



RAHIM
International Bank

BG APPLICATION FORM R-60

APPLICATION FOR GUARANTEE

TO BE FILLED BY THE APPLICANT:

Joint Applicants must each complete a separate application form.

NOTE: Applications will only be accepted from applicants who are Account Holders of RAHIM International Bank ("RIB" or the "Bank").

The Applicant requests the Bank to issue a Guarantee in accordance with the following instructions, terms and conditions:

TERMS OF GUARANTEE

<input type="checkbox"/> TRANSFERABLE	<input type="checkbox"/> ASSIGNABLE		
CURRENCY			
<input type="checkbox"/> EURO	<input type="checkbox"/> USD	<input type="checkbox"/> GBP	<input type="checkbox"/> OTHER
AMOUNT	<input type="text"/>		
EXPIRY DATE	<input type="text"/>		

APPLICANT	
Company Name	<input type="text"/>
Street / Building No	<input type="text"/>
Postal Code / City	<input type="text"/>
Country	<input type="text"/>
Contact Person Name	<input type="text"/>
Contact Person Position	<input type="text"/>
Phone Number	<input type="text"/>
Fax Number	<input type="text"/>
E-Mail	<input type="text"/>

RAHIM Bank Center

No.9, Sh. Huseyin Pasa Avenue, Yeni Sehir, Nicosia
Tel: 90 392 229 1960/61/62 Fax: 90 392 227 4712
E-Mail: info@rahimbank.com www.rahimbank.com



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BENEFICIARY	
Company Name	
Street / Building No	
Postal Code/City	
Country	
Relationship of Beneficiary with Applicant	
Details of contract including contract number in respect of which the BG is requested. Contract copy to be attached	
Contact Person Name	
Contact Person Position	
Phone Number	
Fax Number	
E-Mail.	

BENEFICIARY BANK	
Name	
Street / Building No	
Postal Code / City	
Country	
IBAN	
SWIFT	



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TERMS AND CONDITIONS OF GUARANTEE

In consideration of RAHIM International Bank ("RIB" or the "Bank") issuing or arranging for the issuance of a Guarantee in accordance with this Application, the Applicant agrees with the Bank as follows:

1. Definitions

In this document the following words and terms will have the meanings set out below:

"**Agreement**" means the Application Form including these Terms and Conditions of the Guarantee;

"**Applicant**" means the party requesting the Guarantee;

"**Application**" means the Application for a Guarantee;

"**Beneficiary**" means the party in favour of whom or which the Applicant has requested the Bank to issue the Guarantee; and, in the case of a transferable Guarantee, each transferee designated by the Beneficiary. **Beneficiary** means the party in favour of whom or which the Guarantee has been issued;

"**Beneficiary Bank**" means the bank designated by the Beneficiary to receive the Guarantee;

"**Guarantee**" means the Guarantee issued by the Bank pursuant to the Application; and, to the extent that the Guarantee is transferable, each Guarantee issued in transfer thereof;

"**Drawing**" means any demand or request for payment under the Guarantee, in accordance with the provisions of the Guarantee;

"**Bank**" means RAHIM International Bank;

"**Indemnity**" means the indemnity given by the Applicant(s) to the Bank as a condition of the Application, the terms of which are contained in this Agreement; and as per the terms and conditions set forth the Account Application Forms.

2. Agreement to the Terms of the Guarantee

The Applicant has read and accepts the proposed text for the Guarantee contained in **Schedule 1** of the Agreement.

3. Authorization to Pay

3.1 The Bank is irrevocably authorized and directed to pay any Drawing requested by a Beneficiary up to the maximum amount and in the currency specified in the Guarantee. The Bank may effect such payment without reference to, confirmation of or verification by the Applicant, it being expressly agreed that any Drawing shall be, as between the Applicant and the Bank, the Bank's irrevocable and sufficient authority for making payment under the Guarantee.

