

To: The Chief Financial Officer and his successors in office for and on behalf of Nanyang Technological University (hereinafter called "the University")

**SPECIMEN OF INSURANCE BOND / PERFORMANCE BOND / BANKER'S GUARANTEE**

WHEREAS on the \_\_\_\_\_ day of \_\_\_\_\_ an Agreement (hereinafter called the "Contract") was made between [name of Contractor] having its registered address at [address] (hereinafter called the "Contractor") of the one part and the University of the other part whereby the University agreed to award to the Contractor the Contract for \_\_\_\_\_ [description of tender and reference no. ] for the sum of Singapore Dollars [state Contract Sum in words] (S\$[state Contract Sum in figures]).

AND WHEREAS the Contractor is required under the Contract to pay \_\_\_ per cent of the total value of the Contract as a Security Deposit for the performance of his obligations under the Contract.

Now in consideration of the University not insisting on the Contractor paying the \_\_\_ per cent of the total value of the Contract as a Security Deposit for the said Contract we (at the request of the Contractor) hereby agree as follows:

1. We hereby irrevocably and unconditionally undertake, covenant and firmly bind ourselves to pay to you on demand any sum or sums which from time to time and at any time may be demanded by you up to a maximum sum of Singapore Dollars [state Guaranteed Sum in words] (S\$[state Guaranteed Sum in figures]) (the "Guaranteed Sum") upon receiving your written notice of claim for payment made pursuant to Clause 2 hereof.
2. Upon our receipt of your written notice of claim for payment addressed to and received by us at \_\_\_\_\_ (address), we shall forthwith pay to you, without being entitled or obliged to require any proof or condition or to have any reference to you or the Contractor, the amount demanded by you not exceeding the Guaranteed Sum, and notwithstanding any dispute, objection, instruction or defence from or by the Contractor including any pending litigation or other dispute resolution process between you and the Contractor.
3. Your written notice of claim for payment of any amount pursuant to Clause 2 above shall be conclusive evidence of our liability to pay you and of the amount we are liable to pay you. Our obligation to make payment under this Bond/Guarantee shall be an independent, primary and absolute obligation and we shall not be entitled to withhold or delay payment for any reason. We shall be obliged to effect the payment demanded under any notice of claim

for payment made pursuant to Clause 2 hereof immediately upon our receipt thereof. We shall be under no duty to inquire into the reasons, grounds or circumstances of any demand made under this Bond/Guarantee or the respective rights, obligations and/or liabilities between you and the Contractor under the Contract, or into the authenticity of your notice or the authority or entitlement of persons signing such notice. Our obligation or liability hereunder shall not be discharged, exonerated, released, relieved, impaired or otherwise affected by:

- (a) any modification, amendment or variation in or to any of the obligations, conditions or provisions of the Contract or by reason of any arrangement made between you and the Contractor or by reason of any breach or breaches of the Contract by you or by the Contractor;
  - (b) any invalidity in the Contract or its avoidance, suspension or termination;
  - (c) any determination of the employment of the Contractor under the Contract; or
  - (d) any waiver, compromise, indulgence or forbearance, whether as to time, payment, performance or any other matter afforded by you to the Contractor under the Contract.
4. We shall pay any amount demanded by you under this Bond/Guarantee either by cheque issued to you or by transfer to an account in your name at such bank in such place as you shall direct, as elected by you in the notice of claim for payment made pursuant to Clause 2 hereof. All such payments shall be made without any set-off, deduction or counterclaim whatsoever.
5. You are entitled to make more than one demand under this Bond/Guarantee so long as the demands are made anytime prior to ninety (90) days after the expiry of this Bond/Guarantee and are made pursuant to Clause 2 and the aggregate amount of all such demands does not exceed the Guaranteed Sum.
6. Our liability under this Bond/Guarantee shall continue and this Bond/Guarantee shall remain in full force and effect from [to specify effective date] until [to specify date of expiry ] provided always that the expiry date of this Bond/Guarantee and our liability hereunder shall be automatically extended for successive periods of \_\_\_ days/months unless we give you 90 days' written notice prior to the expiry of this Bond/Guarantee of our intention not to extend this Bond/Guarantee in respect of any future extension and provided further that you shall be entitled, upon receiving such notice from us, either to:

- (a) make a demand under this Bond/Guarantee in the manner as set out in Clause 2 herein; or
  - (b) direct us to extend the validity of this Bond/Guarantee for a further period not exceeding 180 days (and this Bond/Guarantee shall then expire at the end of such further period).
7. Unless otherwise provided in this Bond/Guarantee, the rights and obligations created under this Bond/Guarantee shall apply exclusively to the parties and their successors and permitted assigns under the Bond/Guarantee.
8. This Bond/Guarantee is issued subject to the laws of the Republic of Singapore and parties agree to submit to the 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

\_\_\_\_\_  
(Name of Bank/Insurer)

\_\_\_\_\_  
(Name and designation of officer)

In the presence of:

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Witness)