

M O D E L

Performance bond No. μ

Ladies and Gentlemen:

We were informed that on μ Messrs. μ and you entered into contract No. μ, concerning the *delivery/performance of μ

(detailed specification of the goods to be delivered and/or service to be rendered, quantity, price, etc.)

and that Messrs. μ are obligated to submit a performance bond.

With regard to this obligation of Messrs. μ, we, μ (Bank), irrevocably guarantee to you payment up to the maximum amount of

μ
(in words: μ).

We agree to give instruction to pay the requested amount, up to the maximum amount of μ and waiving any objection from the underlying legal relationship, within eight Austrian banking days after receiving your first written demand (also permitted to be made by authenticated SWIFT message but not by telefax or e-mail) which must contain the confirmation that

"Messrs. μ did not, or did not fully, comply with their above-mentioned obligations to *make delivery/render performance".

Both the written demand and the requested documents have to be submitted in the language of the bond.

When demanding payment, please specify your account and bank details; payment in cash cannot be made.

Your demand must be transmitted to us through your bank, which has to confirm to us that the signatures on the demand have legally binding effect for your company.

Demands made by means of an authenticated SWIFT message are permissible and will be deemed to have been made within the relevant time limit if

- we receive the entire wording of the demand for payment in the form of an authenticated SWIFT message on or before expiry date of the bond,
- the lawfulness of your signatures is confirmed, and
- the original of the demand, together with the required documents, is received at our registered office within 5 days after receipt of the authenticated SWIFT message.

With each demand for payment, our liability shall decrease by the extent of the respective payment made.

The bond shall terminate on μ at the latest, irrespective of whether or not aforementioned date is a banking day in Austria. We must receive your demand on that day at the latest.

Furthermore, this bond shall terminate before the expiration of its validity solely upon return of the original instrument to us, provided that such instrument is accompanied by a written declaration of intention signed by the beneficiary of the bond, confirming that such latter will not make any further claims.

The right to demand payments under the present bond cannot be assigned, pledged, or disposed of in any other way for the benefit of third parties.

This legal transaction shall be governed by Austrian law, to the exclusion of the conflict-of-laws rules. It is agreed that any legal disputes arising out of or in connection with this bond relationship shall be settled by the court in Linz having jurisdiction over the subject matter.

All expenses arising outside the bank issuing the bond shall be borne by the beneficiary of the bond.

Sincerely yours,

This is a standard model of RLB OÖ which usually serves as a basis for bonds issued by RLB OÖ; it does not take into account the facts of the specific case. Whenever a bond is issued, an expert of RLB OÖ needs to be involved. The sample texts serve only for information purposes, and RLB OÖ does not accept any liability in this respect. It is expressly pointed out that these sample texts do not replace legal advice given by an attorney-at-law.