

C 1.3 Form of Guarantee
(10% of Contract Sum)

Contract No.

WHEREAS

.....
 (hereinafter referred to as the Employer") entered into, a Contract with

(hereinafter called "the Contactor") on theday of.....20....,
 for the construction of

at

AND WHEREAS it is provided by such Contract that the Contractor shall provide the Employer with security
 by way of a guarantee for the due and faithful fulfilment of such Contract by the Contractor;

AND WHEREAS
 has/have at the request of the Contractor, agreed to give such guarantee;

NOW THEREFORE WE,do hereby
 guarantee and bind ourselves jointly and severally as Guarantor and Co-principal Debtors to the Employer
 under renunciation of the benefits of division and excussion for the due and faithful performance by the
 Contractor of all the terms and conditions of the said Contract, subject to the following conditions:

- 1 The Employer shall, without reference and/or notice to us, have complete liberty of action to act in any manner authorised and/or contemplated by the terms of the said Contract, and/or to agree to any modifications, variations, alterations, directions or extensions of the completion date of the Works under the said Contract, and that its rights under this guarantee shall in no way be prejudiced nor our liability hereunder be affected by reason of any steps which the Employer may take under such Contract, or of any modification, variation, alterations of the completion date which the Employer may make, give, concede or agree to under the said Contract.
- 2 This guarantee shall be limited to the payment of a sum of money
- 3 The Employer shall be entitled, without reference to us, to release any guarantee held by it, and to give time to or compound or make any other arrangement with the Contractor.
- 4 This guarantee shall remain in full force and effect until the issue of the Certificate of Completion / Certificate of Final Competition[1] in terms of the Contract, unless we are advised in writing by the Employer before the issue of the said Certificate of his intention to institute claims, and the particulars thereof, in which event this guarantee shall remain in full force and effect until all such claims have been paid or liquidated.
- 5 Our total liability hereunder shall not exceed the Guaranteed Sum of

 (R.....)
- 6 The Guarantor reserves the right to withdraw from this guarantee by depositing the Guaranteed Sum with the beneficiary, whereupon our liability hereunder shall cease.
- 7 We hereby choose our address for the serving of all notices for all purposes arising herefrom as

IN WITNESS WHEREOF this guarantee has been executed by us at
 on thisday of20.....

As witnesses:

1.Signature
 2.Duly authorized to sign on behalf of
- Address
