

Since the Guarantor (as a shareholder of the Contractor) is an individual, not a company, include the following words on a cover page accompanying the Deed given by the Beneficiary to the Guarantor to sign.

Warning to the Guarantor:

This Deed of Guarantee is an important document.

The Beneficiary has already signed it but before you sign it, you should read it carefully, obtain independent legal advice about it from a solicitor, ensure that you understand both what it means and also what the implications of it will be if you sign it and have it witnessed.

If you do sign it, you might have to meet liabilities of the party defined in it as the "Contractor", if the Contractor does not do so, and you will have other obligations as well. Your commitment to pay will be unconditional and the amount the Beneficiary can ask you to pay is not limited.

Please sign and return this Note with the Deed signed by you to confirm that you have read it.

(signed)

<<Insert full name of Guarantor >>

DEED OF GUARANTEE - SOLE/MAIN (INDIVIDUAL) SHAREHOLDER'S GUARANTEE OF PERFORMANCE BY CONTRACTOR OF A PARTICULAR CONTRACT (UNLIMITED)

THIS DEED is made this <<Insert day>> of <<Insert Month>> of <<Insert Year>>

BETWEEN

<<Insert name of individual shareholder of Contractor>> of <<Insert personal address>> and his personal representatives and the receiver or other person lawfully acting on his behalf ("the Guarantor")¹

AND

<<Insert name of client or customer of the Contractor>> [of <<Insert client or customer's principal business address>>] **OR** [a company incorporated in England & Wales under number <<Insert number>> whose registered office address is at <<Insert client or customer's registered office address>>] and its successors and assigns ("the Beneficiary")

AND

<<Insert Contractor's name>> a company incorporated in England & Wales under number <<Insert number>> whose registered office address is at <<Insert address>> and its successors and assigns ("the Contractor")

RECITALS:

- A. The Guarantor is the [main][sole] shareholder of the Contractor
- B. The Beneficiary and the Contractor are to enter into the Contract as defined below
- C. The Beneficiary requires, as a condition of it entering into the Contract, a performance guarantee and indemnity in respect of the Contract
- D. The Guarantor, as [main][sole] shareholder in the Contractor, has agreed to provide such a guarantee of and indemnity for the Contractor's performance and liabilities under the Contract

THE PARTIES HEREBY AGREE as follows:-

1. Definitions

"the Contract"	means an agreement [a draft copy of which is attached] to be entered into between the Contractor and the Beneficiary under which the Contractor is to [execute and complete [a project] [certain works] for] [provide certain [goods and][services] to the Beneficiary
"the Guaranteed Obligations"	means all obligations of or owed by, the Contractor to the Beneficiary under the Contract
"the Guaranteed Liabilities"	means all monies, debts and liabilities of any nature owed by the Contractor to the Beneficiary under the Contract or in respect of the Guaranteed Obligations

¹ This template assumes that the Guarantor is an individual, not a company. If the Guarantor is a company which is the parent company of the Contractor, the parent company version of this template should instead be used

2. Guarantee and Indemnity

2.1 In consideration of the Beneficiary irrevocably and unconditionally accepting the Guarantor as a primary obligor, the Guarantor

2.1.1 the Contractor shall fully and completely perform all of the Guaranteed Obligations and shall immediately upon first written demand of the Beneficiary the Guaranteed Obligations as the principal obligor; and

2.1.2 if the Contractor breaches the Guaranteed Obligations, the Guarantor will indemnify the Beneficiary for the breach and

but the Guarantor's obligations under Sub-Clauses 2.1.1 and 2.1.2 shall not be greater than those imposed on the Contractor

2.1.3 the Guarantor shall indemnify the Beneficiary in full against all costs, claims, liabilities, damages, losses and expenses incurred by the Beneficiary as a result of the Contractor's failure to duly perform the Guaranteed Obligations

2.2 The Guarantor shall pay to the Beneficiary the sum of money demanded under this Deed from the date of demand (before or after judgment) at the rate of <<Insert name of bank>> above the base rate of <<Insert name of bank>> on a daily basis and compounded on the last business day (or the day before) of each month for general business in London) of

2.3 The obligations of the Guarantor shall [not] extend to, and the Guarantor [does not] warrant, any extension or variation of or amendment to the Deed or any supplemental agreement between the Contractor and the Beneficiary and

2.4 In the event of default by the Contractor, the Beneficiary may enforce its rights against the Guarantor without first having to exhaust all of its remedies against the Contractor

2.5 This Deed shall be held from the Guarantor and shall not be subject to any guarantee or security now or later held from the Guarantor or the Guaranteed Obligations or the Guarantor shall not be bound to discharge with or prejudice any other security or right or remedy now or later held from the Guarantor or the Guaranteed Obligations or the Guarantor

3. Commencement and Expenses

3.1 The obligations in this Deed shall commence on the Contractor and the Beneficiary entering into the Contract and the date set out above.

