

DIRECTOR'S GUARANTEE

BY GIVING THIS GUARANTEE YOU MIGHT BECOME LIABLE INSTEAD OF, OR AS WELL AS, THE COMPANY OR LIMITED LIABILITY PARTNERSHIP NAMED BELOW

YOU SHOULD SEEK INDEPENDENT LEGAL ADVICE BEFORE ENTERING INTO THIS GUARANTEE

THIS GUARANTEE AND INDEMNITY is made BY DEED in favour of Paragon Bank PLC of 51 Homer Road, Solihull, West Midlands, B91 3QJ

On (date) (DD MM YYYY)

By (Name of Director) ("Guarantor")

In respect of ("the Borrower")

NOW THIS DEED WITNESSES and you agree:

1. ABOUT THIS GUARANTEE

- 1.1 For clarity this Guarantee has been arranged under different headings, but they do not affect its meaning. Words used in the singular include the plural and vice versa unless the context requires otherwise.
- 1.2 Each of the terms of this Guarantee can be separated from the others so that if one or more of them becomes unenforceable the remainder will not be affected in any way.
- 1.3 The definitions in 1.4 and above apply if not inconsistent with the subject or context in which they appear and are flagged by capital letters throughout this Guarantee.
- 1.4 When the following words and phrases appear in this Guarantee they have these meanings:
 "Agreements" means all vehicle finance agreements (whether oral or in writing) made between the Borrower and the Lender, whether or not any other person is also a party and whether made before, or after, the date of this Guarantee;
 "Borrower" means the company or Limited Liability Partnership named above;
 "Guarantee" means this Guarantee and indemnity as modified from time to time, including any document supplement to it or which states it is entered into in accordance with its terms;
 "Guarantor" (also you, your, yours) means the person named above and includes your personal representatives;
 "Interest Rate" means 4% per annum above Barclays Bank PLC's base rate;
 "Lender" (also we, us, our) means Paragon Bank PLC and our assignees (legal and equitable) and the persons deriving title through us or them;
 "Rights" mean the benefit of any security or other right or claim from, or against, any other person in respect of your liability under this Guarantee.
- 1.5 References to a person are to be read so as to include references to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, local or municipal authority, association (whether or not having separate legal personality) as well as an individual. References to the singular include the plural and vice versa.

2. GUARANTEE AND INDEMNITY

- 2.1 You unconditionally guarantee:
 - 2.1.1 to pay to us, when asked, all sums of money which the Borrower may now, or in the future, be liable to pay under, or in connection with, the Agreements;
 - 2.1.2 that the Borrower will keep to and perform all its obligations under the Agreements;
- 2.2 You unconditionally agree to indemnify us and keep us indemnified in full, when asked, against all losses, costs and expenses incurred by us arising from, or in connection with, any of:
 - 2.2.1 our entering into an Agreement;
 - 2.2.2 any of the provisions of an Agreement being or becoming void, voidable, invalid or unenforceable for any reason; or
 - 2.2.3 the failure by the Borrower to keep to its obligations under an Agreement.
- 2.3 Your obligations under 2.2 are in addition to, and independent from, your obligations under 2.1.

3. OUR PROTECTION

- 3.1 This Guarantee:
- 3.1.1 is given as security for the sums referred to in 2.1.1;
 - 3.1.2 cannot be cancelled or revoked by you; and
 - 3.1.3 shall continue until we release or discharge you in writing from your obligations under it.
- 3.2 None of your liabilities under this Guarantee shall be reduced, discharged or adversely affected by:-
- 3.2.1 the modification, discharge, exchange or renewal of any right which we have (or may in the future have) from, or against, the Borrower or any other person, including any other guarantor assuming obligations to the Lender similar to those assumed by you under the Guarantee;
 - 3.2.2 any dealings or transactions between us and the Borrower or any other person;
 - 3.2.3 any compromise, scheme or arrangement affecting the Borrower or any other person;
 - 3.2.4 any act, or failure to act, by us or any other person in taking up or enforcing any security or guarantee from, or against, the Borrower or any other person;
 - 3.2.5 any termination or modification of an Agreement (including in particular, any change to the interest rate or any further advance we may make to the Borrower) or change or modification of the vehicle that is subject to any Agreement;
 - 3.2.6 our allowing the Borrower or any other person time to do, or not to do at all, something which it or they are obliged to do;
 - 3.2.7 the insolvency, bankruptcy, liquidation, administration, winding-up, incapacity, limitation, or disability of the Borrower or any other person;
 - 3.2.8 any change in the constitution, name, ownership, status, function or style of the Borrower or any other person;
 - 3.2.9 the invalidity, illegality, unenforceability or irregularity of any actual or purported obligation of the Borrower or any other person;
 - 3.2.10 any act, failure to act or event which but for this provision might have discharged or reduced your liability under this Guarantee.
- 3.3 As an original and independent obligation under this Guarantee you agree that any sum referred to in 2.1 which maybe irrecoverable from you on the footing of a guarantee whether by reason of any limitation or incapacity on, or of, the Borrower or by reason of any other fact or circumstance whatsoever (an whether any such fact or circumstance shall have been known to us or not) shall nevertheless be recoverable from you as though it had been incurred by you as sole and principal debtor and shall be paid by you on demand.
- 3.4 Before taking steps to exercise any of our rights and remedies under this Guarantee we need not:
- 3.4.1 take court action against you or any other person;
 - 3.4.2 make or file any claim in bankruptcy, liquidation, administration or insolvency against you, the Borrower or any other person; or
 - 3.4.3 make demand, enforce or try to enforce any claim or right we may have against you, the Borrower or any other person.
- 3.5 You acknowledge that you have not taken or received, and agree not to take, exercise or receive any Rights.
- 3.6 You will hold any money or security you receive under or in respect of the Rights on trust for us. Any money held will be used to reduce or pay off your liabilities under this Guarantee.
- 3.7 Any dividend or payment ('the distribution') we receive in the liquidation or bankruptcy of the Borrower or any other person shall not prejudice our right under this Guarantee to recover from you the ultimate balance that may remain owing to us from the Borrower after receipt of the distribution.

