

Bank Guarantee for Upgrading of Existing Public Sewerage System

THIS AGREEMENT is made on the _____ day of _____ **BETWEEN** _____ (hereinafter referred to as the “Guarantor”) of the one Part **AND** Indah Water Konsortium Sdn.Bhd. (hereinafter referred to as the “Indah Water”) of the other part.

Whereas

- A _____ (hereinafter referred to as the “Developer/Contractor”) to carry out upgrading and refurbishment works (“Works”) at the existing sewage treatment plant located at _____ (“the STP”).
- B. In consideration of the aforementioned and at the request of the Contractor, the Guarantor has agreed to guarantee the due performance of the said Works to its full completion by the Developer in the manner hereinafter appearing.

NOW THE GUARANTOR HEREBY AGREES WITH THE INDAH WATER AS FOLLOWS:

1. Upon the Indah Water’s written demand, the Guarantor shall forthwith pay to the Indah Water up to and not exceeding the sum of Ringgit Malaysia: _____ (hereinafter referred to as “the said Sum”) or such part thereof as specified in such demand notwithstanding any contestation or protest by the Developer or Guarantor or by any other third party and without proof or condition. The total amount recoverable against the Guarantor under this Agreement shall not exceed the said Sum. Such payment or payments shall be made by the Guarantor within five (5) working days of the issuance of the Indah Water’s written demand.
2. The Indah Water reserves the right to make any partial demands if it so desires and the total of all such partial demands so made shall not exceed the said Sum and the obligation of the Guarantor to pay the Indah Water shall correspondingly be reduced with each payment of the partial demands.
3. The Guarantor shall not be discharged or released from this Guarantee by any arrangement with the Developer or between the Developer and the Commission or any third party in whatever manner with or without the consent of the Guarantor or by any alteration in the obligations undertaken by the Developer or by any forbearance whether as to payment, time, performance or otherwise.
4. The right of the Commission to make demands on the Guarantor under this Agreement shall be an independent right and shall be without prejudice to any other rights of the Commission against the Developer under the law.
5. This Guarantee given by the Guarantor is a continuing guarantee and shall be irrevocable and remain in force and effect from _____ to _____ for the entire period

of upgrading works (hereinafter known as the Validity Period). Immediately upon the expiry of the Validity Period, this Guarantee shall, subject to clause 6, cease to be of any force and/or effect and the obligations or liabilities of the Guarantor hereunder terminated or if the Contract is deemed abandoned or terminated after the said abandonment or termination of the said Contract (hereinafter referred to as the 'Validity Period'), irrespective of whether the original of this Guarantee is returned to the Guarantor for cancellation. The Guarantor shall extend the Validity Period for not more than One (1) year from the Validity Period (hereinafter referred to as "Extended Validity Period) upon the request of the Commission and the Bank Guarantee shall be deemed extended.

6. On completion of the upgrading works, the Contractor shall request for Final Inspection before the upgraded plant can officially be handed over to the Commission. Any demand from the Commission hereunder shall be submitted in writing to the Guarantor before the handing over date.
7. This Guarantee shall be governed by and construed in accordance with the laws of Malaysia and the Guarantor hereby agrees to submit to the exclusive jurisdiction of the Courts of Malaysia over any claim arising out of this Guarantee.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands the day and year first above written.

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

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(Witness)

Name: Name:

Designation: Designation:

Banker's Stamp: