

To be completed by the contractor's bank or financial institution on paper bearing its letterhead

## PERFORMANCE GUARANTEE

Contract title: [insert]  
Tender no: [insert]  
Beneficiary: [name and address of Contracting Authority]  
Date: [insert]



DEAR SIR/MADAM,

**OUR GUARANTEE REFERENCE NUMBER:** [insert]

Performance Guarantee for the full and proper execution of contract [contract number and title]

We have been informed that [name and address of the Contractor] (hereinafter "the Contractor") has entered into the above-mentioned contract with you on [insert date], for the supply of [description of goods] (hereinafter called "the Contract"). We understand that, according to the conditions of the Contract, a performance guarantee is required for 10% of the total contract amount.

We, the undersigned, [name and address of financial institution], hereby irrevocably undertake to pay you any sum(s) not exceeding a total amount of [amount in figures corresponding to 10% of the Contract amount, in the currency of the Contract] ([amount in words]) upon receipt by us of your first written demand declaring the Contractor to be in default under the Contract, without dispute or argument or your needing to prove or to show grounds or reasons for your demand or the sum(s) specified therein.

Such demand and statement shall therefore be accepted as conclusive evidence of our guarantee obligation and we shall not delay the payment, nor shall we oppose it for any reason whatsoever.

We accept that no amendment to the terms of the Contract can release us from our obligations under this guarantee. We waive the right to be informed of any change, addition or amendment to the Contract.

We shall make the payment to your account no. <insert account no., SWIFT no. and full banking details of the Contracting Authority>

This guarantee will enter into force and take effect from the date of its signature and will expire, whether returned to us for cancellation or not upon expiry of the warranty period as defined in the General Terms and Conditions for Supply Contracts - Ver4 2012.

This guarantee is not transferable or assignable.

Name: .....

Position: .....

Signature<sup>1</sup>: .....

Date: .....

<sup>1</sup> The name(s) and position(s) of the persons signing on behalf of the guarantor must be shown in printed characters.

A handwritten signature in blue ink, appearing to be 'JP' or similar initials, located in the bottom right corner of the page.