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## GUARANTEE AGREEMENT

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BETWEEN

[Guarantor]

AND

[Borrower]

AND

[Bank name]

DATED

[date, year]

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DRAFT

# GUARANTEE AGREEMENT

This guarantee agreement ("**the Agreement**") is considered a written confirmation of what has been agreed as from [date, year] ("**Effective Date**"),

## BETWEEN

1. Company [company name], form [company form], incorporated under the laws of the [Country] and having its registered office at [full address], and hereinafter referred to as "**Guarantor**";

## AND

2. Company [company name], form [company form], incorporated under the laws of the [Country] and having its registered office at [full address], and hereinafter referred to as "**Borrower or Beneficiary**";

## AND

3. [Bank name], a financial institution incorporated under the [relevant law] and having its registered office at [full address], and hereinafter referred to as "[bank name]".

Jointly hereinafter referred to as "**Parties**"

## Whereas:

1. The purpose of this guarantee is to enable the Borrower [to expand its business operations/avail an additional loan/credit facility to conduct its routine business operations or any other reason].
2. The parties wish to formally lay down the provision of guarantee by the Guarantor on behalf of the Borrower.

**NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, PARTIES AGREE AS FOLLOWS:**

## Article 1 Guarantee

1. Subject to the terms and conditions set forth in this Agreement, the Guarantor hereby guarantees, irrevocably and unconditionally to [bank name], payment of the outstanding and unpaid principal amount of the loan, interest on the principal amount of the loan and interest on any due and unpaid amounts owing by the Borrower to [bank name], provided however that the maximum liability of Guarantor shall not at any time exceed [guaranteed amount], i.e., the guaranteed amount; and

enforceable and valid provision of which the economic effect comes as close as possible to that of the unenforceable or invalid provision.

3. The headings or titles used in this Agreement are for the purpose of convenience only and are not to be used in construing the meaning or intent of this Agreement.

## **Article 9      Applicable law and dispute settlement**

This Agreement is governed by the law of the state in which parties to this agreement are located. Any term of this Agreement that does not comply with applicable law will not be effective if that law does not expressly or impliedly permit variations by agreement. If any part of this Agreement cannot be enforced according to its terms, this fact will not affect the balance of this agreement.

## **Article 10      Contacts**

In order to comply with the contractual obligations, the Parties may appoint the following persons to be responsible:

On behalf of the Guarantor:

[Name, telephone, e-mail and postal address].

On behalf of the Borrower:

[Name, telephone, e-mail and postal address].

On behalf of [bank name]:

[Name, telephone, e-mail and postal address].

**IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT, TO BE EFFECTIVE AS OF THE EFFECTIVE DATE.**

**[Guarantor]**

**[Borrower]**

**[bank name]**

\_\_\_\_\_  
Signed by

Name:

Title:

Date:

\_\_\_\_\_  
Signed by

Name:

Title:

Date:

\_\_\_\_\_  
Signed by

Name:

Title:

Date: