

Herrn  
Max Mustermann  
Musterstrasse 1  
12345 Musterstadt

**Payment Guarantee No.**

We have been informed that you have concluded a contract with Messrs. \_\_\_\_\_ for the supply of \_\_\_\_\_ at a total price of \_\_\_\_\_. According to this contract payment of the goods supplied up to \_\_\_\_\_ ( \_\_\_\_\_ % of the total price) shall be secured by a bank guarantee.

This being stated we \_\_\_\_\_ [Sparkasse], waiving all rights of objection and defence arising from the principal debt hereby irrevocably undertake to pay to you upon your first demand any amount up to \_\_\_\_\_

amount in words.

1. upon receipt of your written request for payment and your written confirmation stating that
  - you have supplied Messrs \_\_\_\_\_ with the goods ordered in conformity with the terms of the contract and
  - you have not received payment from Messrs \_\_\_\_\_ at the due date in the amount claimed under this guarantee.
2. accompanied by a copy of the unpaid invoice

For the purpose of identification your request for payment and your confirmation have to be presented through the intermediary of a first rate bank confirming that the signatures are legally binding upon your firm. For the avoidance of doubt any document(s) received by way of facsimile or similar electronic means is/are not acceptable for any purposes under this guarantee.

Our guarantee is valid until \_\_\_\_\_ and expires in full automatically should your written request and your confirmation not be in our possession by that date irrespective of whether the present instrument is returned to us or not.

With each payment under this guarantee our obligation will be reduced pro rata.

This guarantee is personal to you and is not assignable.

This guarantee is governed by the law of the Federal Republic of Germany, place of jurisdiction is \_\_\_\_\_.