



#244/3, 6<sup>th</sup> Link, Ringway Estates, Accra. P. O. BOX 17753, Accra - Ghana. TEL: (233-21) 246319, 246322, 246644, 245921 FAX: (233-21) 246311

**BOND NO.**

## **ADVANCE PAYMENT BOND**

KNOW ALL MEN BY THESE PRESENTS that We, **M/S PACOTECH CONSTRUCTION LIMITED** of **P.O.BOX DS 801, DANSOMAN-ACCRA** [hereinafter called "the **CONTRACTOR**"] and **PHOENIX INSURANCE CO. LTD.** of **#244/3, 6<sup>TH</sup> LINK, RINGWAY ESTATES, ACCRA** [hereinafter called "the **SURETY**"] are held and firmly bound unto **REPUBLIC BANK (GHANA) LIMITED** [hereinafter called "the **PRINCIPAL**"] in the sum of **GH¢274,536.00 (Two Hundred & Seventy-Four Thousand, Five Hundred & Thirty-Six Ghana Cedis Only)** of which sum the Contractor and Surety bind themselves, their successors and assignees jointly and severally by these presents.

WHEREAS the Contractor has entered into a certain written contract with the Principal for **DEVELOPMENT OF THE NEW SEFWI BEKWAI BRANCH - LOT 1 CIVIL WORKS** ["hereinafter called "the **CONTRACT**"] all of which contract with all its Terms and Conditions is hereby made a part of this Agreement and whereas under the said Contract the Principal has agreed to make Advance Payment of GH¢ for the Contractor.

**NOW THE CONDITION** of this Bond is such that if the Contractor shall duly utilize the Advance Payment for the purpose for which it is granted and observe the Terms under which the Advance Payment is granted, then this obligation shall be null and void but on default by the Contractor during the period this Bond is in force the Surety shall satisfy and discharge the damages sustained by the Principal thereby up to the amount of the above written Bond or such part thereof as will be outstanding. The amount of this Bond shall be reduced by the funds recovered by deducting from each monthly valuation an amount in the same proportion as the respective monthly value of the work executed relates to the full Contract price until the total amount of the fund advanced has been paid.

**OTHER CONDITION:** In case of any intended variation of the terms and conditions contained in the said Contract the Surety shall first be notified in writing and such variation shall if approved be accepted in writing by the Surety provided that all such variations or alterations not notified to the Surety shall release the Surety from any liability under this Bond.

This Bond shall be governed according to the laws of the Republic of Ghana.

This Bond shall be valid until the close of Business on **31<sup>ST</sup> SEPTEMBER, 2019** and any claim arising there under must be notified to the surety in writing on or before that date after which it shall become void.

The Employer, the Contractor and the Guarantor have herein agreed that any dispute arising from the operation of this bond shall be referred to arbitration in accordance with the provisions of the Arbitration Act 1961, Act 38 (or as replaced).

The premium paid for this bond is not refundable under any circumstances.

PERIOD OF BOND: FIVE (5) MONTHS FROM 1<sup>ST</sup> APRIL, 2019

Signed, Sealed for and on behalf of:  
**PHOENIX INSURANCE CO. LTD.**

In the presence of:

Witness:.....

.....  
MANAGER, UNDERWRITING

Date: .....

Signed, Sealed for and on behalf of:  
**M/S PACOTECH CONSTRUCTION LIMITED**

In the presence of:

Witness:.....

.....  
MANAGING DIRECTOR

Date: .....



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**INDEMNITY AGREEMENT**

In consideration of **PHOENIX INSURANCE CO. LTD.** becoming Surety on the Advance payment Bond applied for by **PACOTECH CONSTRUCTION LIMITED** dated **1<sup>st</sup> day of April, 2019** in favour of **REPUBLIC BANK (GHANA) LIMITED** as Obligee (hereinafter called “the Employer”) in the amount of **GH¢274,536.00 (Two Hundred & Seventy-Four Thousand, Five Hundred & Thirty-Six Ghana Cedis Only)** we do hereby covenant and agree to pay the premium agreed upon, and we do hereby bind ourselves, our heirs, executors, administrators, successors and assigns to indemnify the said **PHOENIX INSURANCE CO. LTD.** (Surety Company) against all loss, costs, damages, charges and expenses, whatever and howsoever resulting from any act, default or neglect, that the said **PHOENIX INSURANCE CO. LTD.** (Surety Company) may sustain or incur by reason of its having executed the said Bond or any continuation thereof.

We **PACOTECH CONSTRUCTION LIMITED** undertake to pay Phoenix Insurance Co. Limited on receipt of their first demand without cavil or argument, any sum within the limits of **GH¢274,536.00 (Two Hundred & Seventy-Four Thousand, Five Hundred & Thirty-Six Ghana Cedis Only)** as aforesaid and without any need to prove to show the reason for the demand and we **PACOTECH CONSTRUCTION LIMITED** will immediately without delay deliver the required sum and without the necessity of a previous notice or of Judicial or administrative procedures.

We **PACOTECH CONSTRUCTION LIMITED** hereby further agree for ourselves, our heirs, executors, administrators and assigns, to accept vouchers or any other evidence of any sum paid by the said **PHOENIX INSURANCE CO. LTD.** (Surety Company) in completing the said Contract, as conclusive evidence against us and our estates of the fact and extent of our liability, under the said obligation to the **REPUBLIC BANK (GHANA) LIMITED** (Obligee).

It is further expressly agreed that the said **PHOENIX INSURANCE CO. LTD.** (Surety Company) possess that right to redeem the bond at its discretion even if we **PACOTECH CONSTRUCTION LIMITED** dispute our liability towards **REPUBLIC BANK (GHANA) LIMITED** (Obligee). No right of action shall accrue on this Bond to or for the use of any person or corporation other than the Employer named herein or the heirs, executors, administrators, successors and assigns of the Employer.

In testimony whereof, the Contractor has hereunto set his hand and affixed his seal.

**PROJECT TITLE: DEVELOPMENT OF THE NEW SEFWI BEKWAI BRANCH - LOT 1 CIVIL WORKS**

**DATED THIS 1<sup>ST</sup> DAY OF APRIL, 2019**

**PRINCIPAL**

**SURETY**

.....  
**PACOTECH CONSTRUCTION LIMITED**

.....  
**PHOENIX INSURANCE COMPANY LTD**



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**PERSONAL INDEMNITY  
UNDERTAKEN BY DIRECTOR/SHARE HOLDER**

I ..... of **PACOTECH CONSTRUCTION LIMITED** of **P.O.BOX DS 801, DANSOMAN-ACCRA** being Director /Shareholder of which company has been issued with Bond No. **AG0199919040001** dated **1<sup>st</sup> day of April, 2019** where under the **PHOENIX INSURANCE CO. LIMITED** as Guarantor are held bound unto **REPUBLIC BANK (GHANA) LIMITED** (therein referred to as the “Employer”) for the sum of **GH¢274,536.00 (Two Hundred & Seventy-Four Thousand, Five Hundred & Thirty-Six Ghana Cedis Only)** which said sum shall be varied and increased based on the fluctuating interest rates that may from time to time obtain IN CONSIDERATION of **PHOENIX INSURANCE CO. LIMITED** carrying on as the Guarantor.

I HEREBY undertake and agreed:-

To fully hereby indemnify the Guarantor from and against all actions proceedings, damage, costs, claims demands expenses with interests at the current Bank lending rate of losses which the Guarantor may suffer, incur or sustain by reason or account of the Guarantor having entered in covenant therein the said **ADVANCE PAYMENT BOND**. That I hereby undertake to mortgage my personal and real estates to the Guarantor and HEREBY empower the Guarantor to attach my properties in the event of default and sell off same to offset any payment the Guarantor may make under or in respect of the said indemnity.

That any request made upon me by the Employer for payment of any sum of money under the Guarantee Bond shall be a sufficient authority to the Guarantor for making any payment and demanding indemnity.

That my indemnity continues even if I resign my directorship in the company.

That my indemnity shall cease only upon the safe conclusion and final fulfillment of the terms of the Bond by the Company to the employer in witness whereof I hereunto set my hand this **1<sup>st</sup> day of April, 2019**.

Signed by:

.....

IN THE PRESENCE OF: (WITNESS)

NAME: .....

SIGNATURE: .....

ADDRESS: .....

OCCUPATION: .....

Please attach two passport photograph to this form **IF A FOREIGNER**: photograph of the (first five pages) of traveling passport must be attached.