**BANK GUARANTEE**

**[\*\*Drafting Note: This is an example only. The relevant bank may require any Guarantee to be on its own paper. Please contact Legal with any questions.]**

**[On the headed notepaper of the Bank]**

To: [\*\*insert name]

[\*\*month], [\*\*XX], 20[\*\*XX]

Dear Sirs,

**Purchase Contract Bond No. [\*\*XXXX]**

[\*\*Drafting Note: insert CONTRACTOR details from the CONTRACT] (“CONTRACTOR”) has entered into an agreement (the “CONTRACT”) with Brunei Shell Petroleum Company Sdn Bhd (“COMPANY”) [\*\*month], [\*\*XX], 20[\*\*XX], for the procurement of certain goods or services.

The CONTRACT obligates CONTRACTOR to provide a bond in the amount of [\*\*USD $\_\_\_]. [\*\*insert bank name] Bank (the “BANK”), hereby agree irrevocably and unconditionally, on one or more occasions, and despite any objections from the CONTRACTOR, to pay immediately to you, or another person as you may direct, an amount you request not exceeding [\*\* USD $\_\_\_ in aggregate]. The BANK will pay that amount immediately upon receipt of an original written demand from COMPANY certifying that in COMPANY’s judgment CONTRACTOR has failed to perform the terms or conditions of the CONTRACT or that CONTRACTOR is insolvent

This bond will be valid from [\*\*fill in date] until [\*\*fill in date]. When this bond has expired, it must be returned to the BANK for cancellation. The expiry of the bond will be without prejudice to any liability under this bond that arose prior to that date.

Any payment will be made in immediately available and freely transferable [\*\*United States dollars] without any withholding or deduction for any present or future taxes, levies, imposts, duties, charges, fees, set-off, counterclaims, deductions, or withholdings of any nature.

The BANK’s obligations constitute direct, primary, irrevocable, and unconditional obligations. The BANK’s obligations do not require any previous notice to or claim against CONTRACTOR and cannot be discharged or otherwise prejudiced or adversely affected by any alteration to the terms of the CONTRACT. The BANK’s obligations under this bond will not be affected or discharged by: (a) COMPANY’s waiver of CONTRACTOR’s non-compliance with any term or condition under the CONTRACT; (b) by any other bond, security, or guarantee held by COMPANY for all or part of the CONTRACTOR’s obligations under the CONTRACT; (c) by any invalidity or unenforceability of the CONTRACT; (d) by the insolvency, bankruptcy, winding-up, or reorganisation of CONTRACTOR; or (e) any dispute between CONTRACTOR and COMPANY in relation to the CONTRACT.

This bond is not personal to COMPANY and may be assigned by COMPANY to any person or entity, so long as COMPANY notifies the BANK in writing of the assignment.

This bond is not revocable by notice or otherwise and our liability under this bond cannot be impaired or discharged by any act or omission of CONTRACTOR under the CONTRACT.

Any notice under this bond will be deemed to be duly given when delivered (in the case of personal delivery) or 48 hours after being sent by prepaid registered post or recorded delivery (in the case of letter).

This bond is executed by us as our deed.

This bond will governed by and construed in accordance with the laws of [\*\*insert jurisdiction].

**Signatures**

|  |  |
| --- | --- |
| **THE COMMON SEAL OF [\*\*insert bank name] BANK was affixed to this deed in the presence of:**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name:  Title: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name:  Title: |