# **Guarantee of contract performance**

guaran	tee agreement is dated:
nade by	<b>y</b> :
m Web	omaster] of [address] ( ■ ■ ■ ■ " ■ ■ ■ ").
ation [r	Ltd] a company incorporated in England and Wales [under company number] and whose registered • • • • • • • • • [ • • • • • • • • •
ame] o	of [full address], ( ■ ■ ■ ■ " ■ ■ ■ ").
ow agr	reed:
Basi	is of contract
1.1.	This agreement is supplemental to an agreement (the "Original Contract") dated [date] • • • • • • • • • • • • • • • • • • •
1.2.	In return for consideration of [the commercial relationship between the Contractor and the Guarantor, and the forbearance of the Client / other consideration] the Guarantor now agrees to guarantee • • • • • • • • • • • • • • • • • •
1.3.	This agreement is intended to be a binding legal document. Each party acknowledges that he has entered into this agreement voluntarily
1.4.	The Guarantor hereby acknowledges and agrees that he has read and consents to the signing of this guarantee •••••••••••••••••••••••••••••••••••
The	guarantee
2.1.	The Guarantor hereby irrevocably gives the   I I I I I I I I I I I I I I I I I I
	m Web Dude ration [u ame] of ow agr 1.1.  1.2.  1.4.  The

		2.1.1	every statement, warranty and disclosure by the Contractor in the <b>*** ***</b>
		2.1.2	the obligations of the Contractor set out in paragraphs [enter paragraph numbers] of the Original ••••;
		2.1.3	he will procure that every obligation of the Contractor
		2.1.4	he will indemnify the Client against all costs whatever, caused by any failure of the Contractor
		2.1.5	the performance of all other obligations of the
	2.2.		ient and the Contractor hereby agree that the Guarantor may ne in any part of the performance
	2.3.		ient undertakes to respond to any request by and to attend any g with, the Guarantor insofar as it
3.	Cha	anged	terms of the Original Contract
3.		mple cha	terms of the Original Contract  anges. You insert whatever text
3.	[Exai	mple cha I.]. The G withou modifie	
3.	[Exai	The G withou modific	uarantor agrees that the Contractor shall have the full right, t any notice to or consent from Guarantor, to make any and all cations or amendments to the Original Contract without affecting,
3.	[Exall ■ ■ ■ 3.1.	The G withou modific	uarantor agrees that the Contractor shall have the full right, t any notice to or consent from Guarantor, to make any and all cations or amendments to the Original Contract without affecting,
3.	[Exall ■ ■ ■ 3.1.	The G withou modifice Parage "[Inser	uarantor agrees that the Contractor shall have the full right, t any notice to or consent from Guarantor, to make any and all cations or amendments to the Original Contract without affecting, and the Original Contract without affecting and th

3.5.	There	shall be a penalty deduction from money due to the Contractor
	deduct	ery day by which the new Completion Date is late, there shall be ed from any money due to •••••••••••••••••••••••••••••••••••
3.6.	[Insert	other change?].
Gua	ranto	r's continuing liability
4.1.	liable u Origina	t affecting the Contractor's obligations, the Guarantor shall be inder this guarantee agreement as if he were the party to the il Contract. Accordingly, the Guarantor shall not be discharged,
4.2.	remain the Ori	uarantor's obligations under this guarantee agreement will fully effective until all of the obligations of the Contractor under ginal
4.3.		bilities and obligations of the Guarantor under this guarantee nent ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	4.3.1	variation in the terms of the ■ ■ ■ ■ ■ ■ ■ ; ■ ■ ■
	4.3.2	assignment of the Original Contract; or
	4.3.3	insolvency or liquidation of any party ■ ■ ■ ■ ■ ■ ■ ■ ■ ;
	4.3.4	termination of the Original Contract whether by operation ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	4.3.5	other act, omission, or event whereby ( • • • • • • • • • • • • • • • • • •
Righ	nts wa	nived
5.1.		uarantor waives any rights he may have of first requiring the

4.

5.

