

Appendix 2 – Form of Performance Bond

To be engrossed on Bank headed paper.

No terms shall be deleted from this Guarantee nor shall any terms be added.

BANK REF.:

DATED:

Dear Sirs,

PERFORMANCE BOND NUMBER :

PROJECT :

CONTRACTOR :

DATE OF CONTRACT :

In consideration of you Bahrain Development Bank P.O. Box 20501 (the “BDB”) having agreed to enter into the above contract (“the Contract”) with of (“the Contractor”) we, the Bank / Insurance Company of Hereby irrevocably and unconditionally guarantee to BDB subject only to the monetary limitation hereinafter specified that the Contractor shall well and truly perform and fulfill all the undertakings, covenants, terms and conditions of the contract for (“the Works”) and of any extensions thereof, and that the Contractor shall well and truly perform and fulfill all the undertakings, covenants, terms and conditions of any and all changes modifications, additions or amendments to the Contract that may hereinafter be made, and that the Contractor shall also fully indemnify, defend and hold harmless BDB from all costs, liability and damage which BDB may suffer by reason of the failure of the Contractor to do so.

In the event that the BDB, in its absolute discretion, gives written notice to us any time of the failure of the Contractor to perform or fulfill any of the acts or obligations set forth in the preceding paragraph, we hereby unconditionally and irrevocably undertake, without any right of set off or counterclaim whether on our behalf or on behalf of the Contractor, to pay to the BDB the sum of Bahrain Dinars (BD) being an amount equal to Percent (.....%) of the price recorded in the Contract. Such written notice of BDB shall be conclusively binding on us for all purposes under this Performance Bond.

We further agree that any change, modification, addition or amendment which may be made to the terms and conditions of the Contract, or to the Works to be performed thereunder, or to the payments to be made on account thereof, or any extension of the time of performance of the Works or any composition, settlement, promise not to sue or other forbearance on the part of either BDB or the Contractor to the other shall not in any way release us from our continuing liability hereunder, and we hereby expressly waive our right to consent to or to receive of any such change, modification, addition, amendment, extension, composition, settlement, promise or forbearance.

This Performance Bond shall be valid until the day of 201 or until the date of issue of the Final Certificate by the Supervising Officer as defined in the Contract under the terms of the Contract whichever shall be the later and any request for payment hereunder must be received by us on or before the later of such dates.

This Performance Bond shall be governed by and interpreted under the laws of Bahrain. It shall be returned to us on its expiry.

Signed :
(as appropriate by properly authorized officials for an on behalf of the guaranteeing Bank).