**TEMPLATE GEN 10-3: Performance Guarantee**

(Recommended for Procurements above EUR 50,000)

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| *Where you see:* **(Note:….)** *this is just a guidance for you and you shall delete these notes from the document.*    *Where you see <…> please enter information.*    *Options are marked* (Option:…)    ***Where this appears*** [insert] ***it is the supplier who shall insert information.*** |

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 expire 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[[1]](#footnote-1): ……………................................... Date: .........................................................

1. The name(s) and position(s) of the persons signing on behalf of the guarantor must be shown in printed characters. [↑](#footnote-ref-1)