

Specimen of a Payment Guarantee

We understand from

(Complete Company Name and Address)
Federal Republic of Germany
- hereinafter called "buyer" -

that on *(Date)* they have placed with you an order *(Number)* for the supply of *(Specification of Supply)* in a total value of *(Currency) (Amount)*. The terms of payment provide for: A bank guarantee covering due payment of the goods is to be furnished by the buyer.

On the instructions of the buyer, we, **Sparkasse Trier**, hereby irrevocably undertake to pay to you an amount not exceeding

(Currency) (Amount in Figures)
(say: *(Currency) (Amount in Words)*)

upon receipt of your first written demand (but excluding telefax message) - accompanied by a copy of the unpaid invoice and this document –confirming that the buyer has failed to comply with his payment obligations as agreed upon.

For identification purposes, please, send us your written payment request containing the above declaration together with a copy of the unpaid invoice and this document via your bankers requesting them to confirm to us the authenticity of signatures on your demand.

Our guarantee expires upon return of this instrument to us, latest however on *(Date)* if and so far as we have not received a claim hereunder in writing at our counters in Trier on or before that date.

This document is to be returned to us when our guarantee is no longer required or its validity has expired.

Claims and rights resulting from this guarantee can only be assigned with our prior written consent.

This guarantee is governed by the law of the Federal Republic of Germany. Non-exclusive place of jurisdiction is Trier.