

FORM OF BID SECURITY

(Bank Guarantee)

Guarantee No. _____

Executed on _____

Expiry date _____

Name of Guarantor (Bank) with address: _____

Name of Principal (Bidder) with address: _____

Sum of Security (express in words and figures): _____

Bid Reference No. _____ Date of Bid Opening _____

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the Bid and at the request of the said Principal, we the Guarantor above-named are irrevocably and unconditionally held and firmly bound unto the _____, (hereinafter called the "Employer") in the sum stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

Whereas the Principal has submitted the accompanying Bid numbered dated as above for _____ (Particulars of Bid) to the said Employer; and

WHEREAS, the Employer has required as a condition for considering the said Bid that the Principal furnishes a Bid Security in the above said sum to the Employer, conditioned as under:

- (1) that the Bid Security shall remain valid for a period 28 days beyond the period of validity of the Bid,
- (2) that in the event of;
 - (a) the Principal withdraws his Bid during the period of validity of Bid, or
 - (b) the Principal does not accept the correction of his Bid Price, pursuant to Sub-Clause 24.2 of Instructions to Bidders, or
 - (c) failure of the Bidder to
 - (i) furnish the required Performance Security, in accordance with Clause 34 of Instructions to Bidders, or
 - (ii) sign the proposed Contract Agreement, in accordance with Clause 35 of Instructions to Bidders,

then the entire sum be paid immediately to the said Employer as liquidated damages and not as penalty for the Bidder's failure to perform.

Now therefore the Guarantor shall forthwith pay to the Employer the said sum stated above upon first written demand of the Employer without cavil or argument and without requiring the Employer to prove or to show grounds or reasons for such demand notice of which shall be sent by the Employer by registered post duly addressed to the Guarantor at its address given above.

PROVIDED THAT the Employer shall be the sole and final judge for deciding whether a demand can be made hereunder and the Guarantor shall pay without objection the sum stated above upon first written demand from the Employer forthwith and without any reference to the Principal or any other person.

This Guarantee shall expiry on [*validity as per Bid Documents*].

IN WITNESS, WHEREOF, the above bounden Guarantor has executed the instrument under its seal on the date indicated above, the name and seal of the Guarantor being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

Guarantor (Bank)

Witness:

Signature _____

1. _____

Name _____

Corporate Secretary (Seal)

Title _____

2. _____

(Name, Title & Address)

Corporate Guarantor (Seal)

FORM OF CONTRACT AGREEMENT

THIS CONTRACT AGREEMENT (hereinafter called the “**Contract Agreement**”) is made on this _____ day of _____ (month) 20____ between _____ (hereafter called the “**Employer**”) of the one part and _____ (hereafter called the “**Contractor**”) of the other part.

WHEREAS the Employer is desirous that the Works should be executed by the Contractor and has accepted the Tender submitted by the Contractor for the execution and completion of such Works in terms of the Letter of Acceptance and the provisions set out herein.

NOW, in view of the foregoing and in consideration of the mutual benefits to be derived and the representations and warranties, covenants and agreements contained herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged and intending to be legally bound, the parties hereby agree as follows:

1. In this Contract Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Contract Agreement:
 - (a) This Contract Agreement
 - (b) The Letter of Acceptance
 - (c) The Employer’s Requirements
 - (d) The Tender
 - (e) The Preamble to Conditions of Contract
 - (f) The Particular Conditions of Contract
 - (g) The General Conditions of Contract
 - (h) The Schedules.
3. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to execute and complete the Works all respects in conformity with the provisions of the Contract.
4. The Employer hereby covenants to pay the Contractor, in consideration of: (a) the execution and completion of the EPC Works, the EPC Price and (b) performance of the O&M Works, the O&M Price as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS WHEREOF the parties hereto have caused this Contract Agreement to be executed on the day, month and year first before written in accordance with their respective laws.

SIGNATURE OF THE CONTACTOR

(Seal)

SIGNATURE OF EMPLOYER

(Seal)

Signed, Sealed and Delivered in the presence of:

WITNESS:

(Name, Title and Address)

WITNESS:

(Name, title and Address)

FORM OF PERFORMANCE SECURITY

..... 20

To,
University of Agriculture, Faisalabad /UAF)
University Road
Faisalabad, Pakistan.

