Date

Beneficiary Name and Address

Our Ref. : Advance Payment Guarantee

Amount : BHD ------

Expiry : -------

Applicant : Name and Address

Project :

In consideration of ---------------------------------------- (the “Employer”) having made an advance payment of BHD ------- (Bahraini Dinars Amount in Words) (Advance Payment) being an amount equal to ---- percent (---%) of the price recorded in the above Contract (the “Contract”) to ------------------------- ("the Contractor") we, Al Salam Bank Bahrain B.S.C., P.O. Box 18282, Manama, Kingdom of Bahrain, hereby irrevocably and unconditionally guarantee to the Employer subject to the monetary limitation hereinafter specified that the Contractor shall perform and fulfil all the undertakings, covenants, terms and conditions of the Contract for ------------------------------------------ ("the Works") and of any extensions of the Contract, and that the Contractor shall perform and fulfil all the undertakings, covenants, terms and conditions of the Contract and all changes, modifications, additions or amendments to the Contract that may hereafter be made, and that the Contractor shall also fully indemnify, defend and hold harmless the Employer from all costs, liability and damage which the Employer may suffer by reason of the failure of the Contractor to do so.

In the event that the Employer, in its absolute discretion, gives written notice to us at any time of the failure of the Contractor to perform or fulfil any of the acts or obligations set out in the above paragraph, we unconditionally and irrevocably undertake, without any right of set off or counterclaim whether on our behalf or on behalf of the Contractor, to pay to the Employer the sum equivalent to BHD -------- (Bahraini Dinars Amount in Words ) {the amount of the Advance Payment } or such portion of the Advance Payment as may then be outstanding. Such written notice of the Employer shall be conclusively binding on us for all purposes under this Advance Payment Guarantee.

We further agree that any change, modification, addition or amendment which may be made to the terms and conditions of the Contract, or to the Works to be performed there under, or to the payments to be made on account thereof, or any extension of the time of performance of the works or any composition, settlement, promise not to sue or other forbearance on the part of either the Employer or the Contractor to the other shall not in any way release us from our continuing liability hereunder and we hereby expressly waive our right to consent to or to receive notice of any such change, modification, addition, amendment, extension, composition, settlement, promise or forbearance.

This Advance Payment Guarantee shall be effective from the date upon which the Advance Payment is received by the Contractor into their A/c No. --------------- (IBAN No. -----------------------) with us and shall remain valid until the extinction of the Advance Payment by its recoupment from the Contractor in accordance with the terms of Contract, based upon certification of acceptance by Employer whereupon our liability hereunder will automatically cease or valid until (---Expiry Date--), whichever date is earlier.

Any claims under this guarantee must be accompanied by the original of this Guarantee along with the amendments (if any) and the signatures appearing on your written demand must be verified by your bankers (for identification purposes) and must be received by our office on or before the close of business on (---Expiry Date--), after which date no claims will be entertained and this Guarantee will become null and void whether or not it is returned to us.

This Advance Payment Guarantee shall be governed by and interpreted under the Laws of Kingdom of Bahrain.

**Al Salam Bank Bahrain B.S.C.**

**Authorised Signatories**