

BANK GUARANTEE

1. In consideration of the Lanka IOC PLC (hereinafter called "The Company") having appointed M/s.....as Servo Lube Distributor (herein after called LD) under the terms and conditions of the letter of appointment reference.....dated.....placed on them for marketing of Lubricating Oils, Greases and Allied Servo products(hereinafter called "The said agreement") and for due fulfillment by the LD of the terms and conditions contained in the said Agreement on production of a bank Guarantee of Rs.....(Rupees.....only) we,..... (indicate the name of the Bank) (hereinafter referred to as "the Bank) at the request of(name of the LD) do hereby undertake to pay the Company an amount not exceeding Rs.....against any loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of any breach by the said LD of any of the terms of conditions contained the said agreement.

2. We.....(indicate the name of the Bank) do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Company stating that the amount claimed is due by way of loss or damaged caused to or would be caused to or suffered by the Company by reason of breach or by reason of the LD failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs.....

We undertake to pay the Company any money so demanded notwithstanding any disputes or disputes raised by the LD in any suit or proceedings pending before any Court, Tribunal or Arbitrator relating thereto, our liability under this Bank Guarantee being absolute, unconditional and unequivocal.

3. The payment so made by us under this bond shall be a valid discharge of our liability for payment there under and the LD shall have no claim against us for making payment.

4. We,.....(indicate name of Bank) further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that is shall continue to be enforceable till all the due of the Company under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged till..... of the Company of..... Certified that the terms and conditions of the said Agreement have been fully and properly carried out by the said LD and accordingly discharged this guarantee. Unless a demand or claim under this Guarantee is made on us in writing on or before we shall be discharged from all liability under this Guarantee thereafter.

5. We.....(indicate the name of Bank)
further agreed with the Company that the Company shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement to extend time of performance by the said LD from time to time or to postpone for any time or from time to time any of the powers exercisable by the Company against the said LD and to forbear or enforce any of the terms and conditions relating to the said Agreement and shall not be relieved from our liability by reason of any such variation, or extension being granted to the said LD or for any forbearance, act or omission on the part of the Company of any indulgence by the Company to the said LD or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provisions have effect of so relieving us.
6. This Guarantee will not be discharged due to the change in the constitution of the Bank or the LD.
7. We, (indicate the name of Bank)
lastly undertaken not to revoke this Guarantee during its currency except with the previous consent of the Company in writing.

Date the..... day of 20

For
(indicate the name Bank)