



RICBL
"Your partner for growth and security"

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ROYAL INSURANCE CORPORATION OF BHUTAN LTD.

LETTER OF UNDERTAKING

I, Mr./Mrs. _____ bearing CID No. _____ Proprietor/CEO/Attorney of _____ (Company Name) have proposed for a Bank Guarantee (BG) from the Royal Insurance Corporation of Bhutan Limited (RICBL) amounting to Nu. _____ (_____) against the contract work of _____ (Name of the contract work).

In consideration of the RICBL issuing the BG as proposed, I/We hereby accept and agree to the following terms and conditions:

1. If the BG issued is invoked and I fail to settle it within 15 days from the date of encashment, I understand that the BG will not be converted to a loan but instead the RICBL can proceed against me and/or the mortgaged property to recover the BG amount. I also agree that the loans secured by the properties mortgaged against the BG will also be foreclosed irrespective of whether the loan is performing or non-performing.
2. I authorize RICBL to take over the properties mortgaged against the said BG in order to realize the amount payable by me/us in accordance with the Letter of Guarantee issued by the Mortgagor/Guarantor and in accordance with the said agreement.
3. The guarantee that the Mortgagor/Guarantor has provided herein shall be a continuing guarantee and shall remain in force and operative until all my/our dues under this BG are paid in full.

As stated above, I will be fully responsible and personally liable for any consequences resulting from or caused by the invocation of the BG and failure thereof on my/our part to pay to the RICBL.

Your sincerely

LEGAL STAMP.

Signature of the applicant

Name:

CID No.:

Contact No.:

Witness(signature)

Name:

CID No.:

Contact No.: