

FORM OF SECURITY DEPOSIT GUARANTEE

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To: _____ and his successors in office for and on behalf of the Singapore Sports School Ltd (hereinafter called "the **Employer**").

Whereas on the _____ day of _____ an agreement (the "**Contract**") was made between _____ (name of Contractor) of _____ (address) (the "**Contractor**") of the one part and the Employer of the other part for _____ (state nature of contract) whereby the Contractor agreed that in consideration of its due and faithful performance of the Contract, it would be paid the sum of Singapore Dollars _____ (S\$ _____) (the "**Contract Sum**").

And Whereas the Contractor is required under the Contract to pay _____ per cent of the Contract Sum as a security deposit for the due and faithful performance of its obligations under the Contract.

The Contractor has opted to provide an irrevocable on-demand guarantee in favour of the Employer as a security deposit for the Contract.

We (at the request of the Contractor) hereby agree as follows:

1 We shall unconditionally pay to the Employer any sum or sums up to a maximum aggregate of Singapore Dollars _____ (S\$ _____) (the "**Guaranteed Sum**") upon receiving your written notice of claim for payment made pursuant to Clause 4 of this Guarantee without any proof of actual default on the part of the Contractor and without need to satisfy any other condition.

2 We shall not be discharged or released from this Guarantee by any arrangement between the Employer and the Contractor with or without our consent, or by any other or further arrangement between the Contractor and us with or without the Employer's consent, or by any alteration in the obligations undertaken or to be undertaken by the Contractor or by any forbearance on the Employer's part whether as to payment, time, performance or otherwise.

3 Our liability under this Guarantee shall continue and this Guarantee shall remain in full force and effect from [*insert effective date:* _____] until [*insert expiry date:* _____] [*insert if expiry date is subject to automatic extension¹:* provided always that the expiry date of this Guarantee and our liability under this Guarantee shall be automatically extended for successive periods of [*specify duration of each extension:* _____ days/months] unless we give you 90 days' written notice prior to the expiry of our liability (the "**Notice Period**") of our intention not to extend this Guarantee in respect of any future extension and provided further that you shall be entitled –

- (a) upon receiving such notice of our intention either to:
 - (i) make a claim under this Guarantee; or
 - (ii) *direct us to pay such amount (not exceeding the Guaranteed Sum) as you may specify into a suspense account to be governed and disbursed by us subject to the Association of Banks in Singapore's Guidelines for operation of a Suspense Account; or
- (b) direct us (within the Notice Period) to extend the validity of this Guarantee for a further period not exceeding _____ days/months (and this Guarantee shall then expire at the end of such further period).]

Note: * *Not applicable for insurance bond issued by insurance companies*

4 This Guarantee is conditional upon a claim being made by the Employer at any time and as many times as the Employer may deem fit by way of a notice in writing addressed to us and the same being received by us at _____

¹ This provision is to be included for contracts which are not fixed period contracts. For fixed period contracts, this provision is not required.

[insert address of Bank's notification office: _____] before the end of 90 days after the expiry of this Guarantee.

5 We shall be obliged to effect the payment required under such a claim within 30 business days of our receipt of the written notice from the Employer. We shall be under no duty to inquire into the reasons, circumstances or authenticity of the grounds for such claim and shall be entitled to rely upon the Employer's written notice received by us as final and conclusive. For the purposes of this Guarantee, "**business day**" means a day other than a Saturday, Sunday, or public holiday in Singapore.

6 The Employer may make more than one claim on this Guarantee so long as the aggregate amount specified in all such claims does not exceed the Guaranteed Sum.

7 This Guarantee is issued subject to the laws of the Republic of Singapore and the exclusive jurisdiction of the Singapore courts.

Dated this _____ day of _____

AS WITNESS our hand

Signed by: _____
(Name and designation of officer)

for and on behalf of the

(Name of **Bank/Insurance Company)

(Signature)

in the presence of:

Name _____

Designation _____

(Signature of Witness)

** Delete whichever is not applicable.