

Documentary Trade Terms & Conditions

These Documentary Trade Terms and Conditions shall form integral part of any application form (s) or request (s) (the “**Application** (s)”) for issuance of Letters of Credit by Abu Dhabi Islamic Bank PJSC hereinafter referred to as (the “**ADIB/Bank**” or “**You/Your**”) submitted by the customer whose name and other particulars are specified therein, referred to hereinafter as (“**I/We, or the “Customer**” such expression shall include the words me/us/my/our) and whether the Application (s) will be executed and delivered physically or electronically through this electronic banking system (s) accessed via this portal or such other access point, which ADIB may authorize the Customer to access and use from time to time in connection with the subject matter hereof, hereinafter referred to as (the “**E-Channels**”), accordingly, it is hereby understood and agreed between ADIB and the Customer that the these Documentary Trade Terms and Conditions shall govern the contractual relationship between the Customer and the Bank and are to be read in conjunction with the general trade terms and conditions which the Customer has accepted on or about the date hereof (the “**General Trade Terms and Conditions**”).

1. Terms for Issuance/Amendment of Non-Murabaha Letter of Credit

I/We agree that the below terms and conditions shall apply whenever I/We apply for the issuance of an Import Letter of Credit with the Sub Type of LC being Non-Murabaha (the Non-Murabaha Letter of Credit) on the Application:

- 1.1. I/We hereby authorize You to debit/collateralize our account as mentioned on the Application or the facility offer letter (FOL) or as agreed between us (as the case may be), with the marginal deposits in accordance with the clause “Cash Margin” in the “General Trade Terms and Conditions” plus Your commission in addition to the exchange and the airmail and telegraphic expenses for You or for Your correspondents and any other expenses that may occur as a result of opening this Letter of Credit now or thereafter.
- 1.2. I/We undertake to receive the documents relating to this Letter of Credit without the least delay on receipt of first advice against the payment of all drawing under this Letter of Credit in local currency calculated at the rate of exchange ruling on the date reimbursement is made by You to Your correspondent abroad of draft at sight plus your charges and commission and in case of time draft payment to be effected sufficiently in advance and not later than two days prior to its maturity.
- 1.3. In case of failure in settlement, I/We hereby irrevocably authorize You to debit our account as mentioned on the Application or in the facility offer letter (FOL) or as agreed between us (as the case may be) with full value / the remaining value of documents. If balance in our account is sufficient to cover same, and if there are insufficient funds in our accounts, You have all rights to proceed against Me/Us by all means and I/We agree in advance that You have the right to put Your hand on all funds, merchandise, shares and or anything of value that might be or will be deposited at Your end for our account by way of security for the said Debits and apply them instantly towards reimbursement of all Your payments and expenses as aforesaid.

- 1.4. I/We release Abu Dhabi Islamic Bank from any responsibility whatsoever regarding the correctness, genuineness, regularity or accuracy of documents as well as its going astray. I/We further undertake to be liable for all compensations and legal effects, which may occur as a result to errors, omissions, and belatedness of documents and or of telexes and letters relating to this Letter of Credit, sent by sellers nominated by Me/Us.
- 1.5. I/We release You also from any responsibility of the Insurance Company's Bankruptcy or nonpayment of Insurance amount for any reason whatsoever.
- 1.6. It is mutually agreed upon that when the insurance amount becomes due for any reason, You have the right to encash its proceeds directly from the Insurance Company.
- 1.7. In the event Insurance Policy/Certificate is not required, I/We undertake to deliver same to You in original negotiable form within one week from this date against all possible risks and I/We irrevocably free You from any obligation to refer to Me/Us /or remind You to effect such insurance.
- 1.8. It is further understood that if such a Policy or Certificate is not delivered to You on time, or if You think at any moment that the Insurance effected and agreed upon by exporter is not for any reason whatsoever, to Your full satisfaction You may without referring to Me/Us insure the goods again for our account , (but without obligation on Your part) against the risk You deem necessary and with the Company You prefer. I/We hereby irrevocably undertake to refund You all expenses you incur as a result.
- 1.9. In the event any change or amendment with respect to (a) the amount of the Letter of Credit, (b) the time or place of shipment of any relative property i.e. goods, merchandise, relative documents securities & funds etc. (c) the drawing, negotiation, presentation, acceptance of their documents or (d) any of other terms or provision of the Letter of Credit such being done at the request of the Customer, they shall be binding upon the Customer in all respects with regard to the Letter of Credit so changed or amended, inclusive of any action taken by You or any of Your correspondent relative thereto.
- 1.10. I/We hereby certify that I/We are fully aware of the regulations governing Israel, and the terms of this Letter of Credit in no way contravene any of the regulations issued by the Israel Boycott Office.
- 1.11. I/We also understand and agree that this Letter of Credit except so far as otherwise expressly stated is to be opened in accordance with Uniform Customs and Practice for Documentary Credit (2007 Rev.) International Chamber of Commerce Brochure No. 600 save to the extent such Uniform Customs and Practice conflict with the rules and principles of the Islamic Sharia as determined by the Internal Sharia Supervisory Committee of Abu Dhabi Islamic Bank..
- 1.12. In case I/We request for any amendment to a letter of credit (subject to the consent of all relevant parties which may be withheld or granted), I/We consent and agree that your charges in respect

of the requested amendments as per the schedule of charges on your website or as agreed between us are to be debited to our account or collected from the beneficiaries as agreed between us. Furthermore, we also consent that apart from the amendments made to the letter of credit, all other terms and conditions shall remain unchanged.

