

Annex

EXAMPLE PERFORMANCE GUARANTEE

By this guarantee We,

whose registered office is at _____
(hereinafter called "the Contractor") and, whose registered office is at _____
(hereinafter called "the Guarantor") are held and firmly bound unto _____ (hereinafter called "the Employer") in the sum of _____ for the payment of which sum

the Contractor and the Guarantor bind themselves, their successors and assigns jointly and severally by these presents.

Whereas the Contractor by an Agreement made between the Employer of the one part and the Contractor of the other part has entered into a Contract (hereinafter called "the said Contract ") to execute and complete certain Works and remedy any defects therein as therein mentioned in conformity with the provisions of the said Contract.

Now the Condition of the above-written Guarantee is such that if the Contractor shall duly perform and observe all the terms provisions conditions and stipulations of the said Contract on the Contractor's part to be performed and observed according to the true purport intent and meaning thereof or if on default by the Contractor the Guarantor shall satisfy and discharge the damages sustained by the Employer thereby up to the amount of the above-written Guarantee then this obligation shall be null and void but otherwise shall be and remain in full force and effect but no alteration in terms of the said Contract or in the extent or nature of the Works to be executed, completed and defects therein remedied thereunder and no allowance of time by the Employer or the Engineer under the said Contract nor any forbearance or forgiveness in or in respect of any matter or thing concerning the said Contract on the part of the Employer or the said Engineer shall in any way release the Guarantor from any liability under the above-written Guarantee. Provided always that the above obligation of Guarantor to satisfy and discharge the damages sustained by the Employer shall arise only

(a) on written notice from both the Employer and the Contractor that the Employer and the Contractor have mutually agreed that the amount of damages concerned is payable to the Employer or

(b) on receipt by the Guarantor of a legally certified copy of an award issued in arbitration proceeding carried out in conformity with the terms of the said Contract that the amount of the damages is payable to the Employer.

Signed on _____
on behalf of _____
by _____
in the capacity of _____ in the presence of _____

Form of Bank Guarantee for Advance Payment

To:

.....
.....

[name & address of Employer]

.....
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.....

.....
.....

[name of Contract]

Gentlemen:

In accordance with the provisions of the Conditions of Contract, of the above-mentioned Contract,

.....*[name and address of Contractor]* (hereinafter called "the Contractor") shall deposit with

..... *[name of Employer]* a Bank Guarantee to guarantee his proper and faithful performance under the said Clause of the Contract in an amount of*[amount of Guarantee]*

.....*[amount in words]*.

We, the

.....

[Bank or Financial Institution], as instructed by the Contractor, agree unconditionally and irrevocably to guarantee as primary obligator and not as Surety merely, the payment to *[name of Employer]* on his first demand without whatsoever right of objection on our part and without his first claim to the Contractor, in the amount not exceeding

* *[amount of Guarantee]*.....

..... *[amount in words]*.

We further agree that no change or addition to or other modification of the terms of the Contract or of Works to be performed there under or of any of the Contract documents which may be made between
.....*[name of Employer]* and the Contractor, shall in any way release us from any liability under this Guarantee, and we hereby waive notice of any such change, addition, or modification.

* An amount is to be inserted by the Bank or Financial Institution representing the amount of the Advance Payment, in Maldivian Rufiyaa.

This Guarantee shall remain valid and in full effect from the date of the advance payment under the Contract until*[name of Employer]* receives full repayment of the same amount from the Contractor.

Yours truly,

SIGNATURE AND SEAL:

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NAME & ADDRESS OF BANK/INSTITUTION

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