

BID BOND

prepared in one original copy
Number of the bond:

Insurer (Surety) name:
address:
Contracting Party (Principal) name:
address:
Beneficiary: name:
address:

Our Principal informed us that he wants to participate as a bidder in the tender procedure with a subject of:..... announced by you.

Our Principal informed us that according to the tender documentation the bidder is obliged to give a bid bond to the Beneficiary at the same time when the bid is filed, with a sum of HUF.....,-

By issuing this bid bond, the Surety shall provide irrevocable coverage for the Principal under the terms and conditions detailed below.

1. Cover begins:
2. Cover ends:
3. Sum of the bond: HUF, that is __ Hungarian Forints
The sum of the bond shall mean the upper limit of indemnity to be paid by the Surety for this bond and shall decrease by any amount of the service(s) performed on the basis of this bond.

4. Services of the Surety: Pursuant to this bond, the Surety assumes an irrevocable obligation to effect payment as absolute surety in lieu of Principal to the bank account stated in the written demand up to the maximum amount specified in the present bond in favour of the Beneficiary, in return for the first original copy of Beneficiary's written demand referring to the above bond number (demand for payment) and sent to the address of the Surety within 15 working days upon receipt of document(s) have to be submitted and attached to demand for payment, in the event Beneficiary shall have a claim against the Principal with regard to the fact that the Principal has withdrawn its bid during the tender validity period or fails the contract to be concluded for any reason arising within the competence of Principal.

5. Payment on the basis of this bond is subject to the submission of the following documents together with the demand for payment to the above specified address of Surety:
a. written statement by Beneficiary stating that the requested amount is due to one or both conditions quoted in section 4. and defines the one which occurred, and in case of withdrawal of the bid, putting at disposal of documentation evidencing the fact of the withdrawal
b. copy of the written notice sent to Principal wherein Beneficiary called Principal to perform its payment obligation and which allows to conclude that the deadline for payment stated in the notice has expired by the date of the demand for payment.

6. In the demand for payment the Beneficiary shall prove credibly the duly signatory rights of the persons signing the demand for payment and the authenticity of their signatures (by such an extract from the company registry/certificate of incorporation and specimen signature as are not older than 30 days or by such an appropriate certification of its account holding bank as is suitable for identifying the representative of Beneficiary).

7. Pursuant to the bond the commitment of Surety will commence and expire at the respective dates specified on the bond. Accordingly, any demand for payment pursuant to the bond shall have been received by the Surety by the date specified in point 2. Thus the commitment of the Surety will cease at the date specified in point 2 regardless whether the bond has been returned to the Surety or not. Before expiry it shall cease when the original copy of the bond is returned to the Surety, the Surety has fulfilled its payment obligation in full up to the amount of the Bond or Surety receives such a statement of waiver as is duly signed as required for the demand for payment and is a certified original copy wherein the Surety is irrevocably relieved from the obligations assumed in the Bond.

8. Claims arising out of this bond shall neither be assigned nor transferred without the prior written consent of the Surety.

9. Any legal dispute arising out of this bond shall be governed by the laws of Hungary.

Dated in Budapest, 200.....