3.2 This Deed shall continue in force until the date when all of the Guaranteed Obligations have been performed by the Contractor or the date when all of the obligations in this Deed have been discharged, whichever is later, and this Deed shall automatically terminate on such date

4. Continuing Security etc.

This Deed is a guarantee and the Guarantor shall be bound to discharge the balance from time to time owing by

into the Contract the Guarantor and undertakes to the Beneficiary as surety that:

fully perform all of the Guaranteed Obligations and shall immediately upon first written demand of the Beneficiary the Guaranteed Obligations as the principal obligor; and

the Guaranteed Obligations, the Guarantor will indemnify the Beneficiary for the breach and

but the Guarantor's obligations under Sub-Clauses 2.1.1 and 2.1.2 shall not be greater than those imposed on the Contractor

the Beneficiary shall indemnify the Beneficiary in full against all costs, claims, liabilities, damages, losses and expenses incurred by the Beneficiary as a result of the Contractor's failure to duly perform the Guaranteed Obligations

is demanded under this Deed from the date of demand (before or after judgment) at the rate of <<Insert name of bank>> above the base rate of <<Insert name of bank>> on a daily basis and compounded on the last business day (or the day before) of each month for general business in London) of

Deed shall [not] extend to, and the Guarantor [does not] warrant, any extension or variation of or amendment to the Deed or any supplemental agreement between the Contractor and the Beneficiary and

the Beneficiary may enforce its rights against the Guarantor without first having to exhaust all of its remedies against the Contractor

guarantee or security now or later held from the Guarantor or the Guaranteed Obligations or the Guarantor shall not be bound to discharge with or prejudice any other security or right or remedy now or later held from the Guarantor or the Guaranteed Obligations or the Guarantor

ence on the Contractor and the Beneficiary entering into the Contract and the date set out above.

date when all of the Guaranteed Obligations have been performed by the Contractor or the date when all of the obligations in this Deed have been discharged, whichever is later, and this Deed shall automatically terminate on such date

ct of the Guaranteed Obligations balance from time to time owing by

the Contractor to the Beneficiary in full force and effect and not be discharged or affected by,

4.1 the death, incapacity, insolvency, receivership, reorganization or style of the Guarantor

4.2 the grant by the Contractor of any time, indulgence, forbearance or concession or the discharge or making of an arrangement by the Beneficiary in respect of the Guaranteed Obligations or the Contractor

5. Subrogation

5.1 At any time when the Contractor has performed any of the Guaranteed Obligations and/or any default by the Guarantor in the performance of any of the Guaranteed Obligations under this Deed, the Guarantor may only

5.1.1 of subrogation

5.1.2 to take the benefit of any security or other guarantee of the Contractor

5.1.3 to prove in the event of any recovery as permitted by the Contractor and shall hold any amount recovered as a result of the exercise of the right of subrogation on trust for the Beneficiary and pay the same to the Beneficiary

5.2 The Guarantor hereby agrees that it has not taken any security from the Contractor and shall not take any security from the Contractor until Beneficiary receives all monies payable under this Deed and shall not take any security taken in breach of this clause on trust for the Contractor

5.3 Following the taking of any security from the Contractor or any other compromise or arrangement for the benefit of any creditor of the Contractor, the Guarantor shall not exercise any right or remedy that it may have against the Contractor and shall not recover any amount paid or other obligation performed by the Contractor

6. Payments by Guarantor to Beneficiary

6.1 All payments to be made by the Guarantor to the Beneficiary under this Deed shall be made:

6.1.1. in full without deduction or withholding for or on account of any taxes

6.1.2. free and clear of any taxes, charges, costs or expenses of any kind

6.2 Any certificate given by the Guarantor to the Beneficiary stating the interest payable or the amount payable under this Deed shall, in the absence of manifest error, be binding on the Guarantor for all purposes

