Performance bond

_____

- hereinafter referred to as the "Client" -

and

_____

- hereinafter referred to as the "Contractor" -

have entered into a contract under which the Contractor is hereby obligated.

Contract title:

Order number:

In accordance with the provisions of this contract, the Contractor shall be entitled to replace a retention of security, which serves to secure the Client's claims for defects, by providing a guarantee (performance bond). That said, we undertake,

_____

- hereinafter referred to as the "Guarantor" -

to provide for the Contractor an irrevocable, unconditional and directly enforceable guarantee (performance bond) on first demand in accordance with Sections 765 et seq. German Civil Code (BGB), and undertake to pay any amount up to a total of

EUR

(in words: EUR)

to the Client. We can only be held liable upon payment. The guarantee (performance bond) shall secure the fulfilment of all claims for defects made by the Client at the time of or following acceptance, in particular, claims for damages and reimbursement of wasted expenditure, claims for advance payments in the event of the Client performing the work themselves, claims by the Client arising from subsequent performance that has been executed but is repeatedly defective, and claims for repayment of overpayments, including interest.

We hereby waive the defences of prior notice (Section 771 German Civil Code [BGB]) and of voidability and set-off (Section 770 German Civil Code [BGB]), and, as a precautionary measure, we wish to make it clear that we will under no circumstances raise the defence under Section 772 German Civil Code (BGB). The waiver of the defence of set-off pursuant to Section 770 (2) German Civil Code (BGB) does not apply to claims that are undisputed or have been established by a final and binding judgement. The exclusion of the defence of voidability (Section 770 [1] German Civil Code [BGB]) does not apply to cases covered by Section 123 German Civil Code (BGB).

We cannot discharge ourselves from this guarantee (performance bond) by making a deposit.

X The guarantee (performance bond) is open-ended.

☐ The guarantee (performance bond) shall lapse if we have not been called upon by _____.

Our obligations under the guarantee (performance bond) shall cease upon the return of the guarantee certificate.

The beneficiary's claims against us under this guarantee (performance bond) shall become time-barred at the earliest upon the expiry of the limitation period for the principal claim secured by this guarantee (performance bond). The deposit of the guarantee amount is not permitted.

The place of jurisdiction shall be the Client's registered office. Any disputes arising from (or in connection with) this guarantee (performance bond) shall be governed by German law.

The guarantee (performance bond) is free of charge for the Client.

Place, date Guarantor's stamp and signature