you or your correspondents in connection with this credit and all our obligations and liabilities due to your Bank at present and in the future until settlement to you of all amounts due by us under the credits opened for our account and any other indebtedness of commitment towards you whatever it's origin, nature or amount. We also declare that you are authorized to apply all funds movable and immovable properties in any of our accounts or pertaining to us and which are presently held by you or may be held by you in the future for the settlement of any and all amounts due by us. We agree to consider your account statements as sufficient evidence for the amount claimed from us or due to be paid to you. We further undertake to provide you with any additional collateral that you may from time to time require to cover our liabilities to you hereunder.
- (3) In case the original amount and interest commissions and other expenses are not paid on due date, you may exercise your right as mortgagee of the goods covered by this credit. It is understood that all expenses for sale, insurance commissions, freight transport on loading off – loading demurrage charges and customs and port fees are all on our account and are to be deducted from the sale proceeds of the goods or to be debited to our account with you. You are also entitled to use the sale proceeds of the goods or any amount paid by the insurance company towards settlement of your dues and in case they prove insufficient, we undertake to settle the balance. Interest will be calculated and becomes due from the date of negotiation until the date of payment at the Bank's interest rate prevailing on the date of settlement.**
- (4) Your rights towards us will not be affected and neither you nor your correspondents will be responsible for the loss or damage of the goods whatsoever caused or the timing of its occurrence or for the difference in quantity or quality or condition or description or packing or weight or value or marks of the goods or their existence or their being withheld or attached or attached by any person for whatever reason or for the loss genuineness, sufficiency, accuracy or validity of the shipping insurance and other documents or their terms and conditions or their proper endorsement or on the changes as indicated in the invoices or bills of lading or in any other documents or in case you or your correspondents or any other person do not for any reason whatsoever protect, store or insure the goods. We further declare that all acts done or not done by the drawer and/or the seller or your correspondents and/or any other person will be under our responsibility. Your Bank or correspondents will not be considered responsible for any error in connection with this credit except in case of wilful gross negligence and we agree that all risks including exchange risks arising out of the issuance of this credit are to be borne by us alone..
- (5) It is understood that the cash cover paid by us is considered as held in Kuwaiti Dinars unless otherwise stated. The final accounting will be made on the basis of the selling rate of exchange prevailing at your Bank on the day of negotiation/ settlement of the documents value by us.
- (6) We undertake that all goods shall be fully insured against all necessary risks unless the credit calls for a policy or certificate of insurance to be furnished by the beneficiaries. If you do not receive the insurance policy/certificate of insurance within 15 days from the date of establishing the credit from the insurance company nominated by us you may without any responsibility on you, effect the insurance on our behalf by debiting the premium to our account with you
- (7) In case this application is signed by more than one person, all signatories are responsible towards the Bank jointly and severally in all aspects connected with this credit.
- (8) We undertake to notify you in writing of any discrepancy between this application and the credit as issued by you immediately on receipt of our copy and in the event you do not receive such a notification from us within 7 days from the date of the issuance of the credit, you may consider the credit as issued by you to be in full conformity with our application.

- (9) We undertake to accept the documents as presented in respect of Letters of Credit requiring services shipment/delivery of the goods directly to us. We hereby declare that our receipt of services/goods, will be construed by us as an acceptance of all irregularities relating to documents that may contain in respect of the terms and conditions under Letters of Credit. We authorize you to effect payment to the beneficiaries and/or your correspondents directly without any further reference to us. We also authorize you to debit our account with the value of the documents with your charges and the charges of your correspondents.
- (10) In case this application is signed by more than one person, all signatories are responsible towards the Bank jointly and severally in all aspects connected with this credit.
- (11) We hereby declare that we hold a valid import licence/special permit and that the importation of the goods covered herein does not infringe the laws applicable in the State of Kuwait nor the regulations/orders issued from time to time by the governmental Ministries or any other governmental authorities.**
- (12) Unless instructed in writing to the contrary, we do hereby, authorize your Bank and your correspondents to receive, accept, send and act in accordance with the instructions, advices of correspondents transmitted with regard to this Letter of Credit at our responsibility and expenses without any liability on you or on your correspondents. We further hereby undertake to hold you harmless and indemnify you for any liabilities that may arise as a result of abiding and/or using the foregoing authorization...
- (13) We declare that the Letter of Credit number given to us by you is of no legal effects and is allocated at our request without any commitment/responsibility on your Bank and shall not be construed as AL AHLI BANK's undertaking to issue this Letter of Credit.
- (14) The bank is committed to the security of information, data and documents to the applicant and the applicant agrees that the bank acting with the same without any responsibility on him – with the knowledge of the official authorities and competent authorities – within the limit of the law – on any information or data or documents they require and relate to the applicant accounts with it or the transactions processed on the account or by any attitude or procedures related to these accounts or transactions. Also, the bank has the right to present these information, data or documents in any claim, request or dispute raised in regards of these accounts or transactions.
- (15) The customer acknowledges and agrees that any commissions and fees charged by correspondent banks, designated banks, or any third parties involved in executing the banking or commercial transactions covered by this application are beyond the bank's control and cannot be accurately determined in advance due to varying fee schedules. Therefore, the customer is irrevocably obligated to pay all such commissions and fees immediately upon the bank's request, without any objection, delay, or claim of prior ignorance of their amount
- (16) The bank has the right to amend these terms and conditions anytime. By announcing to apply the amendments through the social media tools or by any other methods that suit the bank, the amendment considered as effective after 30 days from the date of announcement and binding on the applicant.
- (17) The client acknowledges and agrees that no banking or commercial transaction or instrument issued pursuant to this request may be canceled or amended if it involves a third party, except with the prior written consent of all relevant parties, particularly the beneficiary, in accordance with applicable international rules and practices governing international trade transactions. Under no circumstances may the client request cancellation or amendment unilaterally if the transaction creates an obligation towards a third party.**
- (18) I/we confirm our full responsibilities & obligations towards all Local & International laws governing Anti-Money Laundering activities in respect to all our operations & in regards of this Letter of Credit, including other parties/goods/ beneficiaries/ countries.. etc. Also I/we confirm our full responsibilities to any violations of those laws**