Surety Insurance – Performance Bond (Conditional)

POLICY SCHEDULE

a.	**Surety Insurer**		XXXXXXXX
b.	**Address of Surety Insurer**		XXXXXXXXXXXXXXXXX
c.	**Policy Number**		XXXXXXXXXX
d.	**Contract**		XXXXXXXXXX
e.	**Contract Currency**		XXXXXXXXXX
f.	**Contract Value**		XXXXXXXXXX
g.	**Cure Period for Default**	**Under the Contract, if specified**	XX Months
		If not specified in Contract, Cure Period applicable for this Performance Bond	XX Months
h.	**Bond Value**		
i.	**Bond Period**		
j.	**Principal Debtor**		
k.	**Authorized Person**		
l.	**Creditor**		
m.	**Works**		
n.	**Site**		
o.	**Territorial Limits and Jurisdiction**		
p.	**Total Premium**		
	Taxes		
q.	**Intermediary Name**		
	Intermediary Contact No		
	Intermediary Code		
r.	**Special Conditions**		
s.	**Specific Periods under Policy Clauses:**		

1. DEFINITIONS

The following terms as used in this Surety Bond shall have the respective meanings set forth below, wherever they may appear in the Surety Bond, the attached Schedule, and any endorsements:

1) "Bond Value" means the amount specified in the Schedule, which is the maximum, total and cumulative liability arising under this Surety Bond.

2) "Contract means the agreement between the Principal Debtor and the Creditor as specified in the Schedule.

3) "Contract Currency" means the currency specified in the Schedule.

4) "Contract Value" means the total value of the underlying Contract, as specified in the Schedule.

5) "Creditor" means the person named in the Schedule to whom the guarantee under this Surety Bond is given.

6) "Default" means an actual breach or abandonment of the Contract by the Principal Debtor, on the happening of which there is a liability on the Principal Debtor to make a payment under the Contract, which shall be determined at the sole discretion of the Surety Insurer based on the facts and circumstances. However, Default shall not include the mere initiation of and/or admission of corporate insolvency resolution process against the Principal Debtor.

7) **"**General Agreement of Indemnity**"** means an agreement of indemnity executed between the Principal Debtor and Surety Insurer wherein the Principal Debtor agrees to indemnify the Surety Insurer against any and all losses arising in connection with the Surety Bond on such terms and conditions as specified in that Agreement.

8) "Principal Debtor" means the person named in the Schedule, who has concluded this Surety Bond with the Surety Insurer and in respect of whose default the guarantee under this Surety Bond is given.

9) "Schedule" means the policy schedule attached to and forming part of this Surety Bond.

10) "Site" means the geographical location specified in the Schedule where the Works in relation to the Contract are carried out.

11) "Surety Bond" means this policy document containing the terms and conditions, the General Agreement of Indemnity, the Proposal Form, Schedule to this Policy, and endorsements (made to or on it from time to time, and if more than one, then the latest in time), which form a part of the Surety Bond and shall be read together.

12) "Surety Insurer/We/Our/Us/Company" means ICICI Lombard General Insurance Company Limited

13) "Surety Period" means the period specified in the Schedule, during which the Surety Bond is in force, unless terminated earlier in accordance with Clause 3.

14) "Works" means the scope of work of the project commenced under the Contract, as further described in the Schedule, in relation to which this Surety Bond is issued.

Where appropriate under the terms of this Surety Bond, references to the singular include references to the plural; references to the male include the female and references to any statutory enactment include subsequent changes to the same.

2. PREAMBLE

In consideration of the receipt of premium by the Surety Insurer, and in reliance of the documents submitted, statements, representations and warranties made, the terms of the General Agreement of

Indemnity, and the information contained in the proposal form (which shall all form a part of and the basis of this Surety Bond) and subject to the terms and conditions of this Surety Bond, the Surety Insurer and the Principal Debtor agree as follows:

INSURING CLAUSE

Based on the representations and warranties made by the Principal Debtor in terms of its financial soundness and capability of carrying out the Works under the bonded Contract, including its working capital, experience, expertise and evidence of successful past performance of similar contracts, the Surety Insurer undertakes to pay to the Creditor in the event of a Default, the total outstanding amount or proportion thereof payable on the occurrence of such a Default and limited, at all times, up to the available limit of the Bond Value, and subject always to the terms and conditions of this Surety Bond and the General Agreement of Indemnity:

2.1. The Surety Insurer's liability shall be to the extent of the total outstanding balance under the Contract or proportion thereof payable in the event of a Default, and subject to the aggregate amount of payment required to be made, not exceeding the Bond Value, or the available limit of the Bond Value.

