

EQUIVALENT INSTRUMENT TO BANKER’S GUARANTEE

1. In accordance with section 41(3) of the [Forestry Act](#),

Iof
Bank,
(Bank Managers Name) (Bank Name)

....., confirm that
.....
(Bank Address) (Licensee’s Name)

Director of (the Licensee) has
established
(Licensee’s Company)
a banker’s guarantee at this bank of VT this being the banker’s
guarantee required in the terms of the timber licence granted to him on
..... 20..... by the Director for Forests.

2. I understand and agree that the following conditions apply to this guarantee:

(a) the guarantee must last for the duration of the licence, and

(b) the bank on receiving written instructions from the Director must deduct from the guarantee and pay to the Government such sums as may represent any Licence fees, penalties or Forest Management charges as are prescribed in the licence or payable under the [Forestry Act](#), and

(c) the bank must immediately notify the Director if the sum required by him exceeds the balance of the guarantee, and

(d) the licensee may only reduce the guarantee if the balance exceeds the original sum guaranteed, and

(e) in the event that the licence expires or is cancelled, the Director must notify the bank and the guarantee must be cancelled.

3. I understand and agree that the bank must under no circumstances be held liable for any deductions made from the guarantee as authorised by the Director.

Signed:
Bank Manager

SCHEDULE 3