

**Date:** [Insert Date]

**To:**

[Employer/Client Name]

[Address]

[City, State, Zip Code]

**Subject: Retention Money Guarantee No: [Insert Guarantee Number]**

Dear Sir/Madam,

In accordance with the provisions of the Contract dated [Insert Date] relating to the project [Insert Project Name/Contract Number], [Insert Contractor Name] (hereinafter called "the Contractor") has agreed to provide a Bank Guarantee to [Insert Employer Name] (hereinafter called "the Employer") for the release of retention money.

We, [Insert Bank Name], having our registered office at [Insert Bank Address], (hereinafter called "the Bank"), at the request of the Contractor, do hereby irrevocably and unconditionally undertake to pay the Employer an amount not exceeding [Insert Amount in Figures] ([Insert Amount in Words]) upon receipt by us of your first demand in writing stating that the Contractor is in breach of their obligations under the said Contract.

We further agree that no change or addition to or other modification of the terms of the Contract or of the Works to be performed thereunder shall in any way release us from any liability under this guarantee.

This guarantee shall remain valid and in full effect from the date of the release of the retention money until the issuance of the [Insert Final Completion Certificate / Defects Liability Certificate] or until [Insert Expiry Date], whichever is earlier.

Any demand for payment under this guarantee must be received by us at this office on or before the expiry date.

Yours faithfully,

For and on behalf of [Insert Bank Name]

[Authorized Signature]

[Name and Title]

[Bank Seal/Stamp]