

SCHEDULE 8
PART 1 - WARRANTY BOND

[●]

Beneficiary: Engro Polymer & Chemicals Limited
12th Floor, Ocean Tower, G-3
Block-9, Clifton,
Khayaban-E-Iqbal, Karachi, Pakistan

Dear Sirs,

RE: OUR WARRANTY BOND NO.: [●] FOR PKR [●] AND USD [●] (THIS “WARRANTY BOND”)

1. We, [insert name of issuing bank], refer to:

- (i) the Engineering, Procurement and Construction Contract dated [insert date of onshore EPC contract] (the “**Onshore EPC Contract**”) by and between Engro Polymer & Chemicals Limited, a company duly organized and existing under the laws of Pakistan, with its office located at 12th Floor, Ocean Tower, G-3, Block-9, Clifton Khayaban-E-Iqbal, Karachi (the “**Beneficiary**”) and Gasco Engineering (Private) Limited, a company incorporated under the laws of Pakistan, with its registered office at [insert address of Contractor] (the “**Contractor**”); and
- (ii) Offshore Supply Contract dated [insert date of offshore EPC contract] (the “**Offshore Supply Contract**”) by and between the Beneficiary and Canopis Canada, a company incorporated under the laws of Canada, with its registered office at 1004 Knotty Pine Grove, Mississauga ON, L5W 1J8, Canada (the “**Offshore Supplier**”).

(The Onshore EPC Contract and the Offshore Supply Contract shall collectively be referred to as the “**Contracts**”).

1. This Warranty Bond is being issued by the Contractor in connection with:

- (i) the Works (as defined in the Onshore EPC Contract) or any other obligation of the Contractor to the Beneficiary under the Onshore EPC Contract for a contract price of the aggregate of USD 174,000 and PKR 240,000,000; and
- (ii) the Supply (as defined in the Offshore Supply Contract) or any other obligation of the Offshore Supplier under the Offshore Supply Contract for a contract price of USD 686,000,

in respect of the establishment of a high temperature direct chlorination project outside battery limits at the Beneficiary’s existing VCM Plant located at Port Qasim, Karachi (the “**Project**”).

The aggregate of the contract prices for the Onshore EPC Contract and the Offshore Supply Contract is referred to as the “**Contract Price**”, as further amended, modified and supplemented and in effect from time to time.

2. All capitalised words not otherwise defined herein shall have the meaning ascribed to them in

the Contracts.

