

Zurich, .....

**PERFORMANCE GUARANTEE NO. ....**

Dear Sirs,

We have been informed that you have concluded on a contract no. (hereinafter: the „Contract“) with Messrs. (hereinafter the „Seller“) for the supply of at a total price of

At the request of the Seller, we, Bank XY, hereby irrevocably undertake to pay you on first demand, irrespective of the validity and the legal effects of the above mentioned Contract and waiving all rights of objection and defense arising from said Contract, any amount up to

..... (amount in words)

upon receipt of your written request for payment confirming that the Seller has failed to fulfill their contractual obligations under the above mentioned Contract and that as a consequence you have suffered a loss equalling the amount requested under the Performance Bond.

**REVOLVER 1**

**THE AMOUNT AVAILABLE HEREUNDER SHALL AUTOMATICALLY BE REINSTATED IN FULL FOR THE ORIGINAL ISSUANCE AMOUNT AFTER EACH AND EVERY DRAWING.**

**REVOLVER 2**

**THIS GUARANTEE MAY BE EXTENDED AT THE BENEFICIARY'S REQUEST FOR A FURTHER PERIOD OF UP TO ONE CALENDAR YEAR PROVIDED THE ULTIMATE EXPIRY DATE DOES NOT EXCEED XX.XX.200X**

**REVOLVER 3**

**THIS GUARANTEE SHALL AUTOMATICALLY REVOLVE TWICE UP TO FINAL EXPIRY DATE OF XX.XX.200X.**

**Reduction Clause**

- . The amount available hereunder shall be reduced by the amount of any payment(s) made, or;*
- i. presentation to the Bank by the Seller of a copy of invoice(s) and bill(s) of lading as proof of shipment for X% of the relevant invoice value duly confirmed by means of buyer's stamp and signature, which shall be advised by the Bank to the Buyer by tested telex/authenticated swift confirming despatch by international courier of the corresponding documents, or;*
  - ii. for X% of nominal value in (part) payment of goods, payment being made under this guarantee by the Buyer, with payment instructions indicating the above noted guarantee reference number.*

For purposes of identification, your written request for payment will only be considered as valid if it is presented to us through the intermediary of a first-rate bank which confirms that the signatures on your request for payment are legally binding upon you.

The total amount of this indemnity will be reduced by any payment effected thereunder.

Your claim will be considered as having been made once we are in possession of your written request for payment and/or an authenticated swift/telex from your bank.

Our indemnity is valid until

.....(date in words)

and expires in full and automatically if we have not received your claim on or before that date, regardless of such date being a banking day or not.

This indemnity is governed by Swiss law. Place of jurisdiction is Zurich 1.

Yours faithfully,  
Bank XY