2.2. This Surety Bond will be valid from the date on which it is issued, until the earliest of (i) the completion of the Surety Period specified in the Schedule, or (ii) the issuance of certificate indicating completion of the Works or (iii) the date on which the Bond Value is exhausted, whichever occurs first. The Creditor, or the relevant engineer in-charge of the Works, shall advise the Surety Insurer in writing of the date on which the certificate of completion of the Works has been issued.

2.3. It is hereby agreed and understood that:

2.3.1. The Surety Insurer's liability under this Surety Bond for any and all claims is restricted to the Bond Value;

2.3.2. The Principal Debtor shall use all measures to prevent and minimize the loss under this Surety Bond. In the event of any failure in this regard, the Surety Insurer will have the right to determine and reasonably adjust the amount, if any, otherwise payable to the Creditor under this Surety Bond.

3. EXCLUSIONS

3.1. The Surety Insurer shall have a right to claim release from its obligations, and shall not be liable under this Surety Bond for or in relation to any of the following:

3.1.1. Any specific events agreed by the Creditor and Principal Debtor under the Contract, including any event of force majeure (which shall have the same meaning as ascribed to the term under the Contract and in law) and including principles of frustration and/or impossibility as recognised under law;

3.1.2. Any change in or addition to the Principal Debtor's liability, including to any third party, arising out of any negligent act(s) or omissions in the course of its performance of the underlying Contract;

3.1.3. Any law for the time being in force under which the Principal Debtor is dispensed with the performance of the underlying Contract either impliedly, through conduct or otherwise;

3.1.4. Any understanding and/or agreement, whether written, oral or implied through conduct, through which the Principal Debtor has been dispensed with the performance of the underlying Contract or any part thereof and/or whether any collateral or other security provided by the Principal Debtor to the Creditor is sought to be compromised in any manner, and whether an act and/or omission amounts to a compromise will be determinable by the Surety Insurer at its sole discretion;

3.1.5. Any change in control, composition and/or ownership of the Principal Debtor post the issuance of the Surety Bond and while it is still in force.

3.1.6. Any increase of the Principal Debtor's underlying obligation under the Contract by a voluntary new transaction entered into between the Creditor and Principal Debtor after the issuance of the Surety Bond;

3.2. In the event of any of the foregoing events at 4.1, the Surety Insurer shall have the right to cancel the Surety Bond or modify the Bond Value, per its sole discretion.

4. CLAIMS PROCESS

The Surety Insurer shall pay, subject to the Insuring Clause above and other terms and conditions of the Surety Bond and General Agreement of Indemnity, a claim made under the Surety Bond, subject to the following procedure being complied with as a condition precedent to any liability:

4.1.1. The Principal Debtor receives a written demand from the Creditor stating that the Contract has been terminated due to a Default; It is clarified that where the underlying Contract provides for a cure period for any default, which Default is covered under the Surety Bond, then, as a prerequisite, the Creditor must comply with the said clause and provide the Principal Debtor with an opportunity to cure any alleged defect within a period stipulated under the underlying Contract before being entitled to raise any claim under the Surety Bond. If no such period is stipulated, then a period of not less than the number of XX months specified in the Schedule for each alleged Default would be applicable before a claim, legitimate or otherwise, can be raised under this Surety Bond;

4.1.2. The aforesaid written demand being provided to the Surety Insurer at the Surety Insurer's physical address, with a copy to the Principal Debtor, stating that this Surety Bond is called up to make payment in accordance with the terms specified herein. The said demand must also, where applicable, record that an opportunity to rectify the Default alleged, as per the terms of the underlying Contract, was provided to the Principal Debtor but the said Default alleged has not been cured. This written demand shall be accompanied with a copy of the following relevant and necessary documentation:

(a) The notice of termination and/or the provisional/final sequestration and/or the liquidation court order evidencing the Default, as applicable, and all communications in this regard exchanged between the Creditor and Principal Debtor.

(b) A copy of any necessary documents which entitle the Creditor to receive payment in accordance with the terms of the Contract, including any interim or final payment certificate certified by the engineer in-charge of the Works.

(c) A copy of the first written demand issued by the Creditor to the Principal Debtor notifying the Default, and seeking payment of the sum certified by the engineer in- charge, and response to the same by the Principal Debtor, including all subsequent communications exchanged between the parties.

