**Performance 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.:**

According to the provisions of the contract, the contracted party is obliged to provide the contracting party with a directly enforceable absolute performance bond and to secure all obligations arising from the contract.

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 obligations arising from the contract including any changes in performance, other changes or supplements, in particular also claims for repayment including interest, claims for defects (including consequential damage caused by defects), claims for damages and claims for payment of a contractual penalty.

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