

FORM OF SECURITY DEPOSIT GUARANTEE

To: Public Utilities Board
Singapore

Whereas on the ____ day of _____ 20 ____ (Two Thousand and ____) [date of Letter of Acceptance] an agreement (the “**Contract**”) was made between _____ [name of Contractor] of _____ [address] (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 (the “**Board**”) of the other part for _____ [Contract Title] whereby the Contractor agreed that in consideration of its due and faithful performance of the Contract, it would be paid the sum of Singapore Dollars _____ (S\$ _____) (the “**Contract Price**”).

And Whereas the Contractor is required under the Contract to pay two point five per cent (2.5%) of the Contract Price as a security deposit for the due and faithful performance of its obligations under the Contract.

The Contractor has opted to provide an irrevocable on-demand guarantee in favour of the Board as a security deposit for the Contract.

We (at the request of the Contractor) hereby agree as follows:

- 1 We unconditionally and irrevocably undertake and covenant to pay to the Board any sum or sums up to a maximum aggregate sum of _____ (S\$ _____) upon receiving your written notice of claim for payment made pursuant to Clause 4 of this Guarantee, 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 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 supply of services and 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 other or further arrangement between the Contractor and us with or without the Board’s consent, or by any alteration in the obligations undertaken or to be undertaken by the Contractor or by any forbearance on the Board’s part 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 being made by the Board at any time and as many times as the Board may deem fit 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:* _____] before the end of 90 days after 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 of the written notice from the Board. We shall be under no duty to inquire into the reasons, circumstances or authenticity of the grounds for such claim and shall be entitled to rely upon the Board's written notice received by us as final and conclusive. For the purposes of this Guarantee, "**business day**" means a day other than a Saturday, Sunday, or public holiday in Singapore.
- 6 The Board may make more than one claim on this Guarantee so long as the aggregate amount specified in all such claims does not exceed the Guaranteed Sum.
- 7 This Guarantee is issued subject to the laws of the Republic of Singapore and the exclusive 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)