**BENEFICIARY: LUAMPA TOWN COUNCIL**

 **THE COUNCIL SECRETARY**

 **CIVIC CENTRE**

 **P.O BOX 940073**

 **KAOMA**

 **ZAMBIA**

**DATE: 21TH AUGUST 2025**

**ADVANCE PAYMENT GUARANTEE NO: DICL/BONDS/ADV/0084/08/2025**

We have been informed that **TITANIC CONSTRUCTION AND GENERAL SUPPLIERS LIMITED, FIRST FLOOR ROOM 1, AIRTEL BUILDING, CHIPATA TOWN CENTER ,** (hereinafter called “the Contractor) has entered into a Contract with you, for the execution of **THE** **CONSTRUCTION OF 1X3 CLASSROOM BLOCK AT IKUTA COMMUNITY SCHOOL IN LUAMPA DISTRICT** (Hereinafter called ‘’the Works)

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum of **ZMW 305,957.50 (ZAMBIAN KWACHA THREE HUNDRED FIVE THOUSAND, NINE HUNDRED FIFTY SEVEN AND FIFTY NGWE ONLY)** is to be made against an advance payment guarantee.

At the request of the Contractor, we **DISCOVER INSURANCE COMPANY, PLOT NO. 27, NJOKA ROAD, OLYMPIA PARK, LUSAKA** hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount **ZMW 305,957.50 (ZAMBIAN KWACHA THREE HUNDRED FIVE THOUSAND, NINE HUNDRED FIFTY SEVEN AND FIFTY NGWE ONLY)** Upon receipt by us of your demand in writing accompanied by a written statement stating that the contractor is in breach of its obligation(s) under the contract, proving and showing grounds for your demand or the sum specified therein, In the prescribed manner and form in line with the uniform rules of demand guarantee because the Contractor used the advance payment for purposes other than performing its obligations under the contract or costs of mobilization in respect of the works.

It is the condition for any claim and payment under this guarantee to be made that the advance payment referred to above must have been received by the Contractor on its account number and claim at **DISCOVER INSURANCE COMPANY, PLOT NO.27, NJOKA ROAD, OLYMPIA PARK, LUSAKA.**

The maximum amount for this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Contractor as indicated in copies of interim statements or payment repaid by the Contractor as indicated in copies of interim statements or payment certificates which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of a copy of the interim payment certificate indicating that eighty (80) percent of the contract price has been certified for payment, or on the **19th** dayof **DECEMBER 2025** whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No.458

**DISCOVER INSURANCE COMPANY**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  Richard LubembaThule Nampungwe

**DEPUTY MANAGING DIRECTOR UNDERWRITING MANAGER**