

SCHEDULE 6
FORM OF ADVANCE PAYMENT GUARANTEE

[●]

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

Dear Sirs,

RE: OUR ADVANCE PAYMENT GUARANTEE NO.: [●] FOR PKR [●] (THIS “ADVANCE PAYMENT GUARANTEE”)

1. We, [insert name of issuing bank] refer to the Engineering, Procurement and Construction Contract dated [insert date] (the “**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 the Pakistan, with its registered office at [insert address] (the “**Contractor**” in connection with the Works or any other obligation of the Contractor to the Beneficiary in respect of the establishment of a high temperature direct chlorination project outside battery limit at the Beneficiary’s existing Chlor Vinyl Complex located at Port Qasim, Karachi (the “**Project**”) for a contract price of PKR Two-Forty Million and USD One Hundred and Seventy-Four Thousand (PKR 240,000,000 and USD 174,0000) as adjusted pursuant to the terms of the Contract (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 Contract.
3. It is a requirement under the Contract that before the Beneficiary makes the Advance Payment No. 1 of Pakistani Rupees [insert amount (insert amount in digits)], (the “**Advance Payment**”), the Contractor shall cause a bank to issue an irrevocable, unconditional and on-demand commercial bank guarantee in an amount equal to Advance Payment.
4. At the request of the Contractor, we the undersigned bank, [insert name of issuing bank] (the “**Bank**”), a bank organized under the laws of Pakistan, with its registered office at [insert address] hereby irrevocably and unconditionally undertake to pay you, the Beneficiary (or the specified assignee to which you have assigned the benefit of this Advance Payment Guarantee), on demand, as primary obligor and not as surety, any sum or sums not exceeding in total the guaranteed amount of PKR [insert amount in words] (Pakistani Rupees [insert amount in digits] only) 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 Advance Payment is to be paid by the Bank to the Beneficiary) (collectively the “**Guaranteed Amount**”), wholly or partially forthwith upon receipt by us of your first demand in writing, and/or 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 (*Form of Demand*) hereto, specifying the particular ground for drawdown without any further proof or documents and notwithstanding any objection by the Contractor or by any other party of whatever capacity

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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 or any assignee of this Advance Payment Guarantee 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. If this Advance Payment Guarantee is partially drawn by the Beneficiary, then the amount of this Advance Payment Guarantee shall be reduced by an amount corresponding to such drawing. This Advance Payment Guarantee is intended to be executed as a deed.

5. This Advance Payment Guarantee shall come into force and automatically become effective (without any further action) upon issuance.
6. The Guaranteed Amount shall be progressively reduced upon receipt by the Bank of written notice purportedly signed by the Beneficiary stating the amount of the Advance Payment adjusted by the Contractor and by which amount the Beneficiary requests the Guaranteed Amount to be reduced.
7. Any demand made by the Beneficiary or its assignee under this Advance Payment Guarantee shall be given (A) 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 Advance Payment Guarantee or (B) in the case of a demand transmitted through swift, it shall be transmitted by authenticated swift through your bank. Such demand must be received by us on or before **[insert expiry date]** (or as extended pursuant to the terms hereof, the “**Expiry Date**”).
8. Any payment under this Advance Payment Guarantee shall be made within one (1) business day of the date of the Beneficiary’s written demand in Pakistani Rupees and shall be free of any set-off, counterclaim, taxes, deduction, interest or charges whatsoever. Any demand made by the Beneficiary under this Advance Payment Guarantee 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 on 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 receipt notice by the Bank’s server or, if no such notice is generated, upon delivery to the Bank’s server.
9. We have been informed that under the Contract, if the Advance Payment has not been adjusted in full by the Contractor to the Beneficiary by the date fourteen (14) days prior to the Expiry Date, the Contractor is required to extend the Expiry Date until such time as the Advance Payment is scheduled to be adjusted by the Contractor to the Beneficiary. We undertake to pay you the full Guaranteed Amount upon receipt by us of your demand in writing and your written statement that the Advance Payment has not been adjusted by the Contractor to the Beneficiary and that the Expiry Date of this Advance Payment Guarantee 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 Advance Payment has been adjusted by the Contractor to the Beneficiary.
10. The Bank shall not in any way be released or discharged from any liability under this Advance Payment Guarantee 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 nor by any allowance of time by the Beneficiary under the Contract nor by any forbearance or forgiveness or indulgence in respect of any matter or thing concerning the Contract on 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. The validity of the Advance Payment Guarantee and the Bank's liability hereunder will not be affected in any manner by any change in the Bank's constitution and the Advance Payment Guarantee will be legally valid, enforceable and binding on the Bank and its successors and assignees.

11. We hereby agree that any amendment, renewal, extension, modification, compromise, release or discharge by mutual agreement by the Beneficiary, the Contractor or any other entity of any document, agreement, instrument or deed shall not in any way impair or affect our liabilities hereunder and maybe undertaken without notice to us and without the necessity for any additional endorsement, consent or guarantee by us.
12. All references to any contract, agreement, deed or other instruments or documents are by way of reference only and shall not affect our obligations to make payment under the terms of this Advance Payment Guarantee and shall not discharge us from our liability under this Advance Payment Guarantee.
13. We hereby declare and confirm that under our constitution and applicable laws and regulations, we have the necessary power and authority, and all necessary authorizations, approvals and consents thereunder to enter into, execute, deliver and perform the obligations we have undertaken under this Bond, which obligations are valid and legally binding on and enforceable against us under the laws of Pakistan and under the laws of the jurisdiction where this Advance Payment Guarantee is issued. Further, that the signatory(ies) to this Advance Payment Guarantee is/are our duly authorized officer(s) having necessary powers to execute this Advance Payment Guarantee.
14. Without prejudice to any other mode of service allowed under the relevant law, the Bank irrevocably appoints [Bank's] legal representatives at time of proceedings as its agent for service of process in relation to any proceedings before the courts in Karachi in connection with this Advance Payment Guarantee and agrees that a failure by a process agent to notify it of the process will not invalidate the proceedings concerned.
15. If at any time any one or more of the provisions of this Advance Payment Guarantee is or becomes illegal, invalid or otherwise unenforceable, in any respect, neither the legality, validity or enforceability of the remaining provisions of this Advance Payment Guarantee, nor the legality, validity or enforceability of the remaining provisions, under the law shall in any way be affected or impaired as a result.
16. This Advance Payment Guarantee 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 Advance Payment Guarantee or its subject matter or formation (including non-contractual disputes or claims).
17. Subject to the foregoing provisions, this Advance Payment Guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 758. To the extent that there is any inconsistency between the terms of this Advance Payment Guarantee and the Uniform Rules for Demand Guarantees, ICC Publication No. 758, the terms of this Advance Payment Guarantee shall prevail.

IN WITNESS WHEREOF, this Advance Payment Guarantee 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 [Name of Bank]**

[Name]

[Designation]

In the presence of:

Witness 1:

Name: [●]

Passport No:[●]

Witness 2:

Name: [●]

Passport No:[●]

FORM OF DEMAND

[●]

Attention: Trade Operation Division

Dear Sirs,

We refer to the Advance Payment Guarantee dated [insert date] issued by the Bank with reference number [insert reference number] (the “**Guarantee**”). Capitalised terms used herein shall have the meanings given to them in the Bond.

1. Demand is hereby made for payment of the amount of [insert amount in words] (insert amount in digits) to the Beneficiary in immediately available funds to the following account:
[Specify account information].
2. [Specify the 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)