

SECTION - VII/4

**BANK GUARANTEE FORM FOR PERFORMANCE SECURITY**

To

.....

.....

(Name and address of the purchaser)

WHEREAS.....(*name and address of the supplier*)

(hereinafter called "the supplier") has taken, in pursuance of contract No.....

dated.....to supply.....(*description of goods and services*)

(hereinafter called "the contract").

AND WHEREAS it has been stipulated by you in the said contract that the supplier shall furnish you with a bank guarantee by a recognised bank acceptable to you, for the sum specified therein as security for compliance with its (supplier's) obligations in accordance with the contract ;

AND WHEREAS we have agreed to give the supplier such a bank guarantee;

NOW THEREFORE we hereby affirm that we are guarantors and responsible to you, on behalf of the supplier, up to a total of..... [*amount of the guarantee in words and figures*], such sum being payable in the types and proportions of currencies in which the contract price is payable, and we undertake to pay you upon your first written demand declaring the supplier to be in default under the contract

and without caveat or argument, any sum or sums within the limits of [amount of guarantee] as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

We further undertake to pay you the sum so demanded notwithstanding any dispute or disputes raised by the supplier in any suit or proceedings pending before any court or tribunal relating thereto liability under this present being absolute and univocal.

We also hereby waive the necessity of your demanding the said amount from the supplier before presenting us with the demand.

We further agree that you shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder, to vary any of the terms and conditions of the contract or to extend the time of performance by the supplier from time to time or to postpone for any time or from time to time any of the powers exercisable by you against the supplier and to forbear or enforce any of the terms and conditions relating to the contract and we shall not be relieved from our liability under this guarantee.

This guarantee shall be valid and shall remain in force until.....day of ..... , 20.....

Dated the.....day of.....20.....

for.....

(name of the Bank

Signature.....

Name of the officer.....

(in Block letters)

Designation of the officer.....

Code No.....

Name of the Bank and full address.