4. INTEREST

- 4.1 To the extent it is not paid by the Borrower you must pay us interest at the Interest Rate on any amount you owe under this Guarantee from the date it is due until the date of actual payment (both before and after any court order we may obtain against you to pay all or any part of the amount you owe).
- 4.2 Interest shall accrue daily and be compounded monthly (This means that at the end of each month interest charged and unpaid during that period will be added to the account you owe and will itself carry interest going forward).

5. SUSPENSE ACCOUNT

We may place any money we receive under or in connection with this Guarantee in a suspense account.

6. RECEIPTS

We may, at any time, use any money received by us under or in connection with this Guarantee (including any placed in a suspense account under 5) to pay off or reduce your obligations under this Guarantee in whatever order, amount or proportion we choose.

7. DISCHARGE TO BE CONDITIONAL

- 7.1 Any release, discharge or settlement between us in relation to this Guarantee shall be conditional upon no payment made to us by you or any other person being void, set aside or ordered to be refunded in whole or in part for any reason.
- 7.2 If a payment is void or at any time set aside or ordered in whole or in part to be refunded, we may enforce this Guarantee against you as if the release, discharge or settlement concerned has not occurred and we had not received the payment to that extent.

8. PAYMENTS

You must pay all sums payable by you to us under this Guarantee in full without any set-off, deduction or counterclaim.

9. COSTS & EXPENSES

- 9.1 You must pay, when asked and on a full indemnity basis, all costs and expenses (including legal and out-of-pocket expenses and any Value Added Tax on them) which we incur in:
- 9.1.1 administering this Guarantee;
 - 9.1.2 finding you if you have changed your address;
 - 9.1.3 taking steps (including court action) to:
 - a) recover any amount owed by you under this Guarantee;
 - b) preserving or exercising any of our rights under this Guarantee;
 - 9.1.4 discharging or releasing this Guarantee.
- 9.2 When calculating our costs and expenses we may include a reasonable sum for the time and services of our employees or agents.

10. NOTICES

- 10.1 Every notice or other communication under this Guarantee must be in writing and may be delivered personally or by letter or email.
- 10.2 Any communication to either of us:
 - 10.2.1 by post will be taken to have been received 2 business days after posting to (in our case) our address on the front page of this Guarantee and (in your case) the last correspondence address provided by you;
 - 10.2.2 delivered personally will be taken to have been received on delivery to (in our case) our address on the front page of this Guarantee and (in your case) the last correspondence address provided by you;
 - 10.2.3 by email will be taken to have been received when transmission has been completed to the latest email address provided by the receiving party.

11. DEALINGS WITH GUARANTEE

- 11.1 We may deal with our interest in this Guarantee in any way and as freely as we wish without prior notice to you and without obtaining your consent. In particular we may transfer all or some of our rights and duties that go with this Guarantee to another person.
- 11.2 You may not assign this Guarantee.

12. MISCELLANEOUS

- 12.1 Our strict legal rights under this Guarantee will not be affected if we allow you:
 - 12.1.1 time to make a payment or to do any other thing you may be required to do under it; or
 - 12.1.2 not to do anything that you may be required to do under it.
- 12.2 Our rights under this Guarantee:
 - 12.2.1 are cumulative and in addition to any other rights given us by law;
 - 12.2.2 may be exercised from time to time and as often as we wish.
- 12.3 Any demand or certificate given by us specifying an amount due and payable under or in connection with this Guarantee shall, unless we have made an obvious error, be conclusive and binding on you.
- 12.4 We may, without notice to you, apply any credit balance which we hold on any account in or towards satisfaction of any sum then due and payable by you under this Guarantee.
- 12.5 If we prove that you, as a Guarantor, have supplied false or misleading information in your dealings with us, or have intentionally avoided your responsibilities as Guarantor, including making payments, details will be passed to Fraud Prevention Agencies. You may also be liable to criminal prosecution.

13. LAW AND JURISDICTION

- 13.1 This Guarantee is governed by and shall be construed in accordance with English Law.

SIGNED AND DELIVERED AS A DEED by the said Guarantor

Signature

Home address

Postcode

In the presence of

Witness

Signature

Address

Postcode

Occupation