

CONTRACTOR'S PERFORMANCE BOND

under clause 8 of AB Abridged

At the request of
(the contractor):

we hereby guarantee to
(the client):

the payment of a total amount of up to DKK
(in words: Danish kroner):

as security for the performance of all the contractor's
obligations under the construction contract of (date):

comprising the execution of
(the project):

The bond will not be affected by the client granting an extension of time for the performance of the contractor's obligations.

Claims covered under the bond will not lapse even if the client pays the contract sum or any part of it to the contractor after handover. If, despite its knowledge of material defects when paying the contract sum, the client has failed to withhold to retain an amount as security for the rectification of the defects, all bond claims pertaining to the defects will lapse to the extent that they could have been covered by way of ordinary retention.

I. Payment under the bond

If the client requests payment under this performance bond, such request must, in accordance with clause 8, subclause (6), of AB Abridged, be made in writing and notified simultaneously to the contractor and the guarantor with a precise specification of the nature and extent of the alleged breach and the size of the amount claimed.

The amount claimed must be paid to the client within than ten working days after receipt of the notification unless the contractor has filed a request with the Danish Building and Construction Arbitration Board before then, asking the Board to issue a decision on the security provided, in particular with a view to determining whether the payment claim is justified; see clause 53 of AB Abridged.

If the expert decides that payment must be under the bond, the amount must be paid out no later than three working days after the parties and the guarantor have received written notification of the decision; see clause 67, subclause (9), of AB 18; see clause 53 of AB Abridged.

The guarantee amount of this bond will be reduced by any amount paid under the bond.

II. Reduction of the bond

When handover has taken place (see clause 35 of AB Abridged), the bond is reduced to 10% of the contract sum; see clause 8, subclause (3), of AB Abridged.

III. Cessation of the bond

The performance bond ceases one year after handover; see clause 8, subclause (4), of AB Abridged. However, this does not apply if the client has submitted a prior written complaint of defects and has notified the guarantor of this in writing. In such case, the bond ceases when the defects have been rectified. As soon as possible after the defects have been rectified, the client must notify the guarantor in writing that remedial action has been completed.

IV. Disputes

Any dispute concerning payment under or reduction or cessation of this performance bond must be resolved by a decision on the security provided in accordance with clause 53 of AB Abridged; see clause 8, subclauses (6) and (7), of AB Abridged.

If the circumstances warranting a claim in accordance with clause 8, subclause (6) or (7), of AB Abridged are already the subject of a dispute between the parties in pending proceedings as set out in clause 54 or clause 55 of AB Abridged, an introduction of the claim in the pending proceedings replaces the request for a decision on the security provided; see clause 8, subclause (8), of AB Abridged.

If the contractor is declared bankrupt, the guarantor may file a request for a decision on the security provided in accordance with clause 53 of AB Abridged, in which case the guarantor becomes a party to the case; see clause 8, subclauses (6) and (7), of AB Abridged.

The guarantor accepts that all disputes arising out of or in connection with this performance bond are resolved in accordance with the provisions of chapter J of AB Abridged, except for clause 50 of AB Abridged.

Bond no/ref no:

Guarantor:

Date and signature: