

PERFORMANCE GUARANTEE BOND

THIS **GUARANTEE BOND** is made as a deed BETWEEN the following parties whose names and registered office addresses are set out in the schedule to this Guarantee Bond (the "**Schedule**"):-

- (1) The "**Contractor**" as principal
- (2) The "**Guarantor**" as guarantor, and
- (3) The "**Employer**"

WHEREAS

- (1) By a contract (the "**Contract**") entered into or to be entered into between the **Employer** and the **Contractor** (particulars of which are set out in the **Schedule**) the **Contractor** has agreed with the **Employer** to execute works (the "**Works**") upon and subject to the terms and conditions therein set out
- (2) The **Guarantor** has agreed with the **Employer** at the request of the **Contractor** to guarantee the performance of the obligations of the **Contractor** under the **Contract** upon the terms and conditions of this **Guarantee Bond** subject to the limitation set out in clause 2.

NOW THIS DEED WITNESSES as follows:-

1. The **Guarantor** guarantees to the **Employer** that in the event of a breach of the **Contract** by the **Contractor** the **Guarantor** shall subject to the provisions of this **Guarantee Bond** satisfy and discharge the damages sustained by the **Employer** as established and ascertained pursuant to and in accordance with the provisions of or by reference to the **Contract** and taking into account all sums due or to become due to the **Contractor**
2. The maximum aggregate liability of the **Guarantor** and the **Contractor** under this **Guarantee Bond** shall not exceed the sum set out in the **Schedule** (the "**Bond Amount**") but subject to such limitation and to clause 4 the liability of the **Guarantor** shall be co-extensive with the liability of the **Contractor** under the **Contract**.
3. The **Guarantor** shall not be discharged or released by any alteration of any of the terms conditions and provisions of the **Contract** or in the extent or nature of the **Works** and no allowance of time by the **Employer** under or in respect of the **Contract** or the **Works** shall in any way release reduce or affect the liability of the **Guarantor** under this **Guarantee Bond**.
4. Whether or not this **Guarantee Bond** shall be returned to the **Guarantor** the obligations of the **Guarantor** under this **Guarantee Bond** shall be released and discharged absolutely upon **Expiry** (as defined in the **Schedule**) save in respect of any breach of the **Contract** which has occurred and in respect of which a claim in writing containing particulars of such breach has been made upon the **Guarantor** before **Expiry**.
5. The **Contractor** having requested the execution of this **Guarantee Bond** by the **Guarantor** undertakes to the **Guarantor** (without limitation of any other rights and remedies of the **Employer** or the **Guarantor** against the **Contractor**) to perform and discharge the obligations on its part set out in the **Contract**.
6. This **Guarantee Bond** and the benefit thereof shall not be assigned without the prior written consent of the **Guarantor** and the **Contractor**.
7. The parties to this **Guarantee Bond** do not intend that any of its terms will be enforceable, by virtue of The Contracts (Rights of Third Parties) Act 1999 or otherwise, by any person not a party to it.

EHUK Reference No.

PERFORMANCE GUARANTEE BOND

8. This **Guarantee Bond** shall be governed by and construed in accordance with the laws of England and Wales and only the courts of England and Wales shall have jurisdiction hereunder

THE SCHEDULE

Contractor: whose registered office address is at

Guarantor: **Euler Hermes UK plc** whose registered office address is at 1 Canada Square, London, E14 5DX.

Employer: whose address is at

Contract: A contract dated _____ for the construction of works comprising
at _____ (the "**Works**").

Bond Amount: £ (_____).

Expiry: which shall be conclusive for the purposes of this **Guarantee Bond**.

IN WITNESS whereof the Guarantor and the Contractor have executed and delivered this Guarantee Bond as a Deed this _____ day of _____ 200 .

EXECUTED AND DELIVERED as a Deed by

in the presence of:

Director:

Secretary:

Executed on behalf of
Euler Hermes UK plc
by its duly appointed attorney

ATTORNEY
(Signature) :

Name (Block Capitals) :

ATTORNEY
(Signature) :

Name (Block Capitals) :

In the presence of:

WITNESS
(Signature) :

Name (Block Capitals) :

Address : Surety House, Lyons Crescent, Tonbridge, Kent, TN9 1EN