

GENERAL TERMS & CONDITIONS TO CONTRACTS
(JUNE, 1992 EDITION)

ADDENDUM NO. 7

CLAUSE 29 – PAYMENT

Add sub-Clause 29.g. (*advance payment bank guarantee*) as detailed hereunder:

“29.g. CONTRACTOR shall procure and deliver to OWNER a duly executed bond in the form of an Advance Payment Guarantee from a local Bahraini Bank as a pre-condition for processing the Advance Payment. The Advance Payment Guarantee shall cover the full Advance Payment and shall be unconditional and payable to the OWNER upon first notice from the OWNER to the bank regardless of any objection from the CONTRACTOR. Subject to the sole discretion of the OWNER, the amount of the Advance Payment Bank Guarantee shall be reduced automatically upon reimbursement (amortization of the advance payment). The Advance Payment Bank Guarantee shall enter into force at least one day prior to the receipt of the advance payment and shall expire upon full reimbursement of the advance payment or as decided by the OWNER. No Advance Payment shall be paid without submission of a duly executed Advance Payment Guarantee as stated in this sub-clause.”