

BAIL

I.

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

at a total value of EUR _____ VAT not included.

Purchaser will perform installments as follows:

_____ VAT not included.

According to the terms of the above mentioned contract the contractor is obliged to put an absolute guaranty to the purchaser to secure all obligations arising out of the contract.

II.

For the contractor we _____ hereby assume the absolute guaranty up to a maximum amount of €

(in words: EURO _____).

We undertake ourselves to pay the 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 including any/possible performance modifications and additional performances, 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) and 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 paragraph 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.

This bail will expire with the return of the document and after the acceptance of purchase has been carried out, if at such time we have not been brought into account according to the stipulations as given above.

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)