

BANK GUARANTEE FORM - PERFORMANCE SECURITY

Short title of the Contract:

Name and address of the obligee (who is specified in the Contract as the Employer):

Brněnské vodárny a kanalizace, a.s.

Pisárecká 555/1a, Pisárky, 603 00 Brno

Company ID 463 47 275

and

[to be completed]

Company ID [to be completed]

This Bank Guarantee is provided in connection with the Contract dated [to be completed] (hereinafter referred to as the "Contract") concluded between the company Brněnské vodárny a kanalizace, as, Pisárecká 555/1a, Pisárky, 603 00 Brno, as the Employer of the one part (hereinafter referred to as "the Employer") and the company [to be completed], with registered office [to be completed], ID: [to be completed], [Note: if the contractor is a consortium consisting of several entities, the identification of all such entity will be provided], as contractor, of the other part (hereinafter referred to as the "Contractor"), on the basis of a public procurement procedure regarding the project entitled "Brno-Modřice WWTP", Sludge Management", which is registered in the Public Procurement Bulletin under No. [to be completed] (hereinafter referred to as the "Works").

We have been informed that the Contractor has entered into a Contract with the Employer. On the basis of Sub-Clause 4.2 of the Contractual Terms and Conditions for Building Construction and Civil Engineering Works designed by the Employer as amended by the Particular Terms and Conditions (hereinafter referred to as the "Terms and Conditions"), which form an integral part of the Contract, the Contractor is obliged to ensure proper performance of his obligations under the Contract by a bank guarantee issued in favour of the Employer. We have also been advised that you may require the Contractor to provide for an extension or this Bank Guarantee if this Bank Guarantee is to expire before all warranty periods under the Contract have expired or if the Contractor fails to remedy defects of the Works within 28 days prior to the date of expiry of this Bank guarantees.

At the request of the Contractor we, [name, registered office and ID of the bank to be added], on the basis of this bank guarantee, reference number [to be completed] hereby irrevocably and unconditionally undertake to pay you, the Employer, without requiring a prior request addressed to the Contractor, and without any objections or restrictive conditions and without verification of the legal reason for the claim, any amount or amounts not exceeding the total amount [to be completed] CZK (in words: [to be completed]) hereinafter referred to as the "Guaranteed Amount"), if we receive a written request from the Employer in Czech language, which will comply with all the terms and conditions of this Bank Guarantee and containing the reference number of this Bank Guarantee and a statement that the Contract has come onto effect and that:

- (i) The Contractor has breached his obligation (s) arising from the Contract or technical standards or legal regulations and in what manner he has breached it and the Employer is entitled to a contractual penalty as a result of such a breach or a reduction in the price of the Works, damages or any other damage

or is entitled to the surrender of unjust enrichment, or any other claim or financial consideration (whether of a nature of a sanction, reparation or restitution or otherwise), or

- (ii) within 28 days prior to the date of expiry of this Bank Guarantee referred to in (d) below, the defects of the Works were not remedied for reasons attributable to the Contractor and that the validity of this Bank Guarantee was not extended even though the Contractor is required under the Contract to extend the validity of this Bank Guarantee in such cases; or
- (iii) within 21 days prior to the date of expiry of this Bank Guarantee referred to in (d) below, the validity of the Bank Guarantee was not extended even though the Contractor is required under the Contract to extend the validity of this Bank Guarantee in such cases

(hereinafter the "Request for Payment").

Each Request for Payment and/or a statement specified below concerning a of waiver of this Bank Guarantee shall be presented to us in paper form and delivered to our address [to be completed] by registered mail, courier service or in person, and it shall include a handwritten signature of your statutory body or your authorised person, which shall be officially certified or certified by your bank. As regards the signature by an authorised person, it shall be accompanied by an original or officially certified copy of the power of attorney with an officially certified signature of your statutory body. Any other manner of presentation and delivery of the Request for Payment and/or the waiver of the obligations under this Bank Guarantee are expressly excluded. No other documents will be required by us as a condition for the payment of the required amount under this Bank Guarantee.

A change of the above address to which the Request for Payment and/or the below statement of waiver of this Bank Guarantee is to be delivered to us becomes effective upon you after five business days of receipt of our written notice of change of this address.

This Bank Guarantee is valid and effective from the date of issue shown below and it shall automatically expire:

- a) on the day when the original of this surety bond is delivered (returned) to us, or
- b) on the day we receive a statement from the Employer that we are freed from all our obligations under this Bank Guarantee and that there are no claims arising out of the Bank Guarantee against us; or
- c) upon the payment of the full Guaranteed Amount, or
- d) on [to be completed].

whichever facts occurs first.

We shall receive the Request for Payment in our bank no later than on the day of expiry of this bank guarantee, as stated above.

This Bank Guarantee is governed by the laws of the Czech Republic and is subject to the "Uniform Rules for Guarantees Payable on Demand", which was issued by the International Chamber of Commerce in Paris under No. 758.

Issued in _____

Date _____

Signature(s) _____