**MODEL BANK GUARANTEE TEXTS**

**Advanced Payment Guarantee No……………**

We have been informed that a contract has been signed between you - Borregaard AS, Norway, P.O. Box 162, N-1701 Sarpsborg, Norway (company number 895 623 032) and …………….(*name and address of seller*) (hereinafter referred to as “Supplier”), under ref. no………….. (*Purchase Order N. or Contract No*.) for the supply of …………… (*description of what to be delivered)* at total price of ……………….., and that the contract stipulates that an advance payment in the amount of …% of the total price be effected against an Advance Payment Guarantee.

This being premised, we …….( *name and address of bank)* hereby irrevocably undertake to refund to you without delay on your first written demand an amount up to

………………….

( say …………………………….)

provided you confirm to us at the same time in writing that Supplier has not fulfilled his contractual obligations, and that you are therefore entitled to demand repayment of the advance payment.

This guarantee shall become effective when the Supplier's bank has received the advance payment transferred from authorised person(s) atBorregaard for the credit of the Supplier’s account and at such time when this advance payment can no longer be withdrawn on Borregaard’s request.

This guarantee shall expire, even if this document is not returned, 30 days after the date the Supplier reaches the milestone described as ……………………….. *(insert description of the milestone exactly identical to description in the contract)*, unless your written demand under this guarantee in accordance with the above mentioned has reached us in ….... (*insert address and e-mail address of bank*) at the end of that day.

This guarantee is transferable with our consent only.

All rights and obligations arising from the Advanced Payment Guarantee shall be governed by the laws of Norway, and all disputes shall be determined by arbitration in Oslo under the rules provided by the Oslo Chamber of Commerce.

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

Name of bank & date

…………………… ………………………..

signature 1 signature 2