

ANNEX V: MODEL PERFORMANCE GUARANTEE

<To be completed on paper bearing the letterhead of the financial institution >

For the attention of

<Name and address of the Contracting Authority>
referred to below as the “Contracting Authority”

Subject: Guarantee No...

Performance Guarantee for the full and proper execution of contract <Contract number and title>
(please quote number and title in all correspondence)

We the undersigned, <name and address of financial institution>, hereby irrevocably declare that we guarantee as primary obligor, and not merely as a surety on behalf of <Contractor's name and address>, hereinafter referred to as “the Contractor”, payment to the Contracting Authority of <amount of the performance guarantee>, representing the performance guarantee mentioned in Article 11 of the Special Conditions of the contract <contract number and title> concluded between the Contractor and the Contracting Authority, hereinafter referred to as “the Contract”.

Payment shall be made without objection or legal proceedings of any kind, upon receipt of your first written claim (sent by registered letter with confirmation of receipt) stating that the Contractor has failed to perform its contractual obligations fully and properly and that the Contract has been terminated. We shall not delay the payment, nor shall we oppose it for any reason whatsoever. We shall inform you in writing as soon as payment has been made.

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

We note that the guarantee will be released within 45 days of the issue of the final acceptance certificate [and in any case at the latest on (at the expiry of 18 months after the implementation period of the Contract)]¹.

The law applicable to this guarantee shall be that of <country of the Contracting Authority/country in which the financial institution issuing the guarantee is established>. Any dispute arising out of or in connection with this guarantee shall be referred to the courts of <name of the country of the Contracting Authority>

This guarantee shall enter into force and take effect upon its signature.

Name: Position:

² Signature: Date: <Date>

¹ This mention has to be inserted only where the law applicable to the guarantee imposes a precise expiry date

² The name(s) and position(s) of the persons signing on behalf of the guarantor must be shown in printed characters.