PERFORMANCE SECURITY NO. (the **Guarantee**)

We, [●]¹, being the Guarantee issuing bank (the **Issuing Bank**) understand that [●] a company incorporated under the laws of [●] having its registered office located at [●] (the **Contractor**) has been selected as the successful bidder following a tendering process for the engineering, procurement, supply, construction, erection, installation, commissioning, operations and services contract of “**Integrated Energy and Agriculture Concept**” (the **Facility**). UAF, having its registered office located at [●], Pakistan (the **Employer**) has executed the ‘Letter of Acceptance’ as formal acceptance of the Contractor’s tender.

Further, we understand that pursuant to such tender process, the Contractor is required to provide the Employer with a performance bond equal to United States Dollars [●] [●]/- ([●] [●]).

The above premised, We (the Issuing Bank) hereby undertake irrevocably and unconditionally to pay to the Employer, without any notice, reference or recourse to the Contractor or to any other entity or without any recourse or reference to the Contract, any sum or sums (or any part thereof) equivalent in aggregate up to but not exceeding a maximum amount of:

US Dollars [●] [●]/- ([●][●])
(the **Guaranteed Amount**)

at sight and immediately, however not later than within five (5) business days from the date of receipt of the Employer’s first written demand (the **Demand**) at the Issuing Bank’s offices located at [●], such Demand shall state that the Contractor is entitled to make a demand under the Guarantee and shall set out the total amounts demanded.

The Demand shall only be honoured by us, if it is made by and bears the signature of an authorised officer or other representative of the Employer, as duly verified to us by the Employer’s bank (i.e. [●]).

We, the Issuing Bank, shall unconditionally honour a Demand hereunder made in compliance with this Guarantee at sight and immediately on the date of receipt of your Demand, as stated earlier, and shall transfer the amount specified in the Demand to the bank account, as notified in the Demand, in immediately available and freely transferable funds in the currency of this

¹Insert name of Issuing Bank;

Guarantee, free and clear of and without any set-off or deduction for or on account of any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature whatsoever and by whomsoever imposed.

This Guarantee shall come into force and shall become automatically effective upon the payment of an amount equal to [●] [●]/- ([●] [●]) (the **Advance Payment I**) by the Employer to and upon receipt thereof by the Contractor, as evidenced by a copy of swift instructions transmitted by the Owner's bank to the Issuing Bank.

After having come into force, this Guarantee and our obligations hereunder will expire on [*Insert date and time*] (the **Guarantee Expiry Hard Date**) provided that, in the event that the Employer issues a Demand to the Issuing Bank on or immediately prior to the Guarantee Expiry Hard Date, the Issuing Bank shall honour that Demand.

Upon expiry, this Guarantee shall be returned to the Contractor without undue delay. Multiple Demands may be made by the Employer under this Guarantee but our aggregate liability will be restricted up to the Guaranteed Amount.

We hereby agree that any part of the Contract may be amended, renewed, extended, modified, compromised, released or discharged by mutual agreement between the Employer and the Contractor without in any way impairing or affecting our liabilities hereunder without notice to us and without the necessity for any additional endorsement, consent or guarantee by us.

This Guarantee for its validity period shall not be affected in any manner by any change in our constitution or of the Contractor's constitution or of their successors and assignees and this Guarantee shall be legally valid, enforceable and binding on each of their successors and permitted assignees.

All references to any contract or other instruments are by way of reference only and shall not affect our obligations to make payment under the terms of this Guarantee.

The Employer may not assign / transfer or cause or permit to be assigned or transferred any of its rights, title, interests and benefits of this Guarantee without our prior written consent, which consent shall not be unreasonably withheld or delayed.

If one or more of the provisions of this Guarantee are held or found to be invalid, illegal, or unenforceable for any reason whatsoever, in any respect, any such invalidity, illegality, or unenforceability of any provision shall not affect the validity of the remaining provisions of this Guarantee.

We hereby declare and confirm that under our constitution and applicable laws and regulations, we have the necessary power and authority, and all necessary authorizations, approvals and consents thereunder to enter into, execute, deliver and perform the obligations we have undertaken under this Guarantee, which obligations are valid and legally binding on and enforceable against us under the laws of [...]and under the laws of the jurisdiction where this

Guarantee is issued. Further, that the signatory(ies) to this Guarantee is/are our duly authorized officer(s) to execute this Guarantee.

This Guarantee and all rights and obligations arising from this Guarantee shall be governed and construed in all respects in accordance with the laws of [.....]. The courts in [...] shall have exclusive jurisdiction in respect of any dispute relating to any matter contained herein.

The issuance of this Guarantee is permitted according to the laws of [...].

FORM OF ADVANCE PAYMENT SECURITY

..... 20...

To,
University of Agriculture, Faisalabad /UAF)
University Road
Faisalabad, Pakistan.

