

Directors' Liability - Director's or Personal Guarantees Guarantee

When operating a business on a limited liability basis, the law states that the company's directors are protected from liability for that business's debts should the company go under.

Occasionally a client may request a director to give assurances to suppliers of goods dealing with your business. This may be facilitated by declaring that you will take on liability for any debts in the event of the company falling by the wayside.

A simple template for this purpose is given below. Members should however take appropriate legal advice beforehand or at least contact the BWF Helpline on 0844 209 2610.

SAMPLE DIRECTOR'S GUARANTEE

(To the supplying company)

Dear Sirs,

I [name of director][address of director] confirm that I am a director of [name of company] having its registered office at [registered office address] and that in consideration of your continuing to supply them I hereby guarantee all liabilities of [name of company] Limited to yourselves howsoever arising and I undertake to indemnify you immediately on first demand without set-off or deduction in respect of all losses, claims, damages, costs and any other indebtedness which may arise.

This guarantee is a continuing security and primary obligation which shall not be affected by any waiver, release or indulgence allowed to [name of company].

Yours faithfully,

Witness Signature

Name:

Address:

Date:

Note: Whilst every effort has been made to ensure the accuracy of advice given, the BWF cannot accept liability for loss or damage arising from the use of the information supplied in this publication.

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