

**BANKER'S GUARANTEE/INSURANCE PERFORMANCE BOND
FOR GOODS**

To: Public Utilities Board
Singapore

Whereas on the _____ day of _____ 20____ (Two Thousand and _____) [date of Letter of Acceptance] a Contract (hereinafter called the "Contract") was made between _____ [name of Contractor] of _____ [address] (hereinafter called the "Contractor") of the one part and PUBLIC UTILITIES BOARD OF THE REPUBLIC OF SINGAPORE, a body corporate reconstituted under and by virtue of the Public Utilities Act (Chapter 261) (2002 Ed), its assigns and successors at law and having its principal office at 40 Scotts Road, #22-01 Environment Building, Singapore 228231 (hereinafter called "the Board") of the other part whereby the Contractor agreed to execute and complete _____ [Project Title] for the sum of Singapore Dollars _____ (S\$ _____).

And Whereas the Contractor is required under the Contract to pay two point five per cent (2.5%) of the total value of the Contract as a Security Deposit for the performance of his obligations under the Contract.

Now in consideration of the Board not insisting on the Contractor paying two point five per cent (2.5%) of the total value of the Contract as a security deposit for the said Contract, **we** _____ [name of Bank] **(at the request of the Contractor) hereby agree** as follows:

- 1 We unconditionally and irrevocably undertake and covenant to pay in full forthwith upon demand in writing any sum or sums that may from time to time be demanded by the Board up to a maximum aggregate sum of _____ (\$ _____) without requiring any proof that the Board is entitled to such sum or sums under the Contract or that the Contractor has failed to execute the Contract or is otherwise in breach of the Contract. Any sum or sums so demanded shall be paid forthwith by us unconditionally, without any deductions whatsoever and notwithstanding the existence of any differences or disputes between the Board and the Contractor arising under or out of or in connection with the Contract or the carrying out of the supply of Goods thereunder or as to any amount or amounts payable thereunder and notwithstanding that such differences or disputes have been referred to arbitration or are the subject of proceedings in Court or is in the midst of any other means of dispute resolution.
- 2 We shall not be discharged or released from this Guarantee by any arrangement between the Board and the Contractor with or without our consent or by any alteration in the obligations undertaken by the Contractor or by any forbearance whether as to payment, time, performance or otherwise.
- 3 Our liability under this Guarantee shall continue and this Guarantee shall remain in full force and effect from _____ [date of commencement of the Contract] until _____ [completion date/expiry date of the Defects Liability Period].
- 4 This Guarantee is conditional upon a claim as specified herein being made by you by way of a notice in writing addressed to us and the same being received by us at _____ [insert address of Bank's notification office] within 90 days from the expiry of this Guarantee. Thereafter this Guarantee shall become null and void notwithstanding that this Guarantee is not returned to us for cancellation except for any claim(s) or direction submitted to us in writing not later than 90 days from the expiry of this Guarantee.

- 5 We shall be obliged to effect the payment required under such a claim within 30 business days of our receipt thereof. We shall be under no duty to inquire into the reasons, circumstances or authenticity of the grounds for such claim or direction and shall be entitled to rely upon any written notice thereof received by us (within the period specified in Clause 4 hereof) as final and conclusive.
- 6 The Board may make more than one claim on, or direction under, this Guarantee so long as the claims or directions are made pursuant to Clause 4 hereof and within the period specified therein and the aggregate amount specified in all such claims and directions does not exceed the Guaranteed Sum.
- 7 This Guarantee is issued subject to the laws of the Republic of Singapore and the jurisdiction of the Singapore courts.

Dated this _____ day of _____ 20____

AS WITNESS our hand

Signed by: _____
(Name and designation of officer)

for and on behalf of the

(Name of Bank)

(Signature)

in the presence of:

Name _____

Designation _____

(Signature of Witness)