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| **Warranty Bond No.** \_\_\_\_\_\_\_\_\_\_\_\_\_  (securing proper repair of any faults and defects) |

issued for:

*(full name)*

*(place, street, building no. and apartment/premises no.)*

(**“the Beneficiary”**)

(City, country ..................... (*date)*

We, …………………………… (**“the Bank”**) have been advised that on \_\_\_\_\_\_\_\_\_\_\_\_\_ the Beneficiary and *(full name)* (place*, street, building no. and apartment / premises no.)* (**"the Counterparty"**) concluded *(name of agreement)* for \_\_\_\_\_\_\_\_\_\_\_\_\_ (**"the Agreement"**), under which the Counterparty is obligated to provide the Beneficiary with security for timely repair of any faults and defects in connection with a quality guarantee and/or warranty for repairing faults and defects, granted to the Beneficiary by the Counterparty.

In consideration thereof, we undertake, unconditionally and irrevocably, to pay the Beneficiary the sum guaranteed up to EUR \_\_\_\_\_\_\_\_\_\_\_\_\_ (in words: \_\_\_\_\_\_\_\_\_\_\_\_\_) (equivalent to 10% of the agreement amount) without submitting proof of financial damages and without a prior court or arbitral ruling at the Beneficiary’s first request, addressed to the Bank, containing a statement that the Counterparty has failed to meet its contractual obligations to duly and timely repair any faults and defects in connection with the granted quality guarantee and/or maintenance warranty, arising under the Agreement.

This bank guarantee shall be in force and remain in force and effect for 12 (twelve) months from the date the vessel has been delivered to and accepted by the Buyer by signing of Protocol of Delivery and Acceptance, after which it will be returned to the Counterparty for cancellation, but no later than (…………….) followed by a (…….) week notice from the Bank to the beneficiary that the guarantee’s expiration date is approaching.

With each payment made hereunder, the sum guaranteed shall be decreased accordingly.

The Beneficiary’s written request for payment, which contains the aforesaid statement and specifies the requested payment amount in the currency of the guarantee issued - must be delivered to the Bank within this guarantee validity period through the agency of the Beneficiary's bank, via courier, registered letter or tested SWIFT message, along with the Beneficiary's bank confirmation that the request for payment and the statement have been signed by persons authorized to act on behalf of the Beneficiary. Where the request for payment is delivered via tested SWIFT, the Beneficiary's bank shall additionally confirm that the sent message accurately reflects the content of the request for payment, and that the original request for payment was sent to the address of the Bank. If the deadline to submit a request for payment under this guarantee falls on a Saturday, legal holiday or other day on which the Bank conducts no operations, then the deadline shall be extended to the nearest day on which the Bank conducts its operations.

Any rights arising from this guarantee may not be assigned to any third party without the Bank’s written consent.

The guarantee shall be subject to Icelandic law and jurisdiction

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*(stamp and signatures of the persons authorised to represent the Bank)*