ADVANCE PAYMENT SECURITY. (the **Guarantee**)

We, [●]², being the Guarantee issuing bank (the **Issuing Bank**) understand that the following parties, have entered into an agreement entitled the "Contract Agreement" dated, 20... (the **Contract**) for the engineering, procurement, supply, construction, erection, installation, commissioning, operations and services contract "**Integrated Energy and Agriculture Concept**" (the **Facility**):

- (a) UAF, having its registered office located at [●], Pakistan (the **Employer**); and
- (b) [●] a company incorporated under the laws of [●] having its registered office located at [●] (the **Contractor**).

Further, we understand that pursuant to the terms of the Contract, and subject to the receipt of this Guarantee, the Employer is required to pay the Contractor an amount equal to [●] [●]/- ([●] [●]) (the **Advance Payment I**).

The above premised, We (the Issuing Bank) hereby undertake irrevocably and unconditionally to pay to the Employer, without any notice, reference or recourse to the Contractor or to any other entity or without any recourse or reference to the Contract, any sum or sums (or any part thereof) equivalent in aggregate up to but not exceeding a maximum amount of:

US Dollars [●] [●]/- ([●][●])
(the **Guaranteed Amount**)

at sight and immediately, however not later than five (5) days from the date of receipt of the Employer's first written demand (the **Demand**) at the Issuing Bank's offices located at [●], such Demand shall state that the Contractor is entitled to make a demand under the Guarantee and shall set out the total amounts demanded.

A Demand shall only be honoured by us, if it is made by and bears the signature of an authorised officer or other representative of the Employer, as duly verified to us by the Employer's bank (i.e. [●]).

We, the Issuing Bank, shall unconditionally honour a Demand hereunder made in compliance with this Guarantee at sight and immediately on the date of receipt of the Demand, and shall transfer the amount specified in the Demand to the bank account, as notified in the Demand, in immediately available and freely transferable funds in the currency of this Guarantee, free

²Insert name of Issuing Bank;

and clear of and without any set-off or deduction for or on account of any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature whatsoever and by whomsoever imposed.

This Guarantee shall come into force and shall become automatically effective upon the payment of the Advance Payment I by the Employer to and upon receipt thereof by the Contractor, as evidenced by a copy of swift instructions transmitted by the Employer's bank to the Issuing Bank.

After having come into force, this Guarantee and our obligations hereunder will expire on *[Insert date and time]* (the **Guarantee Expiry Hard Date**) provided that, in the event that the Employer issues a Demand to the Issuing Bank on or immediately prior to the Guarantee Expiry Hard Date, the Issuing Bank shall honour that Demand.

Upon expiry, this Guarantee shall be returned to the Contractor without undue delay. Multiple Demands may be made by the Employer under this Guarantee but our aggregate liability shall be restricted up to the Guaranteed Amount.

We hereby agree that any part of the Contract may be amended, renewed, extended, modified, compromised, released or discharged by mutual agreement between the Employer and the Contractor without in any way impairing or affecting our liabilities hereunder without notice to us and without the necessity for any additional endorsement, consent or guarantee by us.

This Guarantee for its validity period shall not be affected in any manner by any change in our constitution or of the Contractor's constitution or of their successors and assignees and this Guarantee shall be legally valid, enforceable and binding on each of their successors and permitted assignees.

All references to any contract or other instruments are by way of reference only and shall not affect our obligations to make payment under the terms of this Guarantee.

The Employer may not assign / transfer or cause or permit to be assigned or transferred any of its rights, title, interests and benefits of this Guarantee without our prior written consent, which consent shall not be unreasonably withheld or delayed.

If one or more of the provisions of this Guarantee are held or found to be invalid, illegal, or unenforceable for any reason whatsoever, in any respect, any such invalidity, illegality, or unenforceability of any provision shall not affect the validity of the remaining provisions of this Guarantee.

We hereby declare and confirm that under our constitution and applicable laws and regulations, we have the necessary power and authority, and all necessary authorizations, approvals and consents thereunder to enter into, execute, deliver and perform the obligations we have undertaken under this Guarantee, which obligations are valid and legally binding on and enforceable against us under the laws of Pakistan and under the laws of the jurisdiction where this Guarantee is issued. Further, that the signatory(ies) to this Guarantee is/are our duly authorized officer(s) to execute this Guarantee.

This Guarantee and all rights and obligations arising from this Guarantee shall be governed and construed in all respects in accordance with the laws of ... The courts in ...shall have exclusive jurisdiction in respect of any dispute relating to any matter contained herein.

The issuance of this Guarantee is permitted according to the laws of