

PERFORMANCE BOND

ANNEXURE 5

[Insert name and physical address of Beneficiary]

("the Beneficiary")

PERFORMANCE GUARANTEE

Guarantee Reference Number: _____

1. You have entered into a written contract with _____ **[insert the name and registration number of company and close corporation]** (the "**Applicant**") on _____ **[insert date]** (the "**Contract**") in terms of which the Applicant is required to furnish you with a performance guarantee for the maximum amount of R**[insert]** (**[insert amount in words]**).
2. We, _____ Bank, _____ registration number _____ **[insert address]** (the "**Bank**") hereby guarantees the payment to you on your first written demand of up to a maximum aggregate amount of R.....**[insert]** (**[insert amount in words]**) (the "**Guarantee Amount**") in the event that the Applicant fails to fulfil any of its obligations under the Contract.
3. The Bank's liability under this guarantee is principal in nature and is not subject to any agreement. The Bank's liability shall not be reduced, or in any way be affected by any alteration of the terms of the Contract or any other arrangements between the Applicant and yourself, whether oral or in writing.

4. The Bank will pay on written demand and will not determine the validity of the demand or become party to any claim or dispute of any nature which any party may allege.
5. Payment will only be made by the Bank against return of this original guarantee by you or your duly authorized agent.
6. This guarantee shall expire at 12:00 at the abovementioned office of the Bank on _____ **[insert the expiry date]** (“**Expiry**”) and any claim and statement received hereunder must be received at this office before Expiry. After Expiry, this guarantee shall become null and void, whether returned to the Bank for cancellation or not and any claim or statement received after Expiry shall be ineffective.
7. This guarantee is neither negotiable nor transferable and is restricted to the payment of a sum of money only and limited to the Guaranteed Amount.
8. With each payment by the Bank under this guarantee, the Bank’s liability shall be reduced *pro rata*.
9. This guarantee shall be governed by and construed in accordance with the laws of the Republic of South Africa and shall be subject to the jurisdiction of the South African courts.
10. The Bank accepts that the Beneficiary’s address reflected above is the Beneficiary’s *domicilium citandi et executandi* for all purposes in connection with this guarantee.

SIGNED at _____ on _____

Witnesses:

1. _____

For: **BANK**

Duly represented by

Full Name:

Capacity:

2. _____

For: **BANK**

Duly represented by

Full Name:

Capacity: