

## LETTER OF INDEMNITY

Date

BANK OF THE PHILIPPINE ISLANDS  
BPI Building, Ayala Avenue  
Makati, Metro Manila

GENTLEMEN:

In consideration of your negotiating my/our draft for  drawn under revocable/irrevocable Letter of Credit No. , issued in my/our favor on , by  of , I/We hereby warrant that the said draft and accompanying documents are genuine and accurately represent the facts stated therein and that the draft will be accepted and paid in accordance with its tenor. I/We further undertake and bind myself/ourselves to hold you free and harmless from any loss or responsibility and to defend you against actions, claims and demand/s of whatever nature which you may suffer arising out of the fact that are contrary to the provisions of the aforementioned Letter of Credit (specify details of discrepancy)

Should you negotiate this Export Bill and your Bank is not the bank named in the credit as the "paying" or "accepting" bank, we warrant and confirm, as we hereby warrant and confirm, our awareness that you are doing so purely as an accommodation on the basis of our credit standing.

If, for any reason, my/our draft is not finally honored or retired by the drawee, I/we hereby further undertake and bind myself/ourselves to refund to you, on demand, the full amount of this negotiation, together with the corresponding interest thereon, as well as your bank charges or your correspondent's bank charges and expenses thereon, if any; and to compensate you fully for any damages and attorney's fees (which shall not be less than 10% of amount due plus cost of suit) that you might incur arising out of any suit, action, or proceeding, whether judicial or extrajudicial, that might be instituted by the buyer or importer on the ground of lack of faithful performance of the contract between the said buyer or importer and myself/ourselves. Likewise, should my/our draft be dishonored for any cause whatsoever, I/we hereby authorize you, at your discretion and without any responsibility on your part, to sell or cause to be sold either publicly or privately, the underlying goods, wherever they may be found, and, from the proceeds thereof, I/we hereby empower you to collect all expenses incident thereto, together with your commission, interest and other charges, as well as to reimburse yourself therefrom the full amount of this negotiation, including interests, penalties, fees, charges, and other expenses thereon and attorney's fees which shall not be less than 10% of the amount due plus cost of suit, returning to me/us only whatever amount that may remain, thereafter, and should there be any deficiency still due in your favor, notwithstanding the sale made as herein authorized, I/we likewise bind myself/ourselves to pay the said deficiency to you upon demand.

Upon receipt of notice of the non-acceptance/ non-payment of the draft, you shall have the option to immediately debit/earmark against our account the face value of your advance plus any necessary or incidental charges or interest which you may impose computed from the date of negotiation, the intention being that you shall not incur any financial loss or inconvenience as result of this transaction.

If there is delay in the payment of my/our draft due to discrepancies in the documents presented to you, I/we undertake to pay you interest at  % p.a. from the date the bill was originally due up to the actual date the draft is ultimately paid by the drawee.

Very truly yours,

Signature of Authorized Signatory (ies)