2. Terms for Issuance/Amendment of Murabaha with Agency Letter of Credit

I/We agree that the below terms and conditions shall apply whenever I/We apply on the Application for the issuance of an Import Letter of Credit with the Sub Type of LC being Murabaha and choose the with Agency option as “yes” (the Murabaha with Agency Letter of Credit):

- 2.1. I/We request the issuance of the Murabaha with Agency Letter of Credit Pursuant to the Master Murabaha Agreement for the Sale of Goods (Documentary Credit with Agency Arrangement) between you and Me/Us on the date as mentioned by Me/Us under the Order to Purchase (OTP) section through the Application.
- 2.2. In the event Insurance Policy / Certificate is not required among above the documents, I/We will deliver to You on my / our own expenses an Insurance Policy / Certificate in original negotiable form issued by an insurance company acceptable to You against all the risks You deem necessary and generally to Your full satisfaction within 1 week from this date and I/We irrevocably free You from any obligation to refer to Me/Us or remind Me/Us to effect such insurance.
- 2.3. In the event of any change or amendment with respect to (a) the amount of the Letter of Credit,(b) the time of place of shipment of any relative property i.e. goods, merchandise , relative documents, securities, funds etc., (c) the drawing, negotiation , presentation , acceptance or maturity of any drafts , acceptance of their documents or (d) any of other terms or provisions of this Letter of Credit, such being done at the request of the Customer , such amendments shall be binding upon the Customer in all respects with the regard of this Letter of Credit so changed or amended, inclusive of any action taken by You or any of Your correspondent relative to such amendments.
- 2.4. I/We hereby confirm that I/We are fully aware of the regulations governing Israel, and the terms of this Letter of Credit in no way contravene any of the regulations issued by the Israel Boycott Office.
- 2.5. I/We also understand and agree that this Letter of Credit is to be opened in accordance with Uniform Customs and Practice for Documentary Credits (2007 revision) International Chamber of Commerce Brochure No. 600 save as otherwise expressly stated in the Application and save to the extent such Uniform Customs and Practice conflict with the rules and principles of the Islamic Sharia as determined by the Internal Shari’a Supervisory Committee of Abu Dhabi Islamic Bank.
- 2.6. In case I/We request for any amendment to a letter of credit(subject to the consent of all relevant parties which may be withheld or granted), I/We consent and agree that your charges in respect

of the requested amendments as per the schedule of charges on your website or as agreed between us are to be debited to our account or collected from the beneficiaries as agreed between us. Furthermore, we also consent that apart from the amendments made to the letter of credit, all other terms and conditions shall remain unchanged.

3. Terms for Issuance/Amendment of Murabaha without Agency Letter of Credit

I/We agree that the below terms and conditions shall apply whenever I/We apply on the Application for the issuance of an Import Letter of Credit with the Sub Type of LC being Murabaha and choose the with Agency option as "No" (the Murabaha without Agency Letter of Credit):

- 3.1. I/We request the issuance of the Murabaha without Agency Letter of Credit Pursuant to the Master Murabaha Agreement for the Sale of Goods (Documentary Credit Arrangement) between you and Me/Us on the date as mentioned by Me/Us under the Order to Purchase (OTP) section through the Application.
- 3.2. In the event Insurance Policy / Certificate is not required, I/We will deliver to You on my/our own expenses an Insurance Policy / Certificate in original negotiable form issued by an insurance company acceptable to You against all the risks You deem necessary and generally to Your full satisfaction within 1 week from this date and I/We irrevocably free You from any obligation to refer to Me/Us or remind Me/Us to effect such insurance.
- 3.3. A statement is to be included in the Letter of Credit that "any former contract or agreement related to the Goods and made between the Me/Us and any seller or supplier or any party other than Abu Dhabi Islamic Bank is hereby declared by the Applicant as null and void, and it is hereby confirmed that receipt by Abu Dhabi Islamic Bank of the invoice and the Bill of Lading issued to their order shall constitute approval by the seller that any former contract or agreement related to the goods and made between the seller and any purchaser other than Abu Dhabi Islamic Bank (in its capacity as a purchaser) has been terminated".
- 3.4. In the event of any change or amendment with respect to (a) the amount of the Letter of Credit, (b) the time of place of shipment of any relative property i.e. goods, merchandise, relative documents, securities, funds etc., (c) the drawing, negotiation, presentation, acceptance or maturity of any drafts, acceptance of their documents or (d) any of other terms or provisions of this Letter of Credit, such being done at the request of the Customer, such amendments shall be binding thereupon in all respects with the regard of this Letter of Credit so changed or amended, inclusive of any action taken by You or any of Your correspondent relative to such amendments.
- 3.5. I/We hereby confirm that I/We are fully aware of the regulations governing Israel, and the terms of this Letter of Credit in no way contravene any of the regulations issued by the Israel Boycott Office.
- 3.6. I/We also understand and agree that this Letter of Credit is to be opened in accordance with Uniform Customs and Practice for Documentary Credits (2007 revision) International Chamber

of Commerce Brochure No. 600 save as otherwise expressly stated in the Application and save to the extent such Uniform Customs and Practice conflict with the rules and principles of the Islamic Sharia as determined by the Internal Shari'a Supervisory Committee of Abu Dhabi Islamic Bank.

- 3.7. In case I/We request for any amendment to a letter of credit (subject to the consent of all relevant parties which may be withheld or granted), I/We consent and agree that your charges in respect of the requested amendments as per the schedule of charges on your website or as agreed between us are to be debited to our account or collected from the beneficiaries as agreed between us. Furthermore, we also consent that apart from the amendments made to the letter of credit, all other terms and conditions shall remain unchanged