5.2.		uarantor hereby expressly waives all defences which might ute a legal or equitable		
	••••	[ / / ].		
Gua	ranto	r's indemnity for costs		
6.1.		uarantor agrees to indemnify the Client against all liabilities		
	••••	••••		
6.2.	The Guarantor agrees that his liability under this guarantee agreement shall be continuing, absolute, primary,			
	••••			
	••••	• • • • • ].		
6.3.	The G	uarantor accepts that the Client is under no obligation to ■ ■ ■ ■		
6.4.		uarantor will, upon demand, pay the Client any amount [ ■ ■ ■ ■		
		],		
6.5.	This g	This guarantee is limited to:		
	6.5.1	the sum of [sum] in total;		
	6.5.2	claims notified to the Guarantor ■ ■ ■ [ ■ ■ ■ ■ ] ■ ■ ■ ■ ■		

6.

# 7. Assignment of guarantee

8.

7.1.	The Client may assign all or any of his
7.2.	If he does so, then a written
7.3.	In the event of such assignment, all the
Mis	cellaneous matters
8.1.	No amendment or variation to this agreement
	,
8.2.	So far as any time, date or period is
8.3.	If any term or provision of this agreement is at any time held by any jurisdiction to be void, invalid or unenforceable, then it shall be treated
8.4.	The rights and obligations of the
	<b>.</b> .
8.5.	No failure or delay by any party to exercise any right, power or ■ ■ ■ ■

8.6.	Any communication to be served on either of the parties
	It shall be deemed to have been delivered:  if delivered • • • • • • • • • • • • • • • • • • •
	if sent by post
8.7.	In the event of a dispute between the parties to this agreement,
8.8.	This agreement does not give any right to any third party   1999 /   2017
8.9.	In the event of any conflict between any term of this agreement and the
8.10.	The validity, construction and performance of •••••••••••••••••••••••••••••••••••
8.11.	This agreement is made only in the English language. If there is any

This guarantee agreement becomes effective on the date it is signed.	
Signed by the Client:	
	e] on behalf of [named Contractor] as its representative ibility for the proper authorisation by [named Contractor] to
Signed by the Guarantor	:
Execution as a deed:	• • • • • • • • • • • • • • • • • • •
	e named parties by their representatives who personally er authorisation by their respective employer or principal to
	,,,,,,,
[Name]:	
Signature:	
Witness:	signature:
Name:	
Address:	

	,,,,,,
[Name]:	
Signature:	
Witness:	signature:
Name:	
Address:	
Signature:	
Witness:	signature:
Name:	
Address:	

## **Explanatory notes:**

### **Guarantee of contract performance**

### **General notes**

1. 2. It has been drawn to be very tough against the guarantor and in favour of the client. However, paragraph 6 is the fallback for the guarantor. Our approach is therefore to put the guarantor strongly on the line but limit his total liability. .............................. 3. This is a very flexible agreement. You will not require all of the provisions. You may have a simple guarantee of money or you may have changed the terms 4. Recognition of our copyright in this document We assert our copyright in this document. When you downloaded it, you agreed to our terms and conditions, which set out in full how it may and may not be used. Without amending those terms, we remind you that you may not ........... Once you have edited the document for final use, you may remove the .................... 5. **Document review service** If you would like our legal team to check your edited version, we - - - -Please contact our support team at <a href="mailto:support@netlawman.co.uk">support@netlawman.co.uk</a> for further

## **Paragraph Specific notes**

Notes numbering refers to paragraph numbers.

### 1. Basis of contract

information.

	This paragraph is concerned with the basics on the   I I I I I I I I I I I I I I I I I I
	Carefully edit sub paragraph 2 by describing the reason why the guarantor should come in. If there is no reason, the guarantor could claim later that he is not bound to this guarantee agreement because he has received no "consideration". The most likely
2.	The guarantee
-	Make sure you set down precisely what you want the guarantor to guarantee.  In this example, we have provided
	When a contract goes wrong, the new deal to put it right could be anything, so we do not know what exact words you will need.
	••••••
	You could edit this paragraph so as to leave a simple guarantee of the obligations of the contractor. However, the agreement will be stronger if the obligations are specified.
3.	Changed terms of the Original Contract
	This is where we have added the penalty and also provided the words for incorporating any other changes you might need.
4.	Guarantor's continuing liability
	This covers a
5.	Rights waived
	J · · · · · · · · · · · · · · · · · · ·

6. **Guarantor's indemnity for costs** In law, a guarantee covers ............ . . . . . . . . . . . . . . . . . . ............. 7. **Assignment of guarantee** Normally, an assignment of the rights under a guarantee agreement would require .,........... \_\_\_\_\_/\_\_/ . . . . . 8. Miscellaneous matters A number of special points. We have identified each of these as important to ........... 

## **End of notes**

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We have no comment.