**FORM OF BID SECURITY (BANK GUARANTEE)**

WHERE AS, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_----- *[Name of Bidder]* (hereinafter called "the Bidder") has submitted his bid dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Date]* for the construction of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Name of Contract]* (hereinafter called "the Bid").

KNOW ALL MEN by these presents that We \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Name of Bank]* of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Name of Country]* having our registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter called "the Bank") are bound unto \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Name of Employer]* (hereinafter called "the Employer") in the sum of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for which payment well and truly to be made to the said Employer the Bank binds himself, his successors and assigns by these presents.

SEALED with the Common Seal of the said Bank this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_ 20\_\_\_.

THE CONDITIONS of this obligation are**:**

(1) If the Bidder withdraws his Bid during the period of bid validity specified in the Form of Bid; or

(2) If the Bidder does not accept the correction of arithmetical errors of his bid price in accordance with the Instructions to Bidders; or

(3) If the Bidder having been notified of the acceptance of his Bid by the Employer during the period of bid validity:

(a) fails or refuses to execute the Form of Agreement in accordance with the Instructions to Bidders, if required; or

(b) fails or refuses to furnish the Performance Security, in accordance with the Instructions to Bidders.

We undertake to pay to the Employer up to the above amount upon receipt of his first written demand, without the Employer having to substantiate his demand, provided that in his demand the Employer will note that the amount claimed by him is due to him owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions.

This Guarantee will remain in force up to and including the date \_\_\_\_\_\_\_\_\_ or as it may be extended by the Employer, notice of which extension(s) to the Bank is hereby waived. Any demand in respect of this Guarantee should reach the Bank not later than the above date.

DATE \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ SIGNATURE OF THE BANK \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

WITNESS \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ SEAL \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Signature, Name and Address)