(d) The written demand issued by the Creditor to the Principal Debtor, with a copy to the Surety Insurer, stating that a period of XX days has elapsed without rectification of the alleged default by the Principal Debtor or payment of the amount demanded, as applicable, since the time of issuance of the first written demand above, and that failing such payment, the Creditor intends to call upon the Surety Insurer to make payment.

(e) Return of the original Surety Bond by the Creditor.

(f) Any other necessary documentation required by the Surety Insurer, as deemed necessary to establish the Principal Debtor's liability and/or the quantum of the claim payable under this Surety Bond.

4.1.3. The Principal Debtor shall be legally required to pay the claim amounts back to the Surety Insurer in accordance with the terms of the General Agreement of Indemnity.

4.1.4. The Surety Insurer may, per its sole discretion, decide to review the Creditor's demand and all relevant information/documentation. In such event, the Surety Insurer shall assess for itself whether there has been a Default, and if so the extent of the default, based on which assessment the Surety Insurer may determine the amount and/or the proportion of the sums that are payable under this Surety Bond.

4.1.5. Before making any claim payment, the Surety Insurer shall first give the Principal Debtor another opportunity to pay the claim amount. If the Principal Debtor does not pay within XX days of being called upon to do so by the Surety Insurer, the Surety Insurer will then pay the amount determined to be payable under this Surety Bond, within XX calendar days of receipt of the last necessary documentation.

4.1.6. Where the Surety Insurer has agreed to make payment, upon the date of issuance of the final payment certificate by the Surety Insurer, the Creditor shall submit within [xx] days (i) an expense account to the Surety Insurer, showing how all monies received in terms of this Surety Bond have been expended and/or (ii) provide documentation and calculations, supported by an expert as applicable, demonstrating actual loss/damage suffered by the Creditor for any alleged breach of the Contract by the Principal Debtor for which any payments have sought from the Surety Insurer under this Surety Bond. In both cases, the Creditor shall immediately refund to the Surety Insurer any resulting surplus/excess, as applicable, including interest at the rate of [x] for each day of credit.

5. GENERAL CONDITIONS

5.1. The Creditor shall have the absolute right to arrange his affairs with the Principal Debtor in any manner which the Creditor may deem fit and the Surety Insurer shall not have the right to claim his release from this Surety Bond on account of any conduct alleged to be prejudicial to the Surety Insurer, except for the limited extent specified in the Exclusions section.

5.2. **Currency**: The payment under this Surety Bond shall be made in the Contract Currency.

5.3. **Fraud/Misrepresentation**: This Surety Bond shall be void and all premiums paid hereon shall be forfeited to the Surety Insurer in the event of misrepresentation, misdescription or non-disclosure of any material fact by the Principal Debtor, or in the event that any fraudulent claim is made under this Surety Bond or if any fraudulent means, or any false statements, declarations or devices are used by the Principal Debtor, or any one acting on their behalf, to obtain any benefit under this Surety Bond.

5.4. **Change in Composition**: The Principal Debtor shall notify the Surety Insurer immediately in writing if, during the Surety Period, either the Creditor or Principal Debtor consolidates or merges with, or sells all or substantially all of its assets to any other person or entity or if another person or entity should acquire ownership directly or indirectly of more than fifty percent (50%) of its voting share capital. Upon receipt of such notice, and independent of its rights otherwise, the Surety Insurer may, at its sole discretion, cancel this Surety Bond in accordance with the Cancellation condition above.

5.5. **Subrogation**: The Principal Debtor or any claimant/Creditor under this Surety Bond shall at the expense of the Surety Insurer do and concur in doing, permit to be done all such acts that may be necessary or reasonably required by the Surety Insurer for the purpose of enforcing any rights and remedies or obtaining relief or indemnity from other parties to which the Surety Insurer shall be or would become entitled or subrogated upon the Surety Insurer paying for or making good any loss or damage under this Surety Bond whether such acts and things shall be or become necessary or required before or after the Principal Debtor's indemnification by the Surety Insurer.

5.6. **Inspection**: The Surety Insurer may at any time, in connection with a loss or proof of a loss, examine or require to be produced copies of any corporate records or books, internal documents and correspondence, letters, or other documentation or records in whatever form and wherever situated in the possession or control of the Principal Debtor relating to or connected with this Surety Bond or to any transaction between the Principal Debtor and the Creditor. The Principal Debtor shall, at the request of the Surety Insurer, take any and all reasonable steps to obtain for the Surety Insurer any and all of the aforesaid information in the possession of any other person

relating to or connected with this Surety Bond or any loss hereunder.

