

*If the Guarantor is not a company, and is not an individual acting in the course of his business, 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 – INDIVIDUAL’S/COMPANY’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>> of <<Insert address>> and his personal representatives and the receiver or other person lawfully acting on his behalf]

**OR** [<<Insert company 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 Guarantor”)

**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 Sole Trader's Full Name>> a self-employed [sole trader][consultant][contractor] trading as <<Insert Business Name>> whose principal place of business is at <<Insert address>> and his/her successors and assigns (“the Contractor”)

**RECITALS:**

- A. The Beneficiary and the Contractor are to enter into the Contract as defined below
- B. The Beneficiary requires, as a condition of it entering into the Contract, a performance guarantee and indemnity in respect of the Contract
- C. The Guarantor has [no financial or commercial interest in or connection with the Contractor but] [an [interest in][[connection][relationship] with] the Contractor, namely <<Describe the interest or connection or relationship>> and therefore] has agreed to provide such a guarantee of and indemnity for the Contractor’s performance and liabilities

**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

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**2. Guarantee and Indemnity**

**2.1** In consideration of the Contractor irrevocably and unconditionally undertaking as a primary obligor to

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

**2.1.1** the Contractor shall 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

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

**2.1.2** if the Contractor breaches the Contract the Guarantor will indemnify the Beneficiary for the breach and

if the Contractor breaches the Contract the Guarantor will indemnify the Beneficiary for the breach and

but the Guarantor shall not be liable for any liabilities or obligations under Sub-Clauses 2.1.1 and 2.1.2 which are any greater than those imposed on the Contractor

but the Guarantor shall not be liable for any liabilities or obligations under Sub-Clauses 2.1.1 and 2.1.2 which are any greater than those imposed on the Contractor

**2.1.3** the Guarantor shall indemnify and hold the Beneficiary harmless from all claims, liabilities, damages, costs and expenses incurred by the Beneficiary as a result of the Contractor's breach of any of the Guaranteed Obligations and punctual performance of the Contractor's Guaranteed Obligations

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

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**2.3** The obligations of the Guarantor under this Deed shall extend to, and the Guarantor consents to, any variation of or amendment to the Contract and to any agreement between the Beneficiary and the Contractor

The obligations of the Guarantor under this Deed shall extend to, and the Guarantor consents to, any variation of or amendment to the Contract and to any agreement between the Beneficiary and the Contractor

**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

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**2.5** This Deed shall be held from the Guarantor and shall not be subject to any set-off, counterclaim, security or right of retention

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**3. Commencement and Expiry**

**3.1** The obligations in this Deed shall commence on the date when the Beneficiary enters into the Contract

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

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**4. Continuing Security etc.**

This Deed is a guarantee and the Guarantor shall remain liable for the full amount of the Guaranteed Liabilities

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the Contractor to the Beneficiary in full or part and shall not be discharged or affected by,

Guaranteed Liabilities irrespective of when they are incurred and shall be in full force and effect and not be affected by the insolvency of the Guarantor shall not be affected by:

4.1 the death, incapacity, bankruptcy, receivership, reorganization, liquidation or change of name or style of the Guarantor;

the insolvency, liquidation, administration, receivership, winding up, change in the constitution, name or style of the Beneficiary; or

4.2 the grant by the Guarantor of any time, indulgence, forbearance or concession, or the making of an arrangement for the benefit of the Beneficiary in respect of the Guaranteed Obligations or the Contract.

the Contractor of any time, indulgence, forbearance or concession, or the making of an arrangement for the benefit of the Beneficiary in respect of the Guaranteed Obligations or the Contract.

**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 only may:

subrogate to the Contractor the 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 only may:

5.1.1 of subrogation to the Contractor;

subrogate to the Contractor the 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 only may:

5.1.2 to take the benefit of any security or other guarantee provided to the Contractor by the Guarantor;

subrogate to the Contractor the 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 only may:

5.1.3 to prove in the courts as permitted by the law of the jurisdiction in which the Contractor is domiciled as a result of the exercise of its rights under this clause on trust for the Beneficiary.

subrogate to the Contractor the 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 only may:

5.2 The Guarantor hereby irrevocably and exclusively assigns to the Contractor and its assigns all rights, claims and remedies payable under this clause on trust for the Beneficiary.

subrogate to the Contractor the 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 only may:

5.3 Following the taking of any security or any other compromise or arrangement for the benefit of the Contractor, the Guarantor shall retain any right or remedy that it may have against the Contractor in respect of any amount paid or other obligation performed by the Contractor.

subrogate to the Contractor the 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 only may:

**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:

subrogate to the Contractor the 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 only may:

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

subrogate to the Contractor the 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 only may:

6.1.2 free and clear of any deduction or withholding for or on account of any taxes;

subrogate to the Contractor the 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 only may:

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

subrogate to the Contractor the 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 only may:

6.3 If any deduction or withholding for or on account of any taxes is made in respect of any payment made by the Guarantor to the Beneficiary under this Deed, the sum payable shall be increased by the amount of such deduction or withholding so that the net sum equal to the amount payable to the Beneficiary receives and retains a net sum equal to the amount payable to the Beneficiary had no such deduction or withholding been made.

subrogate to the Contractor the 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 only may:

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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 any Obligations shall only be effective upon the terms and conditions

this Deed, or of any Guaranteed Obligations and then only for the purpose and conditions given

8. **Severability**

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

this Deed shall not affect the enforceability of any other provisions

9. **Assignment by Beneficiary**

The Beneficiary may assign its rights under this Deed to any person without the consent of the Guarantor or Contractor provided that the Beneficiary notifies the Guarantor before any such assignment

ed at any time without the consent of the Guarantor or Contractor provided that the Beneficiary notifies the Guarantor before any such assignment

10. **Notices**

Any notice or demand given in connection with this Deed shall be in writing, served on any party at the address by post or by hand to that other party, and marked for attention

in connection with this Deed shall be in writing, served on any party at the address by post or by hand to that other party's above mail address previously provided by that other party, and marked for attention

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 be subject to the exclusive 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

Attach [Signature] of [Name] of [Company] of [Address] of [City] of [Country] [Signature] of [Name] of [Company] of [Address] of [City] of [Country]

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

and delivered this document as a Deed the day and year first above written

**GUARANTOR**

[Signed by <<Insert name of Guarantor>>]

[signature of Guarantor] .....

In the presence of

<<Insert name & address of witness>>

Occupation: .....

[signature of witness] .....

**OR**

[<<Insert name of Guarantor>> Limited]

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acting by

<<Insert name of director of Guarantee of Performance of Sole Trader (Unlimited)>>

[signature of director] .....

Director

<<Insert name of director or secretary of Guarantee of Performance of Sole Trader (Unlimited)>>

[signature of director/secretary] .....

Director/Secretary]

**BENEFICIARY**

[<<Insert name of Beneficiary>> Limited]

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] .....

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**CONTRACTOR**

[Signed by

<<Insert Full Name of Self-Employed Person/Contractor>>

[trading as

<<Insert Trading Name or Style above>>]

not trading under own name as

[signature of Contractor] .....

In the presence of

<<Insert name & address of witness>>

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Occupation: .....

[insert signature of witness] .....

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