A4

**PERFORMANCE BOND**



THIS GUARANTEE BOND is made BETWEEN the following parties whose names and addresses or registered offices 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

a. By a contract (hereinafter called "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 (hereinafter called "the Works") upon and subject to the conditions therein set out.

b. 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 limitations set out in paragraph 2 hereof.

NOW THIS DEED WITNESSES that

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

**IN WITNESS WHEREOF** this Agreement on this and the preceding [XX] pages together with the Schedule annexed are executed as follows:

Subscribed for and on behalf of the **Contractor:**

at on ………………..day of ……………..2021 as follows:-

 (Director/Authorised Signatory)

 (Full name of Director/Authorised Signatory)

 (Director/Authorised Signatory/Witness)

 (Full name of Director/Authorised Signatory/ Witness)

 (Address of Witness, if applicable)

Subscribed for and on behalf of the **Guarantor:**

at on ………………..day of ……………..2021 as follows:-

 (Director/Authorised Signatory)

 (Full name of Director/Authorised Signatory)

 (Director/Authorised Signatory/Witness)

 (Full name of Director/Authorised Signatory/ Witness)

 (Address of Witness, if applicable)

Subscribed for and on behalf of the **Employer:**

at on ………………..day of ……………..2021 as follows:-

 (Director/Authorised Signatory)

 (Full name of Director/Authorised Signatory)

 (Director/Authorised Signatory/Witness)

 (Full name of Director/Authorised Signatory/ Witness)

 (Address of Witness, if applicable)

**THIS IS THE SCHEDULE REFERRED TO IN THE FOREGOING BOND BETWEEN [GUARANTOR][CONTRACTOR] AND [EMPLOYER]**

**THE SCHEDULE**

The Contractor: [company name] ([company number]) whose registered office is at [registered office]

The Guarantor: [company name] ([company number]) whose registered office address is at [registered office]

The Employer: [company name] ([company number]) whose registered office address is at [registered office]

The Contract: A contract [dated the [insert day] day of [insert month] 202[insert year]] [to be entered into] between the Employer and the Contractor in the format known as ……… ……… ……… for the construction of ……… ……… ……… ……… at ……… ……… ……… ……… for the original contract sum of £........ (........ ........ ........ pounds)

The Bond Amount: the sum of £........ (........ ........ ........ ........ ........ pounds)

Expiry: the date of Practical Completion as determined in accordance with the Contract, which shall be conclusive for the purposes of this Guarantee