5.7. **Notices**: All notices (other than those under Clause 5) provided for all purposes in connection with this Surety Bond shall be in writing vide any valid electronic mode of transmission (including by facsimile transmission) and given to the Principal Debtor and the Surety Insurer, as applicable, at the physical address stated in the Schedule, for the service of all notices for all purposes in connection herewith.

5.8. The Surety Insurer must be notified within xx days and his written confirmation must be secured if there is any increase of the Principal Debtor's underlying obligation under the Contract by a voluntary new transaction entered into between the Creditor and Principal Debtor after the issuance of the Surety Bond and/or any increase in scope of work whether documented in writing or otherwise. The Surety Insurer has, at its sole and absolute discretion, the right to increase the premium rate and/or seek additional collateral or guarantees under the General Agreement of Indemnity or terminate the Surety Bond with retrospective effect as on effective date of change scope/obligation. .

5.9. This Surety Bond is neither negotiable nor assignable/transferable and shall expire in terms of Clause 3.2, after which no claims will be considered or payable by the Surety Insurer. The original copy of this Surety Bond shall be returned to the Surety Insurer after it has expired.

5.10. **Governing Law & Jurisdiction**: This Surety Bond shall be governed by Indian law. Any disputes arising under, in relation and/or in connection with this Surety Bond shall be subject to the exclusive jurisdiction of courts in Mumbai, and parties hereby waive any assumed right to initiate proceedings in any other jurisdiction.

5.11. **Sanction Clause:** The Surety Insurer shall not deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit be contrary to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Address & Contact Details of Ombudsmen Centres

In case you are aggrieved in any way, You should do the following:

1. For resolution of any query or grievance, Insured may contact the respective branch office of The Company or may call us at toll free no. 1800 2666 or email us at customersupport@icicilombard.com or write to us at

   Grievance Redressal Officer
   ICICI Lombard General Insurance Company Ltd.
   ICICI Lombard House, 414, Veer Savarkar Marg,
   Near Siddhi Vinayak Temple, Prabhadevi, Mumbai- 400025. India

2. If you are not satisfied with the resolution provided, you may approach us at the sub section "Grievance Redressal" on our website www.icicilombard.com (Customer Support section).

3. In case your complaint is not fully addressed by the insurer, you may use the Integrated Grievance Management System (IGMS) for escalating the complaint to IRDA. Through IGMS you can register your complaint online and track its status. For registration please visit IRDA website www.irda.gov.in. If the issue still remains unresolved, you may, subject to vested jurisdiction, approach Insurance Ombudsman for the redressal of the grievance.

The details of Insurance Ombudsman are available below:

Sr. No	Name of office of Insurance Ombudsman	Territorial Area of Jurisdiction
1	AHMEDABAD : Jeevan Prakash Building, 6th floor,Tilak Marg, Relief Road, AHMEDABAD – 380 001. Tel.: 079 - 25501201/02/05/06 Email: bimalokpal.ahmedabad@cioins.co.in	State of Gujarat, Dadra & Nagar Haveli, Daman and Diu.
2	BENGALURU : Jeevan Soudha Building,PID No. 57-27-N-19 Ground Floor, 19/19, 24th Main Road, JP Nagar, 1st Phase, Bengaluru – 560 078. Tel.: 080 - 26652048 / 26652049 Email: bimalokpal.bengaluru@cioins.co.in	State of Karnataka
3	BHOPAL : Janak Vihar Complex, 2nd Floor, 6, Malviya Nagar, Opp. Airtel Office, Near New Market, Bhopal – 462 003. Tel.: 0755 - 2769201 / 2769202 Email: bimalokpal.bhopal@cioins.co.in	State of Madhya Pradesh, Chhattisgarh.
4	BHUBANESHWAR: 62, Forest park, Bhubaneswar – 751 009. Tel.: 0674 - 2596461 /2596455 Email: bimalokpal.bhubaneswar@cioins.co.in	State of Odisha
5	CHANDIGARH : S.C.O. No. 101, 102 & 103, 2nd Floor, Batra Building, Sector 17 – D, Chandigarh – 160 017. Tel.: 0172 - 2706196 / 2706468 Email: bimalokpal.chandigarh@cioins.co.in	State of Punjab, Haryana (excluding Gurugram, Faridabad, Sonepat and Bahadurgarh), Himachal Pradesh, Union Territories of Jammu & Kashmir,Ladakh & Chandigarh.
6	CHENNAI : Fatima Akhtar Court, 4th Floor, 453,	State of Tamil Nadu, PuducherryTown and Karaikal (which are part of

