

## Draft of Guarantee for One Customer by One Surety

To,

The Manager,

\_\_\_\_\_ Bank Ltd.,

\_\_\_\_\_.

Dear Sir,

In consideration of your opening (or continuing) an account with \_\_\_\_\_ of \_\_\_\_\_ (hereinafter called "the customer") I \_\_\_\_\_ of \_\_\_\_\_ hereby agree to pay and satisfy to you two days after demand upto the amount hereinafter mentioned all moneys and liabilities already advanced, paid in, incurred on such account or which you may at any time advance, pay or incur to or for the use, of accommodation of or on the credit of the customer (whether on current account or by way of opening or continuation of any new account special or otherwise in respect of, bills of exchange, promissory notes, of other negotiable securities drawn, accepted, or endorsed by him, or otherwise, howsoever), together with all interest, discount, commission and other banking charges, law and other costs, charges and expenses, which may be or may become payable in connection therewith.

Provided nevertheless that my liability on this guarantee shall not exceed in the whole the sum of Rs. \_\_\_/- and interest thereon at the rate of \_\_\_\_\_ per cent per annum from the date on which demand for payment shall have been made by you upon me.

AND I FURTHER AGREE as follows:

1. This guarantee shall be continuing guarantee and in full force until three calendar months after I shall have given or sent to you notice in writing of any intention to discontinue and determine the same and shall have paid to you all moneys up to the limit of my liability due at the expiration of such notice and in the event of my dying or becoming under disability the liability of my executors, administrators, or legal personal representatives to determine this guarantee; and you shall be at liberty on receipt of such notice at any time within and the three calendar months to open a fresh account with the customer, and to appropriate thereto all payments subsequently made to you by him and not express appropriated by him to the old account without prejudice to my said liability to the extent aforesaid.
2. You shall in any case be at liberty, and without my further assent or knowledge at any time to grant to the customer or any person liable with or for him, whether as guarantor or otherwise, any time or indulgence, and to determine, enlarge or vary his credit, and to vary, exchange or release any other securities held or to be held by you for or on account of the moneys intended to be hereby secured or nay part thereof, and to renew any bills, notes, or other negotiable securities, and to compound or make any other arrangements with him or any person to liable with or for him, as you may think fit without discharge or in any manner affecting any liability under this guarantee.

3. If the customer shall become bankrupt or insolvent or enter into any arrangement or make any composition with his creditors, you may (notwithstanding payment to you by me or any other person of the whole or any part of the amount hereby guaranteed) rank as creditors and prove against his estate for the full amount of your claim, or agree to accept any composition in respect of the same, and you may and shall receive and retain the whole of the dividends, composition or other payments thereon, to the exclusion of all my rights as guarantor for the customer in competition with you, until your claim is fully satisfied; and I will not, by paying off the sum guaranteed or any part thereof, or upon any other ground, prove or claim to prove in respect of the sum guaranteed for or any part thereof, until the whole of your claim against the customer has been satisfied.
4. To the intent that you may obtain satisfaction of the whole of your claim against the customer I agree that you may enforce and recover upon the guarantee the full amount hereby guaranteed and interest thereof notwithstanding any such proof of composition as aforesaid and notwithstanding any other guarantee, security or remedy guarantees, securities, or remedies, which you may hold or be entitled to in respect of the sum intended to be hereby secured or any part hereof, and notwithstanding any charges or interest which may be debited in your account current with the customer, or in any other account upon which he may be liable.
5. Notwithstanding anything hereinabove contained this guarantee shall extend to all accounts of the customer whether the same are his solely or are accounts on which he is or may become liable jointly, in any manner whatsoever, with any company or person or persons, and in whatever name or firm the same may stand; and this guarantee shall not be affected by any change in the constitution of the bank; its successors or assigns; or by its absorption of or by, or its amalgamation with, any other bank of banks.

As witnessed my hand this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_

Witness to the signatures of the \_\_\_\_\_)

Above named \_\_\_\_\_)

Name and address and occupation of)

witness.)