6.3 If any deduction or withholding for or on account of any taxes, charges, costs or expenses of any kind has been made in respect of any payment made by the Guarantor to the Beneficiary, the sum payable shall be increased by the amount of such deduction or withholding and the Guarantor shall make the deduction or withholding necessary to ensure that, after the sum payable has been received and retained by the Beneficiary, the Beneficiary receives and retains a net sum equal to the sum payable under this Deed, the sum payable shall be increased by the amount of such deduction or withholding and the Guarantor shall make the deduction or withholding necessary to ensure that, after the sum payable has been received and retained by the Beneficiary, the Beneficiary receives and retains a net sum equal to the sum payable under this Deed

Guaranteed Liabilities irrespective of the Contractor's insolvency, dissolution, administration, receivership, reorganization or style of the Guarantor shall not be affected by:

the death, incapacity, insolvency, receivership, reorganization or style of the Guarantor

the grant by the Contractor of any time, indulgence, forbearance or concession or the discharge or making of an arrangement by the Beneficiary in respect of the Guaranteed Obligations or the Contractor

performance of any of the Guaranteed Obligations and/or any default by the Guarantor in the performance of any of the Guaranteed Obligations under this Deed, the Guarantor may have:

force any security or other guarantee of the Contractor

to prove in the event of any recovery as permitted by the Contractor

and shall hold any amount recovered as a result of the exercise of the right of subrogation on trust for the Beneficiary and pay the same to the Beneficiary

it has not taken any security from the Contractor and shall not take any security from the Contractor until Beneficiary receives all monies payable under this Deed and shall not take any security taken in breach of this clause on trust for the Contractor

on with any voluntary arrangement or compromise or any other compromise or arrangement for the benefit of any creditor of the Contractor, the Guarantor shall not exercise any right or remedy that it may have against the Contractor and shall not recover any amount paid or other obligation performed by the Contractor

under this Deed shall be made:

and

deduction or withholding for or on account of any taxes

the Beneficiary stating the interest payable or the amount payable under this Deed shall, in the absence of manifest error, be binding on the Guarantor for all purposes

any applicable law to be made in respect of any payment made by the Guarantor to the Beneficiary, the sum payable shall be increased by the amount of such deduction or withholding and the Guarantor shall make the deduction or withholding necessary to ensure that, after the sum payable has been received and retained by the Beneficiary, the Beneficiary receives and retains a net sum equal to the sum payable under this Deed

or withholding been

6.4 The Guarantor shall not be liable for any amount received by

ation by the Beneficiary of any
is Deed

7. Beneficiary's Waiver

Any waiver by the Beneficiary of the Guarantor's Obligations shall only be effective if it is in writing and upon the terms and conditions set out in this Deed

this Deed, or of any Guaranteed Obligations shall only be effective if it is in writing and then only for the purpose and conditions set out in this Deed

8. Severability

Any unenforceability of any provision of this Deed shall not affect the enforceability of any other provision

this Deed shall not affect the enforceability of any other provision

9. Assignment by Beneficiary

The Beneficiary may assign its rights under this Deed to the Guarantor or Contractor at any time without the consent of the Guarantor before any sum is paid

ed at any time without the consent of the Guarantor provided that the Beneficiary notifies the Guarantor in writing

10. Notices

Any notice or demand given in connection with this Deed shall be in writing, served on an address by post or by hand on that other party, and marked as such

in connection with this Deed shall be in writing, served on either at that other party's above address or at the e-mail address previously provided by that other party

11. Applicable Law and Jurisdiction

This Deed and the rights and obligations created by it shall be governed by, and construed in accordance with, the law of England and the jurisdiction of the English Courts

ties under it shall be governed by, and construed in accordance with, the law of England and be subject to the exclusive jurisdiction of the English Courts

Attachment 1: Schedule 1 (Guarantee of Performance) [Part of Contract]

IN WITNESS whereof each of the parties has signed this Deed the day and year first above written

and delivered this document as a deed

GUARANTOR

Signed by <<Insert name of Guarantor>>

[signature of Guarantor]

In the presence of

<<Insert name & address of witness>>

Occupation:

[signature of witness]

BENEFICIARY

[<<Insert name of Beneficiary>> L

acting by

<<Insert name of director of Beneficiary>>

[signature of director]

Director

<<Insert name of director or secretary of Beneficiary>>

[signature of director/secretary]

..... Director/Secretary]

OR

[<<Insert name of Beneficiary if any>>]

[signature of Beneficiary]

In the presence of

<<Insert name & address of witness>>

Occupation:

[signature of witness]

CONTRACTOR

<<Insert name of Contractor>> Limited

acting by

<<Insert name of director of Contractor>>

[signature of director]

. Director

<<Insert name of director or secretary of Contractor>>

[signature of director/secretary]

. Director/Secretary