

PERFORMANCE BOND

(Clause 1.5)

Bond No

BOND AMOUNT: «BondAmount»

THIS BOND is made on the

BETWEEN

1. «Contractor» whose registered office is at «ContractorAddress» (**the Contractor**)
2. Hiscox Insurance Company Limited whose registered office is at 1 Great St Helens, London, EC3A 6HX (**the Surety**) and
3. «Employer» whose principal office is at «Employer_Address» (**the Employer**)

BACKGROUND

- A. The Employer and the Contractor have or will enter into a contract for «ContractWorks» (**the Contract**)
- B. The Contractor has agreed to furnish a performance bond to the Employer.
- C. Terms defined in the Contract have the same meaning in this Bond.

IT IS AGREED AS FOLLOWS:

1. If the Contractor's obligation to complete the Works is terminated under clause 12.1 of the Conditions the Surety will, subject to this Bond, pay the Employer any amount for which the Contractor is liable under clause 12.2.11 of the Conditions.
2. If the Contractor breaches the Contract the Surety will, subject to this Bond, pay the Employer any amount for which the Contractor is liable to the Employer as damages for breach of the Contract, as established under the Contract, taking into account all sums due to the Contractor under the Contract.
3. The liability of the Surety under this Bond will not exceed «BondAmount». This amount will be reduced by half on issue of the certificate of Substantial Completion of the Works under the Contract.
4. No alteration in the Contract or in the extent or nature of the works to be done under it, and no allowance of time under the Contract, and no forbearance or forgiveness concerning the Contract by the Employer, will in any way release the Surety from liability under this Bond.
5. The Surety will be released from its liability under this Bond 450 days after the certificate of Substantial Completion of the Works has been issued, except in relation to any breach by the Contractor or termination that has occurred before that date, written notice (including particulars of the breach or termination) of which has been given to the Surety earlier than 4 weeks after this expiry date.
6. The Contractor undertakes to the Surety to perform its obligations under the Contract. This undertaking does not limit any rights or remedies of the Employer or the Surety.

7. The Employer may, but is not required to, provide to the Surety a copy of any notice that the Employer gives to or receives from the Contractor under Clause 12 of the Conditions.
8. The decision of a court or arbitrator in a dispute between the Employer and the Contractor will be binding on the Surety as to all matters concerning a breach of the Contract, termination under the contract, and the Contractor's liability.
9. If the Surety is called on to pay the Employer's loss following a termination under Clause 12.1 of the Conditions, the Surety may suggest a completion contractor to the Employer, provided the proposed completion contractor is acceptable to the Employer.
10. The Surety will not be liable under this Bond for a breach or termination caused solely and directly by war, invasion, act of foreign enemies, hostilities (whether war is declared or not), terrorism, civil war, rebellion, revolution, or military or usurped power.
11. The Employer may assign the benefit of this Bond, without the Surety's or the Contractor's consent, by giving written notice to the Surety.
12. This Bond is governed by and construed according to Irish law and the parties submit to the jurisdiction of the Irish courts to determine all matters concerning it.
13. Money payable by the Surety under this Bond will be paid in euro in Ireland.
14. The Surety appoints :

Name of Agent : Construction Guarantee Underwriters Ltd
Address of Agent : 72 Northumberland Road, Dublin 4

as its agent for service of legal proceedings. The Surety confirms that the named agent has been irrevocably appointed and the failure of the agent to notify the Surety of receipt of a document will not invalidate any proceedings or the service of the document.

Given under the Contractor's common seal

Affix Contractor's common seal

*Signatures of persons authorised
to authenticate the seal*

Given under the Surety's common seal

Affix Surety's common seal

*Signatures of persons authorised
to authenticate the seal*