

Date: [Insert Date]

To:

[Beneficiary Name/Project Owner]

[Beneficiary Address]

Letter of Guarantee No: [Insert Reference Number]

Guarantee Amount: [Insert Currency and Amount in Figures] ([Insert Amount in Words])

Subject: Kafalah Performance Bond Guarantee

Dear Sir/Madam,

Whereas [**Name of Contractor/Applicant**] (hereinafter referred to as the "Applicant") has entered into a contract dated [Insert Date] with [**Name of Beneficiary**] (hereinafter referred to as the "Beneficiary") for the execution of [Insert Name of Project/Contract] (hereinafter referred to as the "Contract").

In accordance with the terms of the Contract, the Applicant is required to provide a Performance Bond in the form of a Shariah-compliant Kafalah (Guarantee) to ensure the faithful performance of their obligations under the said Contract.

At the request of the Applicant, we, [**Name of Bank/Financial Institution**], having our registered office at [Insert Address], hereby irrevocably and unconditionally undertake to pay you any sum or sums not exceeding in total the amount of [**Insert Currency and Amount**] upon receipt by us of your first demand in writing, stating that:

1. The Applicant is in breach of its obligations under the Contract; and
2. The respect in which the Applicant is in breach.

This Guarantee is issued based on the principle of Kafalah. Our liability under this Guarantee shall not exceed the aggregate amount specified above. Any payment made hereunder shall be a full and complete discharge of our liability to the extent of such payment.

This Guarantee shall remain valid and in full force from [Insert Start Date] until [Insert Expiry Date or Event].

Any claim under this Guarantee must be received by us at our office address mentioned above on or before the expiry date. After the expiry date, this Guarantee shall become null and void, and our liability shall cease whether the original document is returned to us or not.

This Guarantee shall be governed by and construed in accordance with the laws of [Insert Jurisdiction/Country].

Yours faithfully,

For and on behalf of **[Name of Bank/Financial Institution]**

[Authorized Signature]

[Name and Title]