Personal guarantee of company debt

This (Guarar	ntee is dated: [date]	
The p	arties a	are:	
	_ender' ■ ■ ■		umber [number] = = = = = = = = = = = = = = = = = =
	Borrow [∎∎∎		number [number] = = = = = = = = = = = = = = = = = = =
The "(Guaran	tor" [name] whose ■	[]
Back	ground	i	
The G	uarant	or has an interest in	the Borrower.
The B	orrowe	er is in the business o	of [business type] and has agreed with the Lender to
By thi	is Gua	rantee:	
1.	Defi	nitions	
	"Gua	rantee"	means the guarantee set up • • • • • • • • • • • • • • • • • •
	"Orig	inal Contract"	means a contract dated [date] whereby the Lender agreed to lend and the Borrower to borrow • • • • • • • • • • • • • • • • • • •
2.	The	Guarantee	
	2.1.	Subject to this agre amounts due from t	time to time • • • • ;
	OR		
	2.2.	balance from time to are set out in the O	ement, the Guarantor now guarantees to pay the o time outstanding on the loan, full details of which riginal Contract and which today is the sum of

OR	
2.3.	Subject to this agreement, the Guarantor now guarantees to pay all amounts due from time to time by the
2.4.	If the Borrower fails to make a payment or fails If the Borrower fails to make a payment or fails
2.5.	If a petition to the Court is presented by
2.6.	The Guarantor agrees that his obligations are made to the
2.7.	Any variation to the terms of the Original Contract shall not affect the ■
2.8.	Guarantor agrees to indemnify the Lender against all liabilities
Gua	rantor's continuing liability
3.1.	Without affecting the Borrower's obligations, the Guarantor shall be liable under this Guarantee as if

3.

		• • • • • • • • • • • • • • • • • • •
3.2.	Lender	uarantor waives any rights he may have of first requiring the to proceed against or claim from the ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	•.	
3.3.		bilities and obligations = = = = = = = = = = = = = = = = = = =
	3.3.1	neglect, delay or forbearance of
	3.3.2	the giving of time • • • • • • • • • • • • • • • • • • •
	3.3.3	any variation • • • • • • • • • • • • • • • • • ;
	3.3.4	the assignment of Original Contract; or
	3.3.5	the insolvency or liquidation
	3.3.6	termination of Original • • • • • • • • • • • • • • • • • • •
	3.3.7	any other act, omission, matter or thing whatever whereby (but
Limi	tation	s on Guarantee
4.1.	The su	m due under the Guarantee
4.2.	[The ob	oligations of the

4.

	4.3.					
	4.4.					
5.	Inde	emnity				
	■ ■ ,					
6.	Ass	Assignment of Guarantee				
	6.1.					
	OR, A	ALL OF				
	6.2.					
	6.3.					
	6.4.					
7.	Misc	cellaneous matters				
	7.1.					

1.2.	,
	It shall be deemed to have been delivered:
	■■■;
	• • • • • • • · · · · · · · · · · · · ·
7.3.	,
7.5.	
	••••

Signed by [personal name] on behalf of [named Lender] as its representative who personally accepts liability for the proper authorisation by [named Lender] to enter into this agreement.

Signed by [personal name] on behalf of [named Borrower] as its representative who personally accepts liability for the proper authorisation by [named Borrower] to enter into this agreement.

Signed by the [Guarantor]

Explanatory notes:

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General notes

1. Why use defined terms?

2. What you should delete

We have drawn this agreement widely to cover many options for your guarantee deal. Many terms overlap to give you the option of which to choose. Each alternative is clear and concise. You should simply delete what you do not

3. Brackets, blue font and changes

Words in square brackets are mere suggestions for your consideration. Blue markings in the text indicate places where text or figures are for your choice or insertions are required. However, there are also places where you may decide which of two alternative paragraphs you want. However,

Paragraph specific notes:

Notes relating to individual paragraphs

Definitions

1.

	The identities of the Borrower and Lender are set down here because they are parties. A very simple guarantee could be
	By all means edit the defined names if you prefer. You can either personalise by using abbreviated versions of the company names or you can "
2.	The Guarantee
	This sets up the guarantee and binds the guarantor to the original
3.	Guarantor's continuing liability
	This paragraph strengthens the position of the lender. It sets the guarantee in concrete.
4.	Limitations on Guarantee
	This paragraph has the opposite effect of the previous
5.	Indemnity
	A simple indemnity to protect the guarantor fully.
6.	Assignment of Guarantee
	If you leave this in ••••, •••••••.
	Normally, an assignment of the rights under

7.	Miscellaneous matters
	A number of special points. We have identified each of these as important to
	These are just as valid in

End of notes