3. We have been informed that the Contractor is required to obtain a warranty bond under the Contract in favour of the Beneficiary.
4. At the request of the Contractor, we the undersigned Bank, **[insert name of bank]**, (the “**Bank**”), a bank organised under the laws of Pakistan, with its registered office at **[insert bank's address]**, hereby irrevocably and unconditionally undertake to pay you, the Beneficiary, on demand, as primary obligor and not as surety, any sum or sums not exceeding in total the amount of PKR **[insert amount in digits]** (Pakistani Rupees **[insert amount in words]**) and USD **[insert amount in digits]** (United States Dollar **[insert amount in words]**), or equivalent thereof to be converted into PKR on the exchange rate as determined by the National Bank of Pakistan, on the day that the amounts are paid by the Bank to the Beneficiary under the Warranty Bond) (collectively, the “**Guaranteed Amount**”) wholly or partially, forthwith, upon receipt by us of your first demand in writing, and pursuant to one or more demands (provided that such demands and any prior demands do not in the aggregate exceed the Guaranteed Amount) substantially in the form of the payment certificate set out in Schedule I (*Demand for Payment*) hereto, without any further proof of documents or reference to anybody and notwithstanding any objection by the Contractor or by any other party of whatever capacity and without being entitled to enquire whether or not such payment is lawfully due and payable by the Contractor. The Bank is required to accept any demand given to it by the Beneficiary from time to time as conclusive evidence of the amount stated in the demand and the Bank shall not be required or permitted to make any other investigation or enquiry as to the amount stated in the demand. This Warranty Bond is intended to be executed as a deed.
5. Any payment under this Warranty Bond shall be made within two (2) business days of the date of the Beneficiary’s written demand in Pakistani Rupees and shall be free of any set-off, counterclaim, taxes, deduction, withholding interest or charges whatsoever. Such demand must be received by the Bank on or before **[insert expiry date]** (as extended pursuant to the terms hereof, the “**Expiry Date**”). Any demand made by the Beneficiary under this Warranty Bond shall be deemed to have been received by the Bank: (A) if delivered by hand on the day on which it is delivered to the Bank’s address, (B) if delivered by express courier, on the day on which it is delivered to the Bank’s address and a delivery confirmation is signed by an officer, representative or employee of the Bank, or (C) if sent by swift, upon the generation of a receipt notice by the Bank’s server or, if no such notice is generated, upon delivery to the Bank’s server.
6. We have been informed that if the Contractor has not been entitled to receive the Warranty Period Release Certificate by the date twenty-eight (28) days prior to the Expiry Date, the Contractor is required to extend the Expiry Date to the date twenty-eight (28) days after the new scheduled date for issuance of the Warranty Period Release Certificate. We undertake to immediately pay you the full Guaranteed Amount upon receipt by us of your demand in writing and your written statement that the Warranty Period Release Certificate has not been issued by the Beneficiary to the Contractor and that the Expiry Date of this Warranty Bond has not been extended, without any further proof or documents and notwithstanding any objection by the Contractor or by any other party of whatever capacity and without being entitled to enquire whether or not the Contractor has become entitled to receive the Warranty Period Release Certificate.
7. This Warranty Bond shall become valid and effective on the Taking Over Date.
8. Any demand made by the Beneficiary under this Warranty Bond shall be given in writing, purportedly signed by a duly authorised officer of the Beneficiary, and sent by express courier or by hand addressed to our registered office along with a copy of this Warranty Bond.
9. The Bank shall not in any way be released or discharged from any liability under this Warranty

Commented [AM1]: Please note and confirm.

Commented [HZ2R1]: Ok to go

Bond by any invalidity, illegality or unenforceability of the Contract or any arrangements in relation to the Contract or the Project nor by any alteration, amendment or variation in the terms of the Contract or related documents nor by any allowance of time by the Beneficiary under the Contract or related documents nor by any forbearance or forgiveness or indulgence in respect of any matter or thing concerning the Contract or related documents on the part of the Beneficiary nor by the insolvency, bankruptcy, winding up or reorganization of the Contractor or the Beneficiary (or any analogous event or the exercise of any power of disclaimer arising in such circumstances) nor by any dispute or disagreement whatsoever between the Beneficiary and the Contractor under or in relation to the Contract or related documents.

10. If at any time one or more of the provisions of this Warranty Bond is or becomes illegal, invalid, or otherwise unenforceable, in any respect neither the legality, validity or enforceability of the remaining provisions of this Warranty Bond, nor the legality, validity or enforceability of the remaining provisions, under the law shall in any way be affected or impaired as a result.
11. This Warranty Bond and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of Pakistan. The parties irrevocably agree that the courts of Karachi shall have non-exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Warranty Bond or its subject matter or formation (including non-contractual disputes or claims).

IN WITNESS WHEREOF, this Warranty Bond has been executed and delivered by the Bank as a deed on the date first above written.

SIGNED, SEALED AND DELIVERED

for and on behalf of [insert name of Bank]

[insert name]
[insert designation]

In the presence of:

Witness 1:

Name: [●]

Passport/CNIC No.: [●]

Witness 2:

Name: [●]

Passport/CNIC No.: [●]

PART 2
FORM OF DEMAND

[●]

Attention: Trade Operation Division

Dear Sirs,

We refer to the Warranty Bond dated [*insert date of Warranty Bond*] issued by the Bank with reference number [●] (the “**Bond**”). Capitalized terms used herein shall have the meanings given to them in the Bond.

Demand is hereby made for payment of the amount of [[*amount in numbers*] (*amount in words*)] to the Beneficiary in immediately available funds to the following account:

[*Specify account information*]

[(*Specify ground(s)*)], and the amount specified in paragraph 1 is the amount the Beneficiary claims to be entitled to as a result thereof.

Yours faithfully,

(Authorised signatory)