

BANK GUARANTEE FORM IN RESPECT OF EARNEST MONEY

(To be furnished on stamp paper of appropriate value)

PAKISTAN STEEL MILLS CORPORATION (PVT) LTD,
BIN QASIM, KARACHI:

BID / OFFER TO SUPPLY _____ TONNES (+/-10%) OF IRON ORE (FINE)
TO THE COMPANY PURSUANT TO INVITATION NO: BMD/13/IOF/IOL/15
DATED: _____.

Dear Sirs,

M/s _____ (hereinafter called the Bidder/Offeree
are submitting their bid against your captioned invitation of offer have requested us to
issue a Bank Guarantee for US\$ _____ (IN FIGURES) US Dollars (IN WORDS
_____) in your favour as Earnest Money
to ensure their compliance with conditions of the bid / offer submitted by them

Therefore, we hereby agree to pay unconditionally forthwith to PAKISTAN
STEEL's, without any reference to the bidder/offeree, on PAKISTAN STEEL first
demand in writing stating that the bidder/offeree has failed to fulfill the terms and
conditions of the bid/offer without any further statement of particulars of such failure and
notwithstanding any contention by the bidder/offeree, an amount of US\$ (IN
FIGURE) _____ (US\$ (IN WORDS) _____
_____ only). The sole judge for deciding whether the bidder/offeree
has failed to fulfill the terms and conditions of the bid/offer shall be
CEO, PAKISTAN STEEL in its sole discretion.

This Guarantee is valid upto _____. Claim, if any, must be received
by us in writing on or before _____ after which we will no longer be liable
to make payment to you and we shall be released and discharged from all our liabilities
hereunder, unless validity of the same has been extended by us.

This guarantee will automatically and immediately become null and void if the
contract is awarded to another bidder/offeree.

Our liability under this Guarantee shall in any case NOT exceed the sum of
US \$ _____.

This Guarantee should be returned to us as soon as it expires or becomes null
and void. Irrespective of its return. We will consider ourselves fully released and
discharged from all our obligations and commitments hereunder.

Yours faithfully,

(B A N K)

PERFORMANCE BANK GUARANTEE FORM
IN RESPECT OF CONTRACT

(TO BE FURNISHED ON NON-JUDICIAL STAMP PAPER OF APPROPRIATE VALUE)

WHEREAS PAKISTAN STEEL MILLS CORPORATION LIMITED a company
incorporated under the Companies Act-1945 and having the registered office at Bin
Qasim, Karachi, (hereinafter called the Corporation) by an agreement made between

(hereinafter called the supplier) has awarded the contract (Hereinafter called the
contract) vide No:

for the supply of goods specified in the said
contract.

AND WHEREAS in accordance with the provision of Clause _____ of the Contract the supplier is required to furnish a bank guarantee for the due performance and observance of all the terms provisions and stipulations of the contract by the supplier has requested _____ Bank Limited to issue the said guarantee for an amount of Rupees _____ (Rs. _____) equivalent to (_____) percent of the total value shown in the contract.

In consideration of the premises we _____ Bank Limited _____ hereby guarantee irrevocably and unconditionally forthwith to pay to the Corporation without reference to the supplier on the first demand of the Corporation in writing stating that the supplier has committed a default under the contract without any further statement of the particulars of such default and not with standing any contestation by the supplier an amount not exceeding Rs. _____

(Rupees _____) and we _____ Bank Limited hereby further declare that no alteration in the terms of the contract or in the scope extent of nature of supplies therein and no allowances of time by the Corporation under the contract nor any forbearance or forgiveness in or in respect of any matter or thing concerning the contract on the part of Corporation shall in any way release this Bank from any liability under this guarantee.

The validity of this guarantee shall expire after _____ days on _____ of the completion of delivery of supplies to contract. After its expiry the Corporation shall return this guarantee to the supplier for cancellation by this bank.

NAME OF BANK WITH ADDRESS:

AUTHORIZED OFFICER OF THE BANK: