

Date \_\_\_\_\_

To: \_\_\_\_\_

Beneficiary Name and address:

**Re: Assignment of Proceeds of Documentary Credit(s)**

Dear Sirs:

We are writing to confirm our agreement to discount from time to time and at our sole discretion, payments due to you under letters of credit issued in your favor against the assignment by you of the proceeds of such letters of credit ("Letter(s) of Credit") to Samba Financial Group, Kingdom of Saudi Arabia - KSA ("Samba").

Assignment of proceeds under a Letter of Credit shall only occur upon (i) your executing assignment of proceeds letter in the form attached as Schedule 1 to Samba; (ii) issuance of an advice by Samba to the issuing/confirming bank of Samba's decision to discount payment under the Letter(s) of Credit; and (iii) the undertaking of such issuing/confirming bank addressed to Samba confirming its agreement to effect payment to Samba under the Letter(s) of Credit on the maturity date of the Letter(s) of Credit.

By signing below you agree that Samba will only discount payment under a Letter of Credit if, inter alia, the issuing/confirming bank is acceptable to Samba and issuing/confirming bank confirms to effect the payment to Samba. You hereby agree and acknowledge that Samba may refuse to discount payment under a Letter of Credit at any time without giving any prior written notice and reason for such rejection. You also understand that Samba may have requirements regarding maximum maturity and credit limits for each financial institution and that the discounting a Letter of Credit of any particular bank shall always be subject to the relevant internal approvals including but not limited to the credit, risk and legal approvals in this regard.

By signing below you represent and warrant that (i) all Letter(s) of Credit proceeds which are assigned to Samba by Schedule I pursuant to this letter agreement, shall represent arms length trade transactions in the normal course of your business for which goods and/or services have been supplied/rendered and accepted and in relation to which documents required to be submitted have been submitted and accepted during

the validity of the Letter(s) of Credit; (ii) proceeds under letter(s) of Credit have not and will not be assigned to any person and/or third party other than Samba; (iii) there is no lien, charge, encumbrance or a security interest in any other form on Letter(s) of Credit itself and on any underlying goods of such Letter(s) of Credit; and (iv) you have a valid, absolute, unconditional and irrevocable title and right to all the proceeds of the Letter(s) of Credit being the sole beneficiary thereto..

Without prejudice to your liability to indemnify Samba for any loss due to the execution of this Assignment of Proceeds for any reason whatsoever if this Assignment of Proceeds is not enforceable for any reason, as beneficiary under the Letter(s) of Credit, you shall take all steps including file legal proceedings in accordance with and immediately upon Samba's request or that of the current bona fide assignee of proceeds, to enforce any claims under the Letter(s) of Credit including steps necessary to protect, recover or realize any such claims against reimbursement by Samba of full costs.

By signing below you undertake that (i) you will not accept any amendments to any Letter(s) of Credit the proceeds of which have been assigned to Samba, without Samba's prior written consent; and (ii) you will indemnify Samba and hold it free and harmless from all liability arising from any claim of fraud or other similar activity which may affect Samba's ability to recover under the Letter(s) of Credit or which may be brought against Samba by the issuing or confirming banks of Letter(s) of Credit.

Samba may terminate this letter agreement without cause at any time by giving thirty days prior written notice.

This letter agreement shall be governed by and construed in accordance with the laws of the Kingdom of Saudi Arabia.

Very truly yours,

\_\_\_\_\_  
Samba Financial Group,  
Kingdom of Saudi Arabia

Agreed and Accepted.