**Warranty Bond**

**- hereinafter referred to as “contracting party” -**

**and**

**- hereinafter referred to as “contracted party” -**

**concluded on**       **a**       **Contract, according to which the contracted party is obliged to**      **.**

**Title of contract:**

**Order no.:**

In accordance with the provisions of the contract, the contracted party shall be entitled to redeem a security deposit which serves to secure the contracting party’s claims for defects by providing a bond.

With that said, we will undertake

**- hereinafter referred to as “guarantor” -**

irrevocably and unconditionally the absolute bond for the contracted party pursuant to Section 765 et seq. of the German Civil Code (BGB) and oblige ourselves to reimburse any amount up to a total amount of

**EUR:**

**(in words EUR**       **)**

to be paid to the contracting party. Claims may be asserted against us only for the payment of money.

The bond secures the fulfillment of all claims for defects of the contracting party due to defects existing during or after acceptance, in particular such claims for damages and reimbursement of futile expenses, claims for advance payments in the event of self-help, claims of the prinicpal due to subsequent performance which has been carried out but is again defective, as well as claims for repayment due to overpayment including interest.

We waive the defenses in Sec. 770 and 771 BGB, but with respect to the defense of set-off only to the extent that the Contractor’s counterclaim is not undisputed or has not been finally adjudicated.

We are not exempt from this bond by means of a deposit.

The duration of bond is indefinite.

The bond expires if you have not required our services by      .

Our obligations based on this bond expire with the return of the bond document.

Legal venue is the registered office of the contracting party. All disputes arising from and in connection with this bond are subject to German law.

The bond is free of charge for the contracting party.

Location, date Stamp and signature of guarantor