	Anna Salai, Teynampet, CHENNAI – 600 018. Tel.: 044 - 24333668 / 24335284 Email: bimalokpal.chennai@cioins.co.in	Puducherry).
7	DELHI : 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel.: 011 - 23232481/23213504 Email: bimalokpal.delhi@cioins.co.in	State of Delhi & following Districts of Haryana - Gurugram, Faridabad, Sonepat & Bahadurgarh.
8	GUWAHATI : Jeevan Nivesh, 5th Floor, Nr. Panbazar over bridge, S.S. Road, Guwahati – 781001(ASSAM). Tel.: 0361 - 2632204 / 2602205 Email: bimalokpal.guwahati@cioins.co.in	State of Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.
9	HYDERABAD : 6-2-46, 1st floor, "Moin Court",Lane Opp. Saleem Function Palace, A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040 - 23312122 Email: bimalokpal.hyderabad@cioins.co.in	State of Andhra Pradesh, Telangana, Yanam and part of Union Territory of Puducherry.
10	JAIPUR : Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur - 302 005. Tel.: 0141 - 2740363 Email: bimalokpal.jaipur@cioins.co.in	State of Rajasthan
11	ERNAKULAM : 2nd Floor, Pulinat Bldg.,Opp. Cochin Shipyard, M. G. Road, Ernakulam - 682 015. Tel.: 0484 - 2358759 / 2359338 Email: bimalokpal.ernakulam@cioins.co.in	State of Kerala, Lakshadweep, Mahe-a part of Union Territory of Puducherry.
12	KOLKATA : Hindustan Bldg. Annexe, 4th Floor, 4, C.R. Avenue, KOLKATA - 700 072. Tel.: 033 - 22124339 / 22124340 Email: bimalokpal.kolkata@cioins.co.in	State of West Bengal, Sikkim, Andaman & Nicobar Islands.
13	LUCKNOW : 6th Floor, Jeevan Bhawan, Phase-II, Nawal Kishore Road, Hazratganj, Lucknow - 226 001. Tel.: 0522 - 2231330 / 2231331 Email: bimalokpal.lucknow@cioins.co.in	Districts of Uttar Pradesh : Lalitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhabdra, Fatehpur, Pratapgarh, Jaunpur,Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ambedkarnagar, Sultanpur, Maharajgang, Santkabirnagar, Azamgarh, Kushinagar, Gorkhpur, Deoria, Mau, Ghazipur, Chandauli, Ballia, Sidharathnagar.
14	MUMBAI : 3rd Floor, Jeevan Seva Annexe, S. V.	Goa, Mumbai Metropolitan Region (excluding Navi Mumbai & Thane).

	Road, Santacruz (W),Mumbai - 400 054. Tel.: 69038821/23/24/25/26/27/28/28/29/30/31 Email: bimalokpal.mumbai@cioins.co.in	
15	NOIDA : Bhagwan Sahai Palace 4th Floor, Main Road, Naya Bans, Sector 15, Distt: Gautam Buddh Nagar, U.P-201301. Tel.: 0120-2514252 / 2514253 Email: bimalokpal.noida@cioins.co.in	State of Uttarakhand and the following Districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaun, Bulandshehar, Etah, Kannauj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farrukhabad, Firozbad, Gautam Buddh nagar, Ghaziabad, Hardoi, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras, Kanshiramnagar, Saharanpur.
16	PATNA : 2nd Floor, Lalit Bhawan, Bailey Road, Patna 800 001. Tel.: 0612-2547068 Email: bimalokpal.patna@cioins.co.in	State of Bihar, Jharkhand.
17	PUNE : Jeevan Darshan Bldg., 3rd Floor, C.T.S. No.s. 195 to 198, N.C. Kelkar Road, Narayan Peth, Pune – 411 030. Tel.: 020-41312555 Email: bimalokpal.pune@cioins.co.in	State of Maharashtra, Areas of Navi Mumbai and Thane (excluding Mumbai Metropolitan Region).

The updated details of Insurance Ombudsman are available on IRDA website: www.irdaindia.org, on the website of General Insurance Council: www.generalinsurancecouncil.org.in, website of the Company www.icicilombard.com or from any of the offices of the Company.