

FORM OF BID GUARANTEE

[To be submitted on the letterhead of the issuing institution]

By: [insert name of issuer of the Bid Guarantee]

In favour of: The Stellenbosch Municipality

Terms with initial capital letters, unless otherwise defined herein, have the meanings given to them in the RFP.

WHEREAS the Stellenbosch Municipality has issued a Request for Proposals for the appointment of Independent Power Producers under the Stellenbosch Municipal Independent Power Producer Procurement Programme ("**STMIPPPP**"), Tender No: BSM 89/25 ("**RFP**") for the establishment of new generation capacity from two Technologies: Solar PV and BESS and for the purpose of entering into, *inter alia*, Power Purchase Agreements with the Stellenbosch Municipality as Buyer.

AND WHEREAS ***[insert the names of ALL Members of the Bidder consortium, or if the Bidder is a Project Company, the name of the Project Company]*** ("**Bidder**") intends to submit a Bid Response to the RFP;

AND WHEREAS the Stellenbosch Municipality requires the Bidder to provide an on demand guarantee in favour of the Stellenbosch Municipality in the amount of R10 000 (ten thousand Rand) per MW ("**Guarantee Amount**") of the Contracted Capacity of the proposed Facility for the Project in respect of which the Bidder submits that Bid Response, to secure certain undertakings or obligations of the Bidder under the RFP;

AND WHEREAS we, ***[insert name of issuer of the Bid Guarantee]*** ("**Bank / [Insurer (substitute throughout if applicable)]**") have agreed to issue this guarantee to secure such undertaking and obligations of the Bidder ("**Bid Guarantee**").

NOW THEREFORE:

1. The Bank, duly represented by _____ being duly authorised to sign this Bid Guarantee, hereby irrevocably and unconditionally guarantees and as a primary obligation undertakes to pay the Stellenbosch Municipality without objection or argument amounts not exceeding in aggregate the Guarantee Amount, such payment(s) to be made by the Bank upon first written demand by the Stellenbosch Municipality being received at the Bank's counter, situated at [●], attention [●], declaring that the Bidder has:
 - 1.1 breached any law relating to the STMIPPPP or been disqualified from the STMIPPPP as a result of its actions;
 - 1.2 submitted a Bid Response which is not a Compliant Bid;
 - 1.3 failed to extend the term of a Bid Guarantee after agreeing to the Stellenbosch Municipality's request to extend the Bid Validity Period as permitted in the RFP; or
 - 1.4 after being provisionally appointed as Preferred Bidder, failed to issue the required Preferred Bidder Guarantee to the Stellenbosch Municipality within the stipulated time-period.
2. More than one demand may be made under this Bid Guarantee, provided that the aggregate amount payable shall not exceed the Guarantee Amount.
3. Payment of the amount(s) so demanded will be made without set-off or deduction to the following account, or such other account as the Stellenbosch Municipality may notify the Bank in writing:

Bank: [insert]

Account Name: [insert]

Account Type: [insert]

Account Number: [insert]

Branch Name: [insert]

Branch code: [insert]

SWIFT Code: [insert]
4. This Bid Guarantee shall be valid and effective valid and effective for the period from the date of its issue until the expiry of the relevant Bid Validity Period or, in the case of a Preferred Bidder, the date on which the Preferred Bidder Guarantee is duly received by the Stellenbosch Municipality as required in terms of clause 10.2.1 (*Preferred Bidder Guarantee*) of the RFP.
5. This Bid Guarantee shall remain valid during the above period notwithstanding the Bidder's insolvency, winding-up, liquidation, business rescue, dissolution or deregistration, whether provisionally or finally, of any Member of the Bidder or the Bidder itself (if it is a legal entity) or any other person.
6. Notwithstanding the above provisions, this Bid Guarantee shall terminate and be returned to the Bank within fifteen (15) Business Days of payment of an amount or amounts which in aggregate equal the Guarantee Amount, or, of expiry of the Bid Guarantee as set out above.

7. This Bid Guarantee shall be governed by the laws of the Republic of South Africa, and the parties hereto consent and submit for the benefit of the Stellenbosch Municipality to the non-exclusive jurisdiction of the Western Cape Division of the High Court of South Africa.

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Signature of Representative

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Signature of Representative

Date:.....

Date:.....