

**To:** [Name of the Employer/Beneficiary]  
**Address:** [Address of the Employer]

**Date:** [Insert Date]

**Guarantee No:** [Insert Reference Number]

**Subject: Conditional Retention Money Guarantee**

Dear Sir/Madam,

Whereas [Name of Contractor] (hereinafter called "the Contractor") has entered into a Contract dated [Insert Date] with you (hereinafter called "the Employer") for the execution of [Name of Project/Contract] (hereinafter called "the Contract").

And whereas it has been agreed under the terms of the Contract that a portion of the monies due to the Contractor, representing retention money, shall be released upon the provision of a Bank Guarantee.

At the request of the Contractor, we, [Name of Bank/Financial Institution], having our registered office at [Address of Bank], hereby irrevocably and unconditionally undertake to pay you any sum or sums not exceeding in total an amount of [Insert Currency and Amount in Figures] ([Amount in Words]) upon receipt by us of your first demand in writing, accompanied by a written statement stating:

1. That the Contractor is in breach of their obligations under the Contract; and
2. The respect in which the Contractor is in breach.

Payment shall be made by us under this guarantee provided that the Employer has demonstrated that the Contractor has failed to remedy the specified breach within the time frame defined in the Contract after receiving written notice from the Employer.

This guarantee shall expire on [Insert Expiry Date or Event, e.g., Issuance of the Defects Liability Certificate]. Any claim for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758.

Yours faithfully,

[Authorized Signature of Bank]  
[Name and Designation]  
[Seal of the Bank]