3.2 In the case of variance between documents required under the Guarantee and those presented by a Beneficiary, the Applicant shall be deemed to have ratified and confirmed the Bank's acceptance of the documents so presented as complying with the Guarantee and to have waived any right to object to variance from the documents required under the Guarantee.

4. Fees and Payments

4.1 The Applicant agrees unconditionally and irrevocably to pay all amounts paid and expenses incurred (including but not limited to Drawings, fees, commission, interest, costs and charges) by the Bank as a result of the issuance of a Guarantee in accordance with this Application.

4.2 The Applicant shall pay the Bank on demand its fees in respect of the Guarantee or in respect of services in relation to the Guarantee set out in **Schedule 2** to this Application.

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4.3 In consideration for the acceptance of the Application by the Bank, the Applicant will pay a non refundable fee in the amount set out in **Schedule 2** to this Application.

4.4 The Applicant will prepay or reimburse the Bank on demand, as the Bank may require in its absolute discretion, all amounts paid and expenses (including but not limited to Drawings, fees, commission, interest, costs and charges) incurred or to be incurred by the Bank in connection with the Guarantee.

4.5 Each prepayment or reimbursement shall be in the currency in which the Bank is to make, has made or may be called upon to make payments under the Guarantee.

4.6 **Overdue amounts:** If the Applicant fails to pay to the Bank any amount due and requested in writing within seven days of such request, then the Applicant agrees to pay interest at 3% per month on the overdue amounts.

5. Indemnity

5.1 **The Applicant (and if there is more than one Applicant, then each Applicant jointly and severally) agrees unconditionally and irrevocably to fully indemnify and hold the Bank harmless from all losses, damages, costs, demands, claims, expenses (including but not limited to Drawings, fees, commission, interest, costs and charges) and other consequences which the Bank may incur, sustain or suffer, other than because of its own negligence or willful misconduct, as a result of accepting the Application, arranging, issuing or amending the Guarantee or enforcing or protecting its rights pursuant to this Agreement (the "Indemnity").**

5.2 **The Indemnity includes, without limitation, all legal and other professional expenses incurred by the Bank howsoever incurred, in connection with the Agreement.**

5.3 **This Clause 5 shall survive the termination of the Agreement.**

I agree to the Terms of the Indemnity.

SIGNATURE OF APPLICANT

6. Third Party Issuance of Guarantee

6.1 The Bank is authorized to arrange for the issuance of the requested Guarantee by any other institution of its choice (the "Third Party Issuer"), whether or not a connected company with the Bank, against the Bank's Guarantee.

6.2 The Applicant agrees that the Bank shall not be liable for any act or omission of the Third Party Issuer.



7. Consequences of Non-Acceptance of Guarantee

The Applicant understands and acknowledges that the Bank has no control or influence over the acceptance of the Guarantee. In the event that the Beneficiary and /or the Beneficiary Bank refuse to accept the Guarantee, the Bank shall have no liability whatsoever for any financial or other costs incurred by the Applicant including any non refundable commission or fees paid by the Applicant to the Bank.

8. Source of Funds

The Bank is committed to the prevention of financial crime through money laundering or the financing of terrorism or fraud. The Applicant has read BANK's Policy for combating financial crime (the "Policy") contained in **Schedule 3** of the Agreement and confirms that all funds paid or to be paid by it to the Bank are from legal sources and not from any criminal sources or activity or otherwise in contravention of the Policy.

I HAVE READ THE POLICY AND CONFIRM THAT ALL FUND PAID OR TO BE PAID BY US TO THE BANK ARE FROM LEGAL SOURCES AND NOT IN CONTRAVENTION OF THE POLICY.

SIGNATURE OF APPLICANT

9. Responsibility of Bank

9.1 The Applicant agrees that the transmission of all instructions and/or all correspondence in connection with the Guarantee shall be at the risk of the Applicant.

9.2 The Bank (including its staff and representatives) are not responsible for (i) any failure by the Bank's agents or correspondents to carry out their instructions; (ii) any loss or delay in transit, in transmission or in the mail of the Guarantee, or any amendments or communications in connection with the Guarantee; or (iii) any loss arising out of the interruption of business by acts of God, riots, civil commotions, insurrections, wars, labour disputes, or any other cause beyond the control of the Bank.

10. No Obligation to Issue Guarantee

Nothing herein shall oblige the Bank to issue its Guarantee or to arrange for the issuance of a Guarantee by another institution.

11. Joint and Several Liability

If the Application is made by more than one Applicant, then the liability of the Applicants shall be joint and several.

12. Governing Law and Dispute Resolution

This Agreement shall be governed and construed in all respects in accordance with laws of issuing bank. Any dispute arising out of or in connection with the Agreement shall be governed by the exclusive jurisdiction of the Courts of jurisdiction of issuing bank and by entering this Agreement the Applicant irrevocably submits to the jurisdiction of the Courts of issuing bank.



13. Contracts (Rights of Third Parties) Act 1999

No person who is not for the time being a party to this Agreement shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

14. Whole agreement

This Agreement constitutes the entire agreement between the parties in relation to its subject matter and supersedes all and any previous agreements and understandings, oral or written. Each party acknowledges to each other party that it has not agreed to enter into this Agreement in reliance on any representation, warranty, assurance or commitment not contained in this Agreement.

15. Language

The English language version of this Agreement, the Guarantee and all related or supporting documents completed by the Applicant and the Bank are the final and binding version. Any documents provided by the Bank in any other language than English are for information only and are not legally binding.

THE APPLICANT HAS READ AND AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE GUARANTEE.

SIGNATURE OF THE APPLICANT:

NAME OF SIGNATORY

DATE

Schedule 2
Fees & Charges

Item	Non Refundable Fee
Currency	EURO <input type="checkbox"/> USD <input type="checkbox"/> ----- <input type="checkbox"/>
Amount	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>

The Applicant hereby confirms that the Fees paid or to be paid prior to the issuance of the Instrument, to the Bank, is not refundable once an Application is processed and the Financial Instrument is delivered at the Beneficiary Bank. The Bank is not responsible for any refund should the beneficiary bank for any reason does not wish to accept the Instrument or not to advise the same to its client.

I agree to the Terms of Fees & Charges

SIGNATURE OF APPLICANT



Schedule 3

RAHIM International Bank ("RIB" or "the Bank") Policy for Combating Financial Crime

BANK is committed to the prevention of financial crime and has adopted procedures to detect and deter money laundering, terrorist financing or other illegal activities.

It is our policy to deter and, where we can, prevent, the use of BANK as a conduit for illegal money laundering activities. Our staff can only implement this policy if they understand the background to it and how it works in the context of our day-to-day business. The success of our policy depends on **the vigilance of everyone**.

In order for these policies to be effectively implemented, the Bank and its entire staff need to be:

1. Informed about the **legal and regulatory framework** and the serious legal and regulatory **penalties** for assisting in financial crime – even unwittingly- in every jurisdiction from which we operate;
2. Alert to the **practical methods** by which criminals seek to commit financial crimes;
3. Aware of the need to **report any suspicions promptly** to BANK management.

Legal and Regulatory Framework

The Bank is governed under several laws directed at preventing, detecting and reporting of financial crime through money laundering or financing illegal activities.

The Bank is part of The Financial Action Task Force ("FATF"), an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. FATF has published a series of high level recommendations which include suggested standards of customer due diligence and record keeping.

At a national level, the Joint Money Laundering Steering Group ("JMLSG") comprised of leading Trade Associations in the financial services industry, develops industry good practice through the publication of industry guidance. The most recent guidance is JMLSG Guidance 2007 which advocates a risk based approach to preventing financial crime. This guidance which can be found at the below link forms the basis of BANK's policy: <http://www.jmlsg.org/>

What is Money Laundering?

The process by which criminals attempt to change the identity of "dirty" money (obtained through crime) by "laundering" it so that its true source cannot be traced.

Funding or facilitating money laundering and using laundered money are all **criminal offences**. Additional offences connected with money laundering include:

- assisting in;
- concealing;
- tipping off;
- failing to report money laundering.

Any individual can commit these offences if they know (or should have known, measured by the standard of the reasonable person in their position) that the money is from an illegal source. These offences are punishable by unlimited fines and imprisonment.

The Importance of Know Your Customer ("KYC")

At BANK we only offer our services (e.g., issue of guarantees) to legal entities (individuals or corporate) who have become Clients / Account Holders of BANK. A potential client is required to go through a thorough verification exercise so that we can establish that they are legitimate.

Although our Clients / Account Holders are, in general, introduced through agents, it is BANK and not the agent who has the responsibility of verifying the identity and legitimacy of the prospective client. As a number of our agents are located in countries which are regarded for money laundering purposes as higher risk – such as Africa and India - we have adopted a high standard for required documentation before a client application will be accepted. This is detailed in the Account Opening Application Form.

We additionally check all potential applicants against international sanctions lists.

This verification is completed before we accept funds for the purchase of shares.

Our vigilance does not stop upon the admission of an account holder. Before accepting an application for a guarantee or similar Guarantee, we require documentary proof from the applicant of the legitimate commercial nature of the business or contract which is to be guaranteed.

This is because we recognise that the risk to BANK of being used for improper purposes as described in the examples below.

Practical Guidance on how to detect and deter Financial Crime.

It is trite (but true) to say that someone who is intent on illegal activity such as money laundering will not introduce themselves to us in those terms. Whilst generalisations are not always useful, red flags to a suspicious transaction or illegal activity can include:

Lack of obvious commercial rationale

A "front man" or "front company" who doesn't appear in the corporate structure



Lack of documentary support for a person or transaction
Excessive concern about secrecy, especially surrounding source of funds.

Example 1: Imagine that BANK is approached by a account holder (properly verified by us) who now wants a commercial guarantee but cannot produce a third party contract. Before entering into the transaction we need to verify the legitimacy of the proposed transaction whether directly or through our or their professional advisors. **Why?**

Because the Applicant is keen to enter into a transaction with us to pay a premium for a guarantee but can,,t show why he needs it – the transaction doesn’t make obvious commercial sense.

Example 2: Imagine that the guarantee is called by the Beneficiary and the Applicant is eager to pre –fund the guarantee in full.

The Applicant may have spotted a market opportunity that we haven’t seen or is not available to us or they may be “Layering” - using dirty money to buy a clean asset which they can sell on in return for clean money. The Applicant pays BANK the guarantee money (which they had all the time); BANK pays the Beneficiary with its own clean money and the money is successfully laundered.

Record Keeping

BANK recognises the importance of keeping full and accurate records of the steps taken by us to verify our Clients / Account HOLDERS and Applicants. All original documentation is maintained in paper or electronic form for as long as a person remains a account holder and for 6 years thereafter.

Reporting Suspicions to Management

The JMLSG Guidance emphasises the responsibility of senior management in promoting an effective policy of financial crime prevention. At BANK, the Money Laundering Reporting Office (“MLRO”) is a member of senior management with the specific responsibility of overseeing the implementation of our policies to prevent financial crime. The MLRO reports directly to the Board of BANK.

The Bank and each individual member of staff are required by law to report suspicious transactions, via the firm’s MLRO, to Serious Organized Crime Agency (“SOCA”).

The individual obligation is satisfied by promptly reporting your suspicions to the MLRO.

Training for Staff

BANK is responsible for making sure that our staff:
know what money laundering is and how we might be used to facilitate this,
understand the need for vigilance in the account holder and Applicant take on processes,
know how to identify and report suspicious transactions.

With this in mind we conduct periodic refresher training for our staff. The MLRO or other senior management are on hand to answer any questions or deal with concerns on this topic.

I agree to all the Terms & Conditions herein stated as above as well as in the Account Forms.

SIGNATURE OF APPLICANT
