

# PERFORMANCE BOND

**I.**

On \_\_\_\_\_ the company \_\_\_\_\_ (**contractor**) has received from \_\_\_\_\_ (**purchaser**) a purchasing order (P/O) with the P/O number \_\_\_\_\_ for the delivery (and mounting) of:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

at a total value of EUR \_\_\_\_\_ without VAT.

According to this contract the contractor is obliged to put a (performance) bond to secure the purchasers` claims in case of a defect of the purchaser to the amount of \_\_\_\_\_% of the settlement value.

**II.**

This said we \_\_\_\_\_ hereby assume for the contractor the absolute guaranty up to a maximum amount of €

\_\_\_\_\_ (in words: EURO \_\_\_\_\_).

We undertake ourselves to pay any amount up to the above named maximum sum to the purchaser. The bail ensures the compliance of all obligations out of the above mentioned contract, in particular also repayment claims including interest, claims in case of a defect (consequential harm caused by a remote defect, too), claims for compensation (for damages), claims for payment of a contractual penalty.

We hereby waive the defences (of surety) according to the §§ 770 – 772 German Civil Code (benefit of discussion and voidability) as well as the defence of setoff according to § 770 para 2 German Civil Code, but only insofar as the counterclaim of the contractor is not unchallenged or legally binding.

The escrow of the guaranteed sum is excluded.

The bond becomes effective the day purchaser declares his acceptance of the contractual performance (by contractor) and it is valid for the duration of \_\_\_\_\_ months. It will be automatically prolonged according to a possible prolongation of the warranty period as agreed on in the contract.

This contract of surety shall be exclusively governed by German law. All disputes arising from or in connection with this bail shall be referred to the courts of Hagen, Germany.

\_\_\_\_\_  
(city, date)

\_\_\_\_\_  
(stamp, signature of the bail)