

Performance Guarantee No. \_\_\_\_\_

We have been informed that you, \_\_\_\_\_, hereinafter called the BUYER, [have concluded the contract No. \_\_\_\_\_ of \_\_\_\_\_, hereinafter called the CONTRACT, with]<sup>1</sup> \_\_\_\_\_, hereinafter called the SELLER, according to which the SELLER will deliver to the BUYER

\_\_\_\_\_ (goods as described in contract / order) \_\_\_\_\_,

in the total value of \_\_\_\_\_.

As agreed the SELLER has to provide a bank guarantee in favour of the BUYER, amounting to \_\_\_% of the total value, i.e. \_\_\_\_\_, to cover the fulfilment of the SELLER's delivery obligations under the CONTRACT.

In consideration of the aforesaid, we, COMMERZBANK Aktiengesellschaft, \_\_\_\_\_, hereby issue the guarantee on behalf of the SELLER towards the BUYER in the maximum amount of

\_\_\_\_\_ (in words: \_\_\_\_\_)

and undertake irrevocably

without consideration of any objections and defences of the SELLER or third parties and irrespective of the validity and legal effect of the CONTRACT<sup>2</sup> and waiving any objections arising therefrom

to pay to the BUYER any amount claimed from us by the BUYER up to the maximum amount of this guarantee upon receipt of the BUYER's first demand in writing, in which the BUYER simultaneously confirms that the SELLER is in breach of its delivery obligations under the CONTRACT<sup>2</sup>.

[For reasons of identification, each claim under this guarantee shall be transmitted to us via the bank of the BUYER which shall confirm that the BUYER's demand for payment is signed by the BUYER in a legally binding manner.]<sup>3</sup>

<sup>1</sup> If reference to an "order" instead of a "contract" is requested, replace the text between [...] as follows: "have given the order no. \_\_\_\_\_, dd. \_\_\_\_\_, hereinafter called the ORDER, to"

<sup>2</sup> In accordance with preamble, replace CONTRACT by ORDER

<sup>3</sup> Paragraph optional, only if requested by the principal of the guarantee

The obligation under this guarantee shall expire [as soon as the original of this guarantee has been returned to us by the BUYER or a third party for discharge, but it expires in any case at the latest ]<sup>4</sup>on \_\_\_\_\_. Any claim for payment complying with the above conditions must be received by us within the validity period of this guarantee.

[The rights under this guarantee shall only be assignable with our prior consent.]<sup>3</sup>

[This guarantee shall be governed by the law of the Federal Republic of Germany. Exclusive place of jurisdiction shall be \_\_\_\_\_<sup>5</sup> \_\_\_\_\_.]<sup>3</sup>

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<sup>4</sup> [...] not applicable in case of electronic transmission of the guarantee

<sup>5</sup> Location of the branch/entity issuing the guarantee