

BY OWNER !

New Format

(To Be Adopted On The Respective Bank's Letterhead)

Date :

To : Indah Water Konsortium Sdn. Bhd.  
(Co.No.211763-P)  
Level 1-4, Block J  
Pusat Bandar Damansara  
50490 Kuala Lumpur.

SAMPLE LETTER !

### BANK GUARANTEE FOR PERFORMANCE BOND

THIS GUARANTEE is made on the \_\_\_\_\_ day of \_\_\_\_\_ BY  
\_\_\_\_\_ having its principal place of business at XXX  
(hereinafter called the "Guarantor").

#### WHEREAS

- A. Indah Water Konsortium Sdn. Bhd. (Co.No.211763-P) having its principal place of business at Level 1-4, Block J, Pusat Bandar Damansara, 50490 Kuala Lumpur (hereinafter called "Indah Water") is authorised pursuant to the Water Services Industry Act 2006 to operate and maintain public sewerage systems and sewer networks.
- B. \_\_\_\_\_ (Co. No. XXX), a company incorporated in Malaysia and having its registered/business address at XXXX\_ (hereinafter called "the Developer") has constructed a sewage plant, associated sewerage works and sewer network (hereinafter collectively called "the Sewerage System") at \_\_\_\_\_ (full address preferred).
- C. Pursuant to the Water Services Industry Act 2006, the Developer shall hand over the Sewerage System to Indah Water to operate and maintain the same provided that Indah Water shall accept the Sewerage System or part of thereof, once it is satisfied that the Sewerage System or part thereof, as the case may be, has met the requirements and standards set out in the approved plans and specifications.
- D. Subject to Recital C above and the rights of parties pursuant to the Water Services Industry Act 2006, and in consideration of Indah Water maintaining and operating the Sewerage System, the Developer agrees to guarantee the due performance of the Sewerage System for a period of twelve (12)-months.
- E. At the request of the Developer, the Guarantor agrees to irrevocably and unconditionally issue this guarantee in connection with the due performance of the Sewerage System.

NOW THE GUARANTOR HEREBY AGREES WITH INDAH WATER AS FOLLOWS:

1. Upon receipt of Indah Water's first written demand, the Guarantor shall within seven (7) days pay to Indah Water the amount specified in such demand notwithstanding any contestation or protest by the Developer or Guarantor or any third party and without proof or conditions provided always that the total of all demands so made shall not exceed the sum of RINGGIT MALAYSIA: \_\_\_\_\_ (RM \_\_\_\_\_) (hereinafter called the "Guaranteed Sum") and the total amount recoverable against the Guarantor under this Guarantee shall not exceed the Guaranteed Sum.

2. Indah Water reserves the right to make partial demands if it shall so desire and the total of all such partial demands so made shall not exceed the Guaranteed Sum and the liability of the Guarantor to pay Indah Water the aforesaid shall correspondingly be reduced by the amounts paid by the Guarantor under the partial demands.
3. Notwithstanding any arrangements made directly between the Developer and Indah Water and/or any third party(ies) in howsoever or whatsoever manner or by any forbearance by Indah Water whether as to payments, time, performance or otherwise the Guarantor shall not be discharged or released from this Guarantee until either of the following occurs:-
  - (a) upon full payment of the Guaranteed Sum by the Guarantor; or
  - (b) upon the expiry of the Claims Period (hereinafter defined);
  - (c) upon receipt by the Guarantor of a notice of discharge in respect of this Guarantee from the Governmentwhichever is earlier.
4. Whenever Indah Water makes a written demand on the Guarantor, the Guarantor upon receipt of the demand shall (subject to the proviso in paragraph 1) within seven (7) days pay to Indah Water such payment of the amount so demanded and any dispute between Indah Water, or the Developer and/or any third party as to the right of Indah Water to make such a demand shall not in any way relieve the Guarantor from the obligation to pay upon such demand by Indah Water.
5. This Guarantee given by the Guarantor is a continuing guarantee and shall be irrevocable and shall remain in force and effect for a period of ~~fifteen~~ (15) months commencing from XXX (inclusive) and expiring on XXX (inclusive) (hereinafter called the "Validity Period").
6. The liability of the Guarantor to make any payment hereunder shall arise upon receipt of a demand from Indah Water to make such payment. Any demand from Indah Water shall be submitted in writing not later than ninety (90) days (hereinafter called the "Claims Period") after the expiry of the Validity Period failing which the Guarantor's liability under this Guarantee shall be completely discharged and this Guarantee shall thereafter become null notwithstanding the original of this Guarantee has not been returned to the Guarantor for cancellation.
7. This Guarantee shall not be assigned without the Guarantor's prior written consent.
8. Any failure by Indah Water to demand for payment under this Guarantee (in accordance with the terms herein) within the period specified in Clause 6 above shall discharge the Guarantor of all its obligations and liabilities under this Guarantee without the need for any notice by the Guarantor to Indah Water.
9. This Guarantee shall be construed in accordance with the laws of Malaysia, and the Malaysian Courts shall have exclusive jurisdiction to try any matter relating to this Guarantee.

(The remainder of this page has been intentionally left blank)

IN WITNESS WHEREOF the Guarantor has hereunto set their hands the day and year first above written.

Signed for and on behalf of the said )  
Guarantor in the presence of )  
 )  
 )

.....  
(Witness)

Name: .....

Name: .....

Designation: .....

Designation: .....