

Note:

The translation from the Serbian language to the English language of the General Terms for the supply of Goods intended for the Joint Stock Telecommunications Company Telekom Srbija Beograd, is provided to inform in English all interested parties about the contents of the document which is the subject of the translation.

The Joint Stock Telecommunications Company Telekom Srbija Beograd particularly points out that the version of the text "The General Terms for the Supply of Goods Intended for the Joint Stock Telecommunications Company Telekom Srbija Beograd, number 476497/2-2017 dated 06/12/2017", which is the subject of the translation in this document and published in the Serbian language on the Internet page <https://www.mts.rs/otelekomu/javne-nabavke/opsti-uslovi> is exclusively and solely legally valid and applicable.



Belgrade, Takovska 2

Number:

Date:

GENERAL TERMS FOR SUPPLY OF GOODS INTENDED FOR JOINT STOCK TELECOMMUNICATIONS COMPANY TELEKOM SRBIJA BEOGRAD

The General Terms for the supply of Goods intended for Joint Stock Telecommunications Company Telekom Srbija Beograd (hereinafter: the General Terms) determine the uniform rules for commercial companies which are contractual partners of Joint Stock Telecommunications Company Telekom Srbija Beograd (hereinafter: the Client) in terms of regulating mutual relations regarding the supply of Goods. The Purchase Order shall specify the rules and obligations of the Parties determined by these General Terms for the particular project. The Client may change, supplement or replace the General Terms by other General Terms in accordance with its business policy, whereas the General Terms in force at the moment of the Purchase Order effective date shall be applied to each particular project.

Article 1 Definitions

Particular expressions used in the General Terms shall have the following meanings:

- 1) **The Client** means Joint Stock Telecommunications Company Telekom Srbija Beograd,
- 2) **The Supplier** means the entity to which a Purchase Order is issued by the Client, pursuant to accepted Supplier's bid for particular project,
- 3) **The Parties** means collectively the Client and the Supplier, and individually the "Party";
- 4) **General Terms** means the general terms for the supply of Goods applied to projects of Goods supply,
- 5) **Purchase Order** means special terms for the supply of Goods, issued to the Supplier by the Client for the particular project, pursuant to the accepted Supplier's bid. The following important elements per individual procurement of the Client shall be determined by the Purchase Order: the scope of the Purchase Order, value of the Purchase Order, payment terms, deadline and place of Goods delivery, manner of acceptance, warranty period, contact data and other important elements for the implementation of particular project. Attachments to the Purchase Order are as follows: accepted Supplier's bid, specification with unit prices and total price and other documents relevant for implementation of particular project. The General Terms shall apply to everything not specially regulated by the Purchase Order,
- 6) **Goods** means telecommunications material, tools, measuring instruments, spare parts, maintenance equipment, air conditioners, air-conditioning units, diesel power generators, rectifiers, rechargeable batteries, fan coil devices, furniture, stationery, official clothing and footwear, newspapers, magazines and other goods during procurement of which the Client invokes these General Terms, and which shall be specified in each individual Purchase Order.

Article 2 Scope of General Terms

The scope of the General Terms is to regulate the mutual relations of the Parties regarding the supply of Goods, which are specified in detail in the Purchase Order. The Supplier shall deliver the Goods all in accordance with the Supplier's bid which has been accepted by the Client, attachments which shall constitute an integral part of the Purchase Order and these General Terms. The supply of Goods may include the assembly thereof, which shall be defined in the Purchase Order.

Article 3 Value of Purchase Order

The value of the Purchase Order shall be quoted in RSD. All variable costs incurred until delivery to Client's site shall be included in the value of the Purchase Order exclusive of the value added tax.

The prices stated in the Purchase Order shall be fixed (unchangeable) for the period of performance of the contractual obligations.

Article 4 Payment terms

The payment for the delivered Goods shall be effected by the Client in accordance with the applicable Financial Policy of the Client and shall be specified in the Purchase Order.

Article 5 Elements and manner of invoice submission

The invoice must include all the elements prescribed by the Law on Value Added Tax of the Republic of Serbia and the by-laws.

The invoice with the accompanying documents shall be submitted to the Client's file room indicating the competent organizational unit of the Client, which shall be stated in the Purchase Order.

The invoices which are not made in accordance with the above stated shall be returned to the Supplier and the payment shall be deferred to the detriment of the Supplier until the correct invoice is submitted.

The time limit for the issuance of the invoice shall be 3 (three) days from delivery date at the latest.

Article 6 Place and deadline of Goods delivery

The place of Goods delivery is the Client's site, which shall be stated in the Purchase Order.

The deadline for delivery of Goods shall be stated in the Purchase Order. In case of delay in delivery due to the reasons attributable to the Client, the Supplier shall be entitled to a proportional extension of deadline.

Article 7 Liquidated damages

In case the deadlines for the performance of contractual obligations defined in the Purchase Order are exceeded due to the reasons that can be attributed to the Supplier, the Client is entitled to collect the liquidated damages amounting to 2‰ (two per mill) of the value of delayed Goods/assembly, for each day of delay, and maximum up to 10% (ten percent) of the total value of the Purchase Order for all delays during the contracted period.

The Client is entitled to collect the liquidated damages without a specific notice to the Supplier by issuing the relevant calculation with payment term of 15 (fifteen) days as of the issuance date thereof.

The collection of liquidated damages shall not exclude the Client's right to indemnification.

Article 8 Performance bond security instrument

Depending on the value of the secured amount, the Supplier undertakes to submit the relevant performance bond security instrument.

Performance bond security instrument for the value of secured amount of up to RSD 3,000,000.00

The Supplier is obliged, upon the Purchase Order signature and within 5 days after the Purchase Order effective date at the latest, to submit to the Client the signed, certified and registered blank promissory note with endorsement letter for good and timely performance of all the Supplier's contractual obligations. The Model of Endorsement Letter is given in Attachment 1 hereto.

The Endorsement Letter shall be issued in the amount of 10% of the total value of the Purchase Order and shall be valid for further 30 days after the expiration of the defined deadline for delivery/assembly of Goods. When the Goods are subject to warranty, the indorsement letter shall be valid for further 30 days after the expiration of the warranty period for the delivered Goods.

The promissory note shall be collected if the Supplier fails to fulfil its obligations as provided for under the General Terms and the Purchase Order.

If the promissory note is collected by the Client, the Supplier is obliged to provide new, signed, certified and registered blank promissory note under the same conditions.

Performance bond security instrument for the value of secured amount of over RSD 3,000,000.00

The Supplier undertakes, upon signing of the Purchase Order and within 5 days after the Purchase Order effective date at the latest, to provide and submit to the Client an irrevocable and unconditional bank guarantee for good and timely performance of all Supplier's contractual obligations, payable on first demand and without objection.

The bank guarantee shall be issued by a bank acceptable for the Client in the amount of 10% of the total value of the Purchase Order, made in accordance with the model from Attachment 2 hereto. The performance bond security instrument shall be valid for further 30 days after the expiration of the defined deadline for the delivery/assembly of the Goods. When the Goods are subject to warranty, the bank guarantee shall be valid for further 30 days after the expiration of the warranty period for the delivered Goods.

The Client is entitled to collect the performance bond bank guarantee if the Supplier fails to fulfil its obligations as provided for under the General Terms and the Purchase Order.

The costs of the bank guarantee shall be borne by the Supplier.

For the value of the Purchase Order of up to RSD 250,000.00, the submission of security instrument is not obligatory, unless expressly stated in the Purchase Order.

Article 9 Packaging

The Goods must be packed in the appropriate manner which ensures their complete protection against corrosion, damage and loss during transport, handling operations and warehousing. The costs of packaging and replacement of damaged package shall be borne by the Supplier.

The Goods must be in the original packaging with the Goods manufacturer's certificate which guarantees product originality and entire technical documentation (where applicable).

The Supplier shall not charge separately the primary packaging.

Article 10 Acceptance

Each individual Purchase Order will state which of the below mentioned ways of acceptance of Goods shall be applied to the particular procurement.

If there are certain specificities of acceptance of certain types of Goods, they shall be defined in the Purchase Order or its attachments that form an integral part of the Purchase Order.

The Goods for which the Client has previously performed the qualification must meet the Client's Technical Requirements on the basis of which the qualification has been recognized.

For the acceptance of Goods subject to the obligation of compliance with the technical regulations of RATEL or other competent authorities of the Republic of Serbia, the Supplier shall be in possession of the valid ZJPTT Attest or valid RATEL Certificate or other certificate issued by the appointed authority for

assessment of the compliance, prescribed by the substantive legal regulations of the Republic of Serbia which govern the area of the compliance of Goods with the technical regulations, as well as Laboratory Testing and Measurement Reports, reports on the control of Goods or other reports that are necessary as evidence of quality of Goods. In the event that the Supplier does not submit the aforementioned certificate prior to the delivery, the Client reserves the right to activate the performance bond security instrument referred to in Article 8 of the General Terms.

The Supplier shall bear all the costs arising from the procedure referred to in the preceding paragraph of this Article.

Variante 1 (Goods for which qualitative acceptance is performed prior to delivery)

The qualitative acceptance of Goods is performed at the Supplier's site or at the manufacturer's premises.

The Supplier is obliged to inform the Client in writing that the Goods are ready for qualitative acceptance. A written request for qualitative acceptance shall be sent to the e-mail address specified in the Purchase Order. The Client will carry out the qualitative acceptance together with the representatives of the Supplier within 7 days as of receipt of the written notice from the Supplier.

If the Client has no objections during the acceptance, the authorized persons of the Client and the Supplier shall sign the Minutes of Qualitative Acceptance without objection.

The Client shall have the right to refuse the acceptance of Goods, which do not correspond to the quality of the Client's requirements, which shall be stated in the Minutes of Objections signed by the authorized persons of the Client and the Supplier. The supplier is obliged, at his own expense, to remedy the objections set out in the Minutes of Objections without further delay.

Upon remedying all established objections, the Supplier is obliged to request a new acceptance. If the Client establishes that all objections have been remedied, the Minutes of Qualitative Acceptance without objections shall be made.

The Client reserves the right to revoke the Purchase Order in case of two unsuccessful acceptances and activate the performance bond security instrument from Article 8 of the General Terms.

The costs of quality control and testing shall be borne by the Supplier.

Upon successful completion of qualitative acceptance, the Supplier will deliver the Goods with the dispatch note, which must include the number of the Purchase Order, number of SAP document, as well as the codes of Goods with names from the Purchase Order and the Minutes of Qualitative Acceptance without objections.

The Supplier is obliged to inform the Client in writing that the Goods are ready for the delivery at least 2 (two) days before the delivery. The Notification of Delivery shall be sent to the e-mail address specified in the Purchase Order.

The acceptance of Goods shall be carried out during delivery of Goods at the Client's site by the authorized persons of the Client and the Supplier by checking the contents of the packages against receiving items.

If the Client has no objections at the time of acceptance, the Client's authorized person shall sign the dispatch note.

The Client shall have the right to refuse the acceptance of Goods the quantities of which do not correspond to the Client's requirements or which are damaged in the transport, which shall be stated in the Minutes of Objections signed by the authorized persons of the Client and the Supplier. The Supplier is obliged, at his own expense, to remedy the objections set forth in the Minutes of Objections, without further delay. If a part of the delivery is missing, the Client may accept the incomplete delivery with the obligation of the Supplier to deliver, at his own expense, the Goods which are missing, without further delay.

Upon remedying all established objections, the Supplier is obliged to request a new acceptance. If the Client establishes that all objections have been remedied, the Client will sign the dispatch note.

The Client reserves the right to revoke the Purchase Order in case of two unsuccessful acceptances and activate the performance bond security instrument from Article 8 of the General Terms.

Each Party shall bear its own acceptance costs.

Variant 2 (Goods for which quantitative and qualitative acceptances are performed after assembly)

The acceptance of Goods is performed at the Client's site.

The Supplier is obliged to inform the Client in writing that the Goods have been assembled at the Client's site. The notification shall be sent to the e-mail address specified in the Purchase Order.

The Client's authorized persons shall carry out an acceptance of goods and conduct a quality control of the performed assembly of the Goods in accordance with the Client's requirements, applicable regulations and recommendations of the manufacturer.

If the Client has no objections at the time of the acceptance, the authorized persons of the Client and the Supplier shall sign the Minutes of Quantitative and Qualitative Acceptance without objections.

The Client shall have the right to refuse the acceptance of Goods, which do not comply in quantity and quality to the Client's requirements, which shall be stated in the Minutes of Objections signed by the authorized persons of the Client and the Supplier. The Supplier is obliged, at his own expense, to remedy the objections set forth in the Minutes of Objections, without further delay.

Upon remedying all established objections, the Supplier is obliged to request a new acceptance. If the Client establishes that all objections have been remedied, the Minutes of Quantitative and Qualitative Acceptance without objections will be made.

The Client reserves the right to revoke the Purchase Order in case of two unsuccessful acceptances and activate the performance bond security instrument from Article 8 of the General Terms.

Each Party shall bear its own acceptance costs.

Variant 3 (Goods for which acceptance is performed at delivery)

Acceptance of Goods is carried out at the Client's site during the delivery of Goods by the authorized persons of the Client and the Supplier.

The supplier is obliged to notify the Client in writing that the quantity of Goods prepared per Purchase Order is ready for delivery at least 2 (two) days before the delivery. The Notification of Delivery shall be sent to the e-mail address specified in the Purchase Order.

The Supplier shall deliver the Goods with the dispatch note, which must contain the number of the Purchase Order, the number of the SAP document, and the Goods codes with the names from the Purchase Order.

The Client's authorized persons shall carry out an acceptance of Goods in accordance with the Client's requirements, applicable regulations and recommendations of the manufacturer.

If the Client has no objections at the time of the acceptance, the authorized persons of the Client and the Supplier shall sign the Minutes of Quantitative and Qualitative Acceptance without objections, i.e. dispatch note.

The Client shall have the right to refuse the acceptance of Goods, which do not comply in quantity and quality to the Client's requirements, or which are damaged in transport, which shall be stated in the Minutes of Objections signed by the authorized persons of the Client and the Supplier. The Supplier is obliged, at his own expense, to remedy the objections set forth in the Minutes of Objections, without further delay. If a part of the delivery is missing, the Client may accept the incomplete delivery with the obligation of the Supplier to deliver, at his own expense, the Goods which are missing, without further delay.

Upon remedying all established objections, the Supplier is obliged to request a new acceptance. If the Client establishes that all objections have been remedied, the Minutes of Quantitative and Qualitative Acceptance without objections will be made, i.e. dispatch note will be signed.

The Client reserves the right to revoke the Purchase Order in case of two unsuccessful acceptances and activate the performance bond security instrument from Article 8 of the General Terms.

Each Party shall bear its own acceptance costs.

Article 11 Warranty period

For the Goods which are subject to the warranty, the warranty period shall be stated in the Purchase Order, as well as for the assembly, in case when the assembly of Goods is also the scope of the Purchase Order.

During the warranty period, the Supplier is obliged to make good of any identified deficiency in the delivered Goods/performed assembly, free of charge, as well as after the warranty period if they result from hidden faults.

The Client is obliged to inform the Supplier in writing of any identified defects and to ensure the Supplier an inspection thereof and remedying of the defects.

Damages which occur due to improper exploitation, inappropriate maintenance or other reasons which cannot be attributed to the Supplier, i.e. manufacturer of Goods, shall be excluded from warranty.

In case there are some additional conditions regarding the warranty, they will be defined in the Purchase Order or its attachments which form an integral part of the Purchase Order.

Article 12 Safety measures and damage rectification

In case that the Purchase Order stipulates the assembly of Goods as well, the Supplier is obliged to undertake all prescribed measures for safe work at the facility and around the facility, to secure the facility during the delivery and assembly against fire and other kinds of damages, and shall be solely responsible for the damage that occurred due to the non-compliance with this provision and the provisions of general regulations related to the safety measures at work.

The Supplier undertakes to hold the Client harmless against all liabilities arising out of any omission or action of the Supplier which violate the law or the General Terms or particular Purchase Order.

The Supplier undertakes to be solely responsible for the damage it causes due to violation of laws, the General Terms or the particular Purchase Order and shall reimburse the caused damage to the Client.

Article 13 Intellectual property rights

In the event that the Client's use and handling of the Goods in the Republic of Serbia should result in a claim for damages by a third party for infringement of its patent, copyrights or other intellectual property rights, the Supplier hereby undertakes to hold the Client harmless fully and without limitations against all liabilities, damages, losses, expenses and acts arising out of such actions and claims and shall take all necessary measures, so as to allow the Client to continue such use, especially such as, at its own expense to secure to the Client the right to use the Goods or, with the Client's approval, to modify the parts of Goods in breach or replace them with other parts which are not in breach.

Article 14 Force Majeure

If Force Majeure events obstructing or preventing the performance of contractual obligations occur after the issuance of the Purchase Order, the time limits for the performance of the contractual obligations of the Parties shall be justifiably extended for the period of the Force Majeure event duration.

Force Majeure assumes extreme and extraordinary events that cannot be predicted, that occurred without the will or influence by the Parties, and that could not be prevented by the affected Party. As Force Majeure events can be understood, but without limitation to, such events as floods, earthquakes and fire, political events (war, large-scale riots, and strikes), imperative decisions of the authorities (ban on export and import traffic). The lack of semi-products and labour will not be considered as Force Majeure.

The Party affected by Force Majeure shall forthwith inform the other Party in writing about the occurrence of unpredicted circumstances and provide the other Party with appropriate evidence.

If the circumstances of Force Majeure are present for more than 3 months, each Party shall have the right to terminate the Purchase Order.

Article 15 Termination of Purchase Order

Should the Client become entitled to maximum liquidated damages, the Client may invite the Supplier by notice in writing to complete the performance of the Purchase Order within the certain period, taking into account the technical and other relevant conditions as well as all delays already occurred. If the Supplier fails to complete the performance in the given period of time, the Client is entitled to forthwith terminate the Purchase Order by notice in writing to the Supplier. Either Party may terminate the Purchase Order by notice in writing to the other Party on the occurrence of any of the following events:

- If the other Party commits a breach of the General Terms and terms of the Purchase Order and after the receipt of a written notice specifying the breach or default of the General Terms and terms of the Purchase Order fails to remedy the breach within 30 days or any other longer period of time set forth in the said notice, and such period of time shall be reasonable taking into account all relevant circumstances;
- If bankruptcy proceedings are instituted against the other Party or the Party becomes insolvent and such proceedings are not dismissed within 90 (ninety) days from the date of proceedings initiation;
- In case of Force Majeure, in accordance with the provisions of Article 14 hereof.

In case of the Purchase Order revocation due to the reasons that can be attributed to the Client, all Goods already delivered until the date of revocation shall be fully paid to the Supplier by the Client within 90 (ninety) days upon the notification on the revocation.

In case of the Purchase Order revocation due to the reasons that can be attributed to the Supplier, the Client shall return to the Supplier all already delivered Goods except for those, if any, the Client decides to keep, and the Supplier undertakes to return to the Client the means paid for the Goods being returned to it.

The provisions set forth in the General Terms and the Purchase Order, that are expressed or by their sense and context are intended to survive the expiration or termination of the Purchase Order shall so survive the expiration or termination thereof such as rights and obligations arising from the provisions on intellectual property rights, confidentiality.

Article 16 Confidentiality

The term "Confidential Information" means any information, written or said, which one Party discloses to the other regarding the particular project, such as information or data concerning products of any Party or its business operations and all other information or data, which the Parties exchanged under the issued Purchase Order, but which have been clearly and visibly stated or adequately indicated (by legend or otherwise) as confidential or protected at the time of their disclosure.

Neither Party shall reveal to a third party any confidential information received from the other Party under the particular project, unless the other Party gives its written consent. The Party receiving such confidential information agrees to treat them as strictly confidential and shall not reveal them, directly or indirectly, to any third person, commercial company, corporation, association or entity, for any purpose whatsoever, and shall not make use of or copy such confidential information in any other way except for the purpose of the supply of Goods. Such confidential information may be disclosed for the purpose of supply of Goods only to employees of the receiving Party who reasonably require access to such information and who have secrecy obligations to the receiving Party and only while this is necessary for the purpose of such performance.

It is assumed that the provisions of confidentiality shall not apply to any information received under the particular project which:

- was known to the receiving Party prior to its receipt from the other Party (and has been documented by the receiving Party);
- became public or (through no act of failure on the part of the receiving Party) becomes generally known;
- is supplied to the receiving Party by a third party which the receiving Party in good faith believes is free to make such disclosure and without restriction on disclosure;
- is own confidential information of the disclosing Party which were disclosed to a third party in a general manner, without limitation to the disclosure;

- which was independently created by the receiving Party without using any of the confidential information submitted to it by the disclosing Party.

The obligation of confidentiality shall be valid for the period of 5 (five) years after the expiration and/or revocation of the Purchase Order.

Article 17 Assignment

Neither Party shall have the right to assign, sell or pledge the Purchase Order or any of its rights and obligations under the General Terms and the Purchase Order to a third party without prior written consent of the other Party.

Article 18 Amendments to Purchase Order

Amendments to the Purchase Order can be made only when agreed by both Parties, by signing the amendment to the Purchase Order by the Client's authorized representative.

Article 19 Substantive law

The contractual provisions and all other matters not explicitly regulated by the General Terms and the Purchase Order, as well as any dispute that may arise in connection with the General Terms and the Purchase Order, shall be governed by substantive legal regulations of the Republic of Serbia.

Article 20 Settlement of disputes

All disputes arising out of or in connection with the General Terms and the Purchase Order, including any question regarding its existence, validity or termination, shall be solved by the Parties on an amicable basis. All disputes which cannot be solved by the Parties on an amicable basis shall be settled by the court with subject matter jurisdiction in Belgrade.

Article 21 Purchase Order effective date

The Purchase Order shall become effective as of the date of its issuance by the Client.

Article 22 General Terms validiy

The General Terms shall become effective as of the date of their announcement.

DIRECTOR GENERAL

Predrag Ćulibrk

Attachments:

Attachment 1: Model of endorsement letter for good performance of work

Attachment 2: Model of performance bond bank guarantee

ATTACHMENT 1

**Endorsement letter for good performance of work
(model)**

DEBTOR

(COMPANY NAME)

ID number. _____

TIN _____

CURRENT ACCOUNT _____ with the bank _____

ISSUES

**ENDORSEMENT LETTER – AUTHORIZATION
- for beneficiary of blank promissory note –**

BENEFICIARY: Joint Stock Telecommunications Company TELEKOM SRBIJA, Beograd, Takovska 2
(Creditor)

We hereby deliver to you blank promissory note with the serial number: _____ and authorize the Joint Stock Telecommunications Company TELEKOM SRBIJA, Beograd, Takovska 2, as creditor, to fill out the blanks of the delivered promissory note with the amount up to 10% of the total value of the Purchase Order no. _____ dated _____ (hereinafter referred to as: Purchase Order), which amounts to RSD _____, if the Debtor fails to meet, completely or partially, its obligations under the Purchase Order, as provided for under the said Purchase Order.

We hereby authorize the Joint Stock Telecommunications Company TELEKOM SRBIJA Beograd, as creditor, to fill out, in compliance with the provisions of the said Purchase Order, the promissory note for the collection of the debt amount pursuant to the provisions of the Purchase Order and to effect unconditionally and irrevocably, without protest and costs, out of court and in compliance with the applicable regulations, the collection at all bank accounts of (NAME OF DEBTOR) and in favour of the Joint Stock Telecommunications Company TELEKOM SRBIJA Beograd, Takovska 2.

(NAME OF DEBTOR) hereby waives the right to revoke this endorsement, raise an objection to the debit and to the cancellation of the debit on this basis of the collection.

The note is also effective if during the validity period of contractual relation a change is made as regards the person authorized to represent, persons authorized to manage funds at the bank account, as well as the change of the seal, status changes, foundation of new legal entities by (NAME OF DEBTOR).

The note is signed by the person(s) authorized to represent and manage funds at the bank account of (NAME OF DEBTOR), XXXXXX XXXXX.

This endorsement is made in 2 (two) identical copies, of which 1 (one) shall rest with (NAME OF DEBTOR), and 1 (one) with the Joint Stock Telecommunications Company TELEKOM SRBIJA Beograd.

Place _____

Date _____

Issuer of the note:

ATTACHMENT 2

**Performance bond bank guarantee under Purchase Order no. _____ dated _____
(model)**

For: Joint Stock Telecommunications Company TELEKOM SRBIJA Beograd
Takovska 2, 11 000 Belgrade, Republic of Serbia

Whereas _____ (name and address of the Supplier) (hereinafter referred to as: the Contractor) has undertaken, in pursuance of Purchase Order No. _____ (dated) _____ to execute _____ (state activities under the scope of the Purchase Order) (hereinafter referred to as: the Purchase Order) and whereas it has been stipulated by you in the said Purchase Order that the Contractor shall furnish you with an irrevocable and unconditional bank guarantee, issued by a first-rate bank acceptable to the Client, in the amount of 10% of the total value of the Purchase Order as security for the fulfilment of all its obligations in all as provided for under the Purchase Order, we hereby agree to provide the Contractor with such Guarantee for good and timely performance of work.

Therefore, we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of _____ (amount of Guarantee) _____ (in words). This amount shall be paid in the same type of currency in which the payment of the contract price has been stipulated.

We, _____ (name of the bank) (hereinafter referred to as: the Guarantor) undertake irrevocably to pay you, upon your first demand, and without objections or cavil, any sum or sums within the limits of _____ (amount of Guarantee), without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms and the conditions of the Purchase Order or the activities to be performed thereunder or of any Contract document between you and the Contractor shall in any way release us from any liability under this Guarantee, and we hereby waive notice of any such change, addition or other modification.
This Guarantee shall be valid until _____.

Upon the expiry of the above validity period, the guarantee will automatically become null and void, irrespective of whether or not the present document is returned to us.

Guarantor's signature and seal: _____

Name of Guarantor: _____